

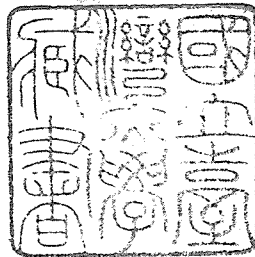
國立臺灣大學圖書館



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2000 NATIONAL DEFENSE REPORT

REPUBLIC OF CHINA



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2000 NATIONAL DEFENSE REPORT

REPUBLIC OF CHINA

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Contents

IX • Preface

XIII • Introduction

Part 1 International Security Environment and the Military Situations

1 Summary

3 Chapter 1 International Security Environments

3 I. Security Situation and Efforts for Peace

5 II. Factors Affecting International Security

11 Chapter 2 International Military Situations

11 I. General Military Situations

15 II. Asia-Pacific Military Situation

23 Chapter 3 PRC's Military Situation

23 I. Strategic Environments

29 II. PRC Military Strategy

30 III. Present PRC Armed Strength

35 IV. All-out Defense Mobilization

36 V. PRC Defense Expenditures

37 VI. Military Modernization

45 VII. Training Exercises

46 VIII. Military Diplomacy

48 IX. Impacts of Beijing's Military Posture to the Asia-Pacific & ROC

12 *Table 1.1. Recent Budgeted Defense Expenditure of Major Nations*

20 *Table 1.2. Current Military Strengths of Southeast Asian Nations*

38 *Table 1.3. Defense Expenditure of PRC in the Last Decade*

31 *Figure 1.1 Estimated Armed Forces Strength Ratio of PRC*

32 *Figure 1.2. Estimated Forces Deployment of PLA*

Part 2 National Security and Defense Policy

51 Summary

53 Chapter 1 General Security Situation

53 I. Security Environments and Cross-Strait Relations

55	II. Sources of Threats
59	Chapter 2 Current Defense Policy
59	I. Objectives of National Defense
60	II. Fundamental Concepts
63	III. Military Policy
65	IV. The Vision of National Defense Military
69	Chapter 3 Guidance for Defensive Operations
71	Chapter 4 All-out Defense Mobilization
71	I. Legal Basis
72	II. Organizational Structure
73	III. Concrete Steps
75	IV. Civil Defense and All-out Defense

Part 3 Defense Resources

77	Summary
79	Chapter 1 Defense Manpower
79	I. General Situation
79	II. Manpower Quality
80	III. Manpower Structure
83	Chapter 2 Material
83	I. Defense Industry
89	II. Defense Technology
94	III. Defense Procurement
98	IV. Land for Military Use
101	Chapter 3 Funding
101	I. Policy
101	II. Estimates of National Finance and of Reasonable Defense Budget
104	III. Comparison of Defense Budgets over the Past Five Years
108	IV. Defense Budget Contents
114	V. Budget Execution of the 1998 and 1999 Fiscal Years

115	VI. High Performance Fighter Procurement Budget Execution
103	<i>Table 3.1. The 1998 Defense Budget Ratio of the GDP of Major Nations</i>
80	<i>Figure 3.1. The Numbers of Eligible Recruits from 2000 to 2004</i>
81	<i>Figure 3.2. The Educational Level of the ROC Officers and Soldiers from 1997 to 1999</i>
82	<i>Figure 3.3. The Age Spectrum of the Forces from 1997 to 1999</i>
96	<i>Figure 3.4. The Procurement Projects in Year 1999</i>
105	<i>Figure 3.5. Defense Budget as a Part of the Entire Budget and GDP</i>
106	<i>Figure 3.6. Comparison of Growth Rates of the Central Government Budget and the Defense Budget</i>
107	<i>Figure 3.7. Non-classified and Classified Defense Budget</i>
110	<i>Figure 3.8. The Allocation of Central Government Budget</i>
111	<i>Figure 3.9. Defense Budget Sharing Structure by Components (July 1999-2000)</i>
113	<i>Figure 3.10. Budget Sharing Structure by Military Objective from July 1999 to the End of 2000</i>
113	<i>Figure 3.11. The Execution of the FY 1998 Defense Budget</i>
114	<i>Figure 3.12. The Execution of the FY 1999 Defense Budget</i>

Part 4 ROC Armed Forces

117	Summary
119	Chapter 1 Regular Forces
119	I. Army
121	II. Navy
123	III. Air Force
125	IV. Military Police
127	Chapter 2 Reserves
127	I. Army Reserves
127	II. Navy Reserves
128	III. Air Force Reserves
129	Chapter 3 The Coast Guard
131	Chapter 4 Military Mobilization

- 131 I. Force Mobilization
- 133 II. Defense Industry Mobilization
- 134 III. Service Muster
- 135 IV. Mobilization Training and Exercises

Part 5 Defense Management

- 137 Summary**
- 139 Chapter 1 Management of Defense Regulations**
 - 139 I. Systematization of Defense Regulations
 - 139 II. The Enactment and Revision of Important Regulations
- 145 Chapter 2 Force Management**
 - 145 I. Protecting Legal Rights and Privileges among Officers and Men
 - 145 II. Psychological Counseling
 - 148 III. The Prevention of Casualty among Military Personnel
 - 148 IV. Enhancing Life Quality in the Military
 - 150 V. Equal Rights for Both Sexes
- 155 Chapter 3 Management of Defense Funds**
 - 155 I. Strengthening the Management of Military Budget
 - 155 II. Enhancing Budget Program for Funds
 - 157 III. Raising Military Pays Reasonably
 - 157 IV. Strengthening Internal Auditing
- 159 Chapter 4 Military-controlled Land and Construction Management**
 - 159 I. Settlement of Land Disputes between the Military and the People
 - 159 II. Enhancing the Quality of Building Construction
- 163 Chapter 5 Management of Defense Information**
 - 163 I. Communications & Information Policy
 - 165 II. Information Systems
 - 166 III. Emphasis Put on Information
- 169 Chapter 6 Management of Arms and Ammunitions**
 - 169 I. Strengthening Warehousing Security

170	II. The Disposal of Unexploded Ordnance
172	III. The Disposal of Invalid Mines in Kinmen
140	<i>Table 5.1. The Achievement of Defense Laws Enacted and Abolished from 1998 to 2000</i>
141	<i>Table 5.2. The Achievement of Defense Laws Amended from 1998 to 2000</i>
146	<i>Table 5.3. The List of “080” Toll Free Numbers of MND and Various Units for Consulting and Appealing</i>
155	<i>Table 5.4. The List of Added and Revised Rules for Defense Budget System</i>

Part 6 Major Defense Reforms and Programs

173	Summary
175	Chapter 1 “Armed Forces Refining Program”
175	I. General Situation
178	II. Future Planning
179	Chapter 2 Organization Reengineering of MND
183	Chapter 3 Improving the Quality of Decision-Making
183	I. Setting up the “Defense Affairs Advisory Committee”
186	II. Setting up “Office of National Defense & Strategic Research”
187	III. Strengthening the Financial Management System
189	IV. Analysis and Application of Accounting Data
189	V. Specific Research Project on National Defense Affairs
191	Chapter 4 Innovating Military Law System
191	I. Origin
191	II. Reformation of Military Justice System
193	Chapter 5 Innovation of Conscription System
193	I. Revising “Military Service Law”
194	II. Synchronizing with Executive Yuan on the Promotion of “Substitution Conscription”
195	III. Selected Defense Technology Reserved Officers (NCOs)
196	IV. Rules of Physical Condition Classification and Reexamination
199	Chapter 6 ROC Armed Forces Manpower Recruitment

199	I. Origin
199	II. General Situation
203	III. Results
205	Chapter 7 Enforcing Military Education
205	I. Establishing National Defense University
206	II. Planning of Continue Education and Encouraging Life-long Learning
209	Chapter 8 Welfare and Insurance
209	I. Group Casualty Insurance
209	II. Set up Family Support Fund
210	III. Strengthen Medical Treatment Services
211	Chapter 9 Sustaining Combat Readiness and Improving Mobilization
211	I. Sustaining Combat Readiness Exercises and Training
213	II. Improving Mobilization Practice
215	Chapter 10 Cohering the Common Understanding with Political Education
217	Chapter 11 Rebuild Dependent Quarters
217	I. Rebuilding Policy
218	II. Results
219	III. Subsidizing Military Dependents to Buy Commercial Houses
190	<i>Table 6.1. List of Authorized Research Programs, FY1998-2000</i>
200	<i>Table 6.2. List of All Organizations in Charge of Recruitment</i>
204	<i>Table 6.3. Recruitment Statistics of Career Officer Classes of Military Academies in Academic Year of 1998-1999</i>
211	<i>Table 6.4. Main Exercises and Training of ROC Armed Forces in FY 2000</i>
206	<i>Figure 6.1. Life-long Learning System of Military Cadres</i>
208	<i>Figure 6.2. Distribution of Strategy Cooperation Universities</i>
217	<i>Figure 6.3. Comparison of the New and Old Systems in the Regulation of Rebuilding Deteriorated Quarters for Military Dependents</i>
219	<i>Figure 6.4. List of Policy, Objectives and Methods of Rebuilding Deteriorated Quarters for Military Dependents</i>

Part 7 The Armed Forces and the People

223	Summary
225	Chapter 1 Improvement of the Transparency of Defense Issues
225	I. Establishment of the Global Information Network
225	II. Taking Initiatives in Policy Explanation
226	III. Implementation of Intercommunication
229	Chapter 2 Respecting People's Rights and Interests
229	I. Amendment of the Fort and Important Military Zone Law
230	II. Amendment of Restriction on the Fortress and Major Military Establishment
230	III. People's Appeals
231	IV. National Compensation
232	V. Retirement Pension and Subsidiary Pays
235	Chapter 3 Providing Service to the People
235	I. Calamity Rescue
236	II. Supporting Epidemic Prevention
238	III. Assisting People in Emergent Harvesting
239	Chapter 4 "921 Devastating Earthquake" Rescue Mission
245	Chapter 5 Promotion of the Association between the Armed Forces and the People
227	<i>Table 7.1. The Profile of the Press Conferences Presided by the Minister</i>
231	<i>Table 7.2. People's Appeal Cases from 1998 to 2000</i>
236	<i>Table 7.3. Statistics of Calamity Rescue by ROC Armed Forces from 1998 to 2000</i>
237	<i>Table 7.4. Statistics of Emergent Rescue by ROC Armed Forces from 1998 to 2000</i>
244	<i>Table 7.5. Statistics of Disaster Relief by ROC Armed Forces during "921 Devastating Earthquake"</i>
246	<i>Table 7.6. The Profile of the Museums of ROC Armed Forces Open to the Public</i>

Preface

Transparency in defense affairs is a major index of a country's democratic development. While Republic of China (ROC) has been coming of age in political reforms, The Ministry of National Defense (MND) has been committed to transparency in its defense affairs. The purpose is for people to understand, participate, and support national defense in order to realize the goal of an all-out (total) defense. On the other hand, it is hoped that the enemy can be aware of the ROC's strength and strategic objectives and thus avoid any conflicts arising from misunderstanding. The ROC National Defense Report, issued every two years, provides a systematic explanation of the defense policy and administration, and serves as a manifesto of MND's efforts to achieve transparency in defense affairs.

In the past two years, there has been no major change in the international situation, but cross-strait relations and the ROC domestic affairs experienced major ups and downs. The newest generation of weaponry equipment has been gradually entered into services for readiness. The two defense laws were adopted through due process of legislation. PRC continues military expansion to pose growing threats against Taiwan. These developments have led ROC to make a few adjustments in its defense policy and defense affairs. Therefore, by making public this regular report, MND hopes to allow people to have a clear and full understanding of the nation's defense affairs.

The 2000 National Defense Report, written in line with these principles, intends to be more in-depth and readable. The highlights follow:

1. With extensive reference to the defense white papers of other countries, MND invited experts and scholars to be advisory members, taking part throughout the process from formulating the framework and scope to reviewing the contents. We hope to avoid criticism that this report is a product beyond comprehension.
2. Defense today, as an all-out (total) defense, encompasses military affairs, politics, economic development, psychology, and technological

development. This report, though focusing on military affairs, also touches upon global security, the PRC's domestic development and strategic environment, Taiwan's national security status, and cross-strait relations.

3. As an integral part of the government's administration, the ROC defense policy adheres to the defense concepts of the Commander-in-chief of the Armed Forces. The defense policy is a continuum of previous policies with adjustments in line with domestic political situations and cross-strait relations.
4. Making defense affairs transparent shall not be limited to an explanation of the current policies, but should be visionary in regard to future developments. MND thus presents its vision of national defense so that people can have a better understanding of the future of the Armed Forces.
5. This report provides a full description of the major reforms over the past two and a half years, including the Armed Forces Refining Program, defense structure planning, military education, the court martial system, conscription system, and welfare programs. This report also covers issues of major concern to the general public, such as how to maintain safety for soldiers.
6. After the formation of the new-generation forces, ROC Armed Forces will be able to become "initiative." Therefore, the military strategy has been adjusted to "effective deterrence and strong defense posture." This contains a principle to prevent war or conflict from extending to the island proper or territory so as to reduce casualties and property damage. This does not mean the ROC hopes to engage in an arms race with PRC, and so the report introduces a vision for developing military exchanges and building up mutual trust. It is hoped that a military confidence mechanism could be established step by step for the perpetual peace of the Taiwan Straits.

7. A defense budget is a necessary expenditure to ensure national security. Its level must be properly set in line with the subjective and objective factors, including the level of threat from the enemy, national resources, political and economic environment, and social status. This report presents an analysis of a reasonable defense budget amount of ROC Armed Forces as reference for the public.
8. A report on defense affairs, covering so many aspects, can by no means be exhaustive. It is thus a summary of highlights. MND will go through various channels to provide necessary explanation to the public at appropriate times. In conclusion, this report cannot be made public without the efforts of those advisors and staff members who worked on the contents. Your comments will be highly appreciated.

Wu Shih-Wen

Wu Shih-Wen

Minister of National Defense

August 2000

Introduction

1. The 2000 National Defense Report was completed by MND based upon the current national defense situation, with reference to the defense white papers previously published here and by foreign governments, and with the full participation of scholars and experts. This report has seven parts - International Security Environment and the Military Situations, National Security and Defense Policy, Defense Resources, the ROC Armed Forces, Defense Management, Major Defense Reforms and Programs, and the Armed Forces and the People. Statistics and data were current from January 1, 1998 to June 30, 2000.

Part 1. International Security Environment and the Military Situations

This part provides an overview of the international security environment and international military status, highlighting the military situation in PRC. One chapter is devoted to the PRC's military strategy, military modernization progress and its impact on Taiwan, in order to educate the general public about the major threats facing the ROC's national security.

Part 2. National Security and Defense Policy

This part highlights the ROC's security situation and the defense policy for the time being, including objectives, doctrine, military policy, defensive operation guidelines, civilian defense mobilization, and a vision of defense affairs.

Part 3. Defense Resources

This part lists the available manpower, material, and finance for national defense purposes and the policies governing the use of these resources. One chapter presents an analysis of the reasonable defense budget amount.

Part 4. ROC Armed Forces

This part explains the status and perspectives of ROC Armed Forces,

including regular forces, reserves, and military mobilization. It is an expanded version from the 1998 National Defense Report, with a detailed explanation of the structure following the Armed Forces Refining Program.

Part 5. Defense Management

This part explains how the Armed Forces applies corporate management principles to defense affairs, including troop management, ammunition management, and information management. This serves to underscore the Armed Forces' attention to security and safety on military compounds and endeavors in information science.

Part 6. Major Defense Reforms and Programs

This summarizes major reforms and administrative programs of the past two and a half years, including the background, implementation, and execution efficacy. It is hoped that the general public can have a full picture of the reform programs.

Part 7. The Armed Forces and the People

This part serves to detail the Armed Forces' promotion of transparency and services to the people to promote friendship between the military and the civilian sectors. This is to show that the Armed Forces fully respects the people's rights and cares about the people's welfare.

2. The Revolution in Military Affairs (RMA) has been a world trend in military development. New technology and new concepts have transformed the types of war, military strategy, and operations. ROC Armed Forces should also follow the trend to promote RMA.
3. While PRC has been engaged in military modernization, its threat has changed from quantity dominance to competition in quality. Its military strength might overtake ROC in a few years time. Beijing's sense of urgency on the "Taiwan issue" and its active promotion of asymmetric warfare, on-limited warfare, and information warfare have posed an increasingly serious threat to the ROC's national security. Its invasion

could take place under different scenarios.

4. With the formation of the newest-generation forces, ROC Armed Forces has upgraded its overall operational capability to become “initiative” and capable of countermeasures. The military strategy has thus been changed to “effective deterrence and strong defense posture,” and the defensive operational guidelines were revised accordingly.
5. The National Defense Law and the revised MND Organic Law were completed in legislation, leading to a new era for the defense structure. All defense administration programs have been given legal support. MND is conducting a defense structure planning, with a three-year schedule (by February 1, 2003) to complete structural re-engineering to construct a modernized and professional defense system.
6. When there is “safety within troops,” people will gladly join military services. When there is “sweet home for soldiers,” there is an environment in which servicemen can concentrate on defending the country. When there are “secured dependents,” people will have confidence in the armed forces. MND will carry out these “three assurances” policies to improve the dignity and social status of servicemen so as to attract more talented people into the military and to boost military morale.
7. Compared to the continued growth of the PRC’s military budget, the ROC’s military budget has been on the decline. ROC Armed Forces is losing its qualitative advantage. How to maintain a reasonable level of defense budget to pay for necessary expenditures for national security calls for a serious study by the government and the general public.
8. It is a tradition for servicemen to care for and assist the people. Abiding by the principle of “disaster relief operations as military operations,” the Armed Forces have been devoted to rescue missions in accidents, emergency rescue operations and disaster relief missions. The Armed Forces was engaged in the relief mission after the devastating earthquake on September 21, 1999, a clear testimony to the military’s concern for the people.

PART ONE |
INTERNATIONAL SECURITY ENVIRONMENT
AND MILITARY SITUATIONS

Summary

1. The international structure in the coming years of 21st century will remain as one with a single superpower over multiple lesser powers. As globalization continues for the various workings of life, "security" is already a synthetic concept instead of just connoting something purely military in nature.
2. The six major categories of matters affecting international security are: 1) ethnic and religious conflicts and separatist movements; 2) disputes over territorial sovereignty; 3) issues of arms proliferation and limitation; 4) trade protectionism and financial crises; 5) terrorism and cross-border crimes; and 6) infringements on channels of information and efforts to safeguard those channels.
3. The international military situation in the near future will see nations striving to create safe and stable surroundings so as to minimize armed clashes, but dangers and apprehensions will keep lurking in various world regions. Because of the changes brought about by the ongoing revolution in military affairs, the patterns and natures of future wars will be greatly unlike those so far known.
4. The revolution in military affairs is happening not only to the purchase and development of new weapons and systems. Rather, it has to do with the management of new science-tech know-how by means of advanced concepts, rules, and organizational structures. Efforts are meanwhile made to develop new cultures of ideas and technologies for the augmentation of fighting strength.
5. In keeping with its changing military strategies, the PRC (People's Republic of China) has been annually budgeting bigger sums for a speedy modernization of its People's Liberation Army (PLA), Navy, Air Force. Additional precision ballistic missiles and cruise missiles are being developed and deployed. Rapid Reaction Forces have been formed. The PLA is becoming more of an offshore offensive military

force.

6. The very much-modernized PLA is hurling threats to ROC not just simply in terms of numerical superiority. The whole matter has turned into a race for better quality and larger quantity. In June 2000, the "ANNUAL REPORT ON THE MILITARY POWER OF THE PEOPLE'S REPUBLIC OF CHINA" published by Department of Defense of the U.S. indicated the following: "In the long term (2010-2020), China's qualitative edge over Taiwan's military forces could continue to increase." "After 2005, however, if projected trends continue, the balance of air power across the Taiwan Strait could begin to shift in China's favor, assuming no significant, concurrent improvement in Taiwan's air capabilities." "Particularly since the 1991 Persian Gulf conflict, the PLA has devoted considerable resources to the development of Special Operations Forces (SOFs). These units apparently have been assigned specific missions or tasks in a variety of Taiwan contingency operations." "A PLA amphibious invasion of Taiwan probably would be preceded by a naval blockade, air assaults and missile attacks on Taiwan."
7. The PLA is positively developing asymmetric tactics and combatant tools for on limited operations and IT (information technology) offensive. Far from being unchangeable in pattern, the intended PRC strikes at Taiwan will be further diversified.

Chapter 1

International Security Environments

I. Security Situation and Efforts for Peace

The international structure in the coming years of the 21st century will continue as one having a single superpower over a number of lesser powers. U.S. continuation in its superpower position is the major key to decide how the world at large will look. Russia will keep striving hard to extricate itself from its political and economic predicaments and furthermore to restore the nation's great power status. PRC, with its growing economy, is already a regional power in Asia. Having adopted the Euro as their common currency, the European Union (EU) nations are functioning ever better on their unified economic market and collectively exerting very much broadened influence. Long known as a formidable economic power and trading nation, Japan also has been steadily augmenting its political and military strength. With the various regional powers exercising ever more decisive influence on international affairs, the world will see more of delicate relationships characterized by concurrent cooperation and competition among nations.

Now that the Cold War years' bipolar confrontation is long over and nations are heading further in the direction of multi-polar competition and cooperation, no line of demarcation between friends and foes in the world's security surroundings today can be as clear and definite as it used to be. Besides, as globalization continues for the various workings of life, the concept of "security" has evolved into a synthetic one instead of just connoting something purely military in nature. Security is now a matter that covers not just the fields of politics, military, diplomacy, economy, science, technology, and culture; it also encompasses the domains of resources, environments, and information. It no longer is confined to any given nation's sovereignty issues; the common security of the entire human society is also viewed as involved.

But the multi-polar tendency of security considerations should not be taken as suggesting that less importance may be attached to military security. On the contrary, because contributory factors of clashes and crises are now diversified, liable to variation, and turning more complicated, sources everywhere are feeling compelled to develop increasingly more effective and functional military security mechanisms. They include: 1) wider-range dialogues on military security, with more personnel working on minutely detailed agendas, to prevent or iron out clashes; 2) preventive national defense and diplomacy, and 3) economic cooperation and joint development to cool down potential hot spots of armed conflicts. Additionally, trade and other business deals have gained enough in importance to complement functions of military security.

Even though unable to help settle all problems, the United Nations (UN) still is the world's central machinery for the preservation of peace and order. Aside from performing such traditional missions as arms control and inspection, refugee repatriation, humanitarian relief, and disaster area reconstruction, it has shown concern about, and allocated resources for, issues of relatively recent origin like global warming effects, increasing numbers of AIDS patients, and disputes resulting from economy's globalization. Certain other major international bodies—North Atlantic Treaty Organization, European Union, Association of Southeast Asian Nations, Organization of African Unity, etc. —also have been contributing importantly to regional stability and development. Many nations have meanwhile established bilateral and multilateral relations, including partnership ties, for security cooperation and have actually been talking and working together on various security-related subjects. Acting in accordance with their mutually agreed-upon terms, certain nations are effecting arms control and reduction so that a broader protection of security may be insured.

Even so, the world has been unable to emerge totally from the shadow of

war and some regions and countries remain embroiled in turmoil. In Asia and the Pacific, the obstacles to Korean unification, the Taiwan Strait instability, and the difficulty to maintain equilibrium in the U.S.-Japan-PRC triangle are still affecting regional security. Separatism in Indonesia has resulted in violent clashes. Between India and Pakistan are the unresolved issues of nuclear confrontation and territorial dispute over the Kashmir region. Barriers yet to be surmounted by Israel and its neighboring Arab nations are many on their road to Middle East peace. Stability for that region will be nothing but a dream if countries like Iraq, Iran, and Libya cannot abide by the pertinent international conventions.

Further integration of Europe has taken place as a result of the continuous eastward expansion by NATO and EU. But the states that sprang up when the former Yugoslavia fragmented have been too weak to keep their individual internal order. This and the differences between Turkey and Greece over Cyprus have seriously affected the region's political and security frameworks. Just how Russia's political instability and economic predicament ultimately would be, it will depend on the performance of Vladimir Putin's new government. The war in the Chechnya has excited no little apprehension in that region.

Great hopes are entertained of seeing a Latin America where democracy and economic integration appear to be making headway and the possibility of international clashes has diminished. However, the Latin American problems of cross-border dope-trafficking and illegal immigration are troublesome still. Economic depression, inefficient leadership, and ethnic discord persist to one extent or another in some of the African countries. Instability still is the general situation of that continent.

II. Factors Affecting International Security

The international situation has started unfolding some significance of positive development. Nevertheless, the world remains full of complicated,

changeable, and dangerous factors that may hamper or nullify the ongoing peace-preservation efforts. Factors such as these having adverse effects on international security are mainly in the following six categories:

1. Ethnic and Religious Conflicts and Separatist Movements:

In many a country of the world the chasms dividing its component ethnic and religious groups have widened into clashes and outright separatist activities. In Indonesia, for instance, are the Muslim-Christian violence of Maluku islands and the independence movement in the restive Aceh Province. Separatist groups in Sri Lanka are striving to establish an independent state of their own. Then there are the Middle East racial conflicts involving Palestinians, the campaigns for independence waged by the Kurdish militants of Turkey and by the Albanians of Kosovo in southern Serbia (of the Federal Republic of Yugoslavia), and the confrontation between the Hutus and Tutsis of both Rwanda and Burundi in East and Central Africa. All these have unfavorably affected the security of their respective regions.

2. Disputes over Territorial Sovereignty:

In the wake of the world's bipolar confrontation that ended a decade ago, the unsolved disputes over territorial sovereignty and overlapping territorial waters of the nations concerned start venting their so far subdued hostile feelings. Escalated armament races followed where peaceful solutions did not seem likely. Such contentions have included the following: Sovereignty wrangles over some of the South China Sea islets and reefs with potentially rich resources under the surrounding seabed; border issues between India and Pakistan; quarrels between Israel and Syria over the Golan Heights border demarcations; sovereignty claims between Iran and the United Arab Emirates over the three small Persian Gulf islands; incessant border clashes between Ethiopia and Eritrea and northeastern Africa.

Unless appropriately handled, any of these issues may flare up as regional armed clashes and upset peace far and wide.

3. Issues of Weapon Proliferation and Control:

The international society has for years deeply concerned the transfer and proliferation of mass-destruction weapons and delivery systems. U.S. intention to develop theater missile defense (TMD) systems has given rise to wide-ranging complicated problems of economy, politics, regional security, and strategic interests. PRC has, through its continuous export of weapons and relevant technologies to Third World countries, considerably affected the military balances of the regions involved. Through successive nuclear tests and strategic missile tests, India and Pakistan have made themselves as major regional focal points of watchful attention. This also has been the case with North Korea that appears bent on ballistic missiles development. Pressed by its economic pinches, Russia has been relying on export of advanced know-how as a source of revenue, but this has been producing harmful effects on international security. Because of Iraq's refusal to cooperate with UN weapons inspectors, international security agencies have been unable to effectively determine whether Saddam Hussein would come clear on his extensive weapons program. The unending ravages of war in Africa are, as a matter of fact, not unrelated to arms export by the world powers.

The great powers that already possess nuclear and other high-tech weapons have been attempting to avoid arms proliferation in order to protect their vested interests. But in weaker nations view, even just a few weapons of mass destruction and missiles of relatively longer ranges, as tools of potential threat and blackmail, can serve political purposes quite well and make any nation stand up to neighbors, regional powers, and even major powers. Because of these contradictory views, the issue of arms control is a volatile one.

The U.S., Russia, France, the United Kingdom, and PRC are presently among the foremost in the group of limitation proponents. In a joint declaration issued after their April 1998 Geneva meeting, the five reiterated their commitment to gradually reduce their nuclear arsenals and to fully discharge their duties and obligations as signatories of the Non-Proliferation Treaty (NPT). On the other hand, Iran, Iraq, India, and Pakistan are not yielding to such international restraints because their historical complex and national interests. Collectively they are the bottleneck of NPT enforcement.

4. Trade Protectionism and Financial Crises:

As the bipolar military confrontation neared its end, the development emphasis of various nations started shifting to economic matters. With the globalization of economy now in progress, various economic competitions, science-tech contests, and trade wars are gradually replacing the long perennial weapons race. But there possibly are hidden dangers. For instance, a global-scale financial crisis may occur if either currency in a given region loses balance. The financial storm that sweeping the whole Southeast Asia in 1997 was a striking instance. Then, it is well known that the World Trade Organization has been trying hard to set things straight and bring various nations under a well-regulated global economic structure so that world-wide prosperity will be enhanced through unclogged market channels on all sides. This is a good idea, but stronger trading countries may stage invasions with their goods and adversely affect the national or regional interests of those on the weaker side. Disputes will certainly arise then.

5. Terrorists and Cross-border Crimes:

Although terrorist activities have become somewhat inhibited in recent years, multinational criminal bodies capable of upsetting international

stability have not shown decrease in number or strength. They still can incite unrest in various parts of the world, thereby disturbing relations among nations or regional alliances. Financial support from certain terrorism-oriented nations will be relied on ever more heavily by various terrorist groups for the continuation of their survival and action. Crimes involving two or more countries include narcotics dealing, smuggling, and unlawful transaction of weapons and war materials. These serious violations of law may throw countries and areas into confusion. They may even jeopardize the overall security of one or more regions.

6. Infringements on Information Infrastructure and Protection against Cyber Attacks:

The new-type warfare of the years ahead very possibly will be centered on matter of data and information and through the omnipresent Internet facilities. With the progress of information technology now unhindered, the havoc such a war can play will be literally reaching everywhere. So far on numerous occasions, for instance, computer hackers have invaded the networks of U.S. government and military installations, including the Federal Bureau of Investigation (FBI) itself, and either altered the stored information or spread uncalled-for messages. At the time of NATO's bombing of Yugoslavia in the spring of 1999, individuals supporting the cause of Serbia's intruded into the government websites of NATO members and posted anti-war bulletins. In February 2000, several intrusions into US e-commerce Networks took place in succession, paralyzing some well-known websites and even causing the stock market to plunge. As society becomes more and more IT-oriented, such cyber inroads and attacks certainly will be ever increasing and various means of cyber-crimes will become more easily accessible to all sorts of people. Wreaking havoc upon a nation's information infrastructure will be tantamount to the destruction of that

country's whole infrastructure. Even over, such havoc will immediately embroil one or more regions in turmoil.

International Military Situations

I. General Military Situations

The overall security environment of the world is such that no global-scale major war is likely in the near term but regional clashes will remain inevitable. Countries everywhere are in various stages of disarmament, but what is being done in most cases does not go beyond reduction of numerical strength. Because the quest continues for military modernization and military technology development, the arms race, though changed in outlook, has not come to an end.

The United States is the world's super military power today, and this supremacy is expected to continue until at least 2015. To protect its national interests and keep playing the role of global leader, it has not slackened but increased its armament and military know-how upgrade year by year. Take the defense expenditures of various nations in 1999 for example. At US\$276.2 billion, the budgeted outlay of the U.S.A. was not just the biggest of all; it surpassed the sum total of the planned expenditures of Japan, the U.K., Russia, France, Germany, and PRC. (See Table 1-1 for the military budget figures of the U.S.A. and others and their percentages in the GNP in recent years.)

PRC and Russia are potential military rivals of U.S.A.. Because of the pressure of its nearly 1.26 billion population, Beijing has been attempting to take advantage of its economy's high growth rates in the present initial stage of economic reforms and speedily military build-up for external expansion as a power to be reckoned with. With enough strength to qualify itself as a major Asian military power now, PRC is continuing the military modernization, and its strategic nuclear weapons are capable of reaching deep into the U.S. proper, therefore PRC is a major source of dangers to the region and the entire world. On the other hand, Russia's conventional

Table 1-1
Recent Budgeted Defense Expenditure of Major Nations
Unit: Million US\$ (Percentage of GNP in parentheses)

Nation \ Year	1997	1998	1999	2000
United States	276,324 (3.4%)	265,890 (3.2%)	276,230	280,880
Japan	40,891 (1.0%)	36,990 (1.0%)	41,100	44,800*
United Kingdom	35,736 (2.8%)	36,616 (2.8%)	34,600	
Russia	64,000 (5.8%)	53,912 (5.2%)	31,000	30,000
France	41,523 (3.0%)	39,807 (2.8%)	29,500	33,200*
Germany	33,217 (1.6%)	32,387 (1.5%)	26,000	21,100*
PRC	9,810 (1.1%)	11,201 (1.2%)	12,601	14,536*
South Korea	15,334 (3.5%)	12,940 (3.1%)	11,600	12,800
India	12,805 (3.0%)	13,780 (3.0%)	10,700	13,940*
Israel	11,321 (11.9%)	11,040 (11.6%)	6,700	
Pakistan	3,916 (6.7%)	3,920 (6.5%)	2,700	

Note: Data above are mainly from "The Military Balance: 1999-2000" (from London-based International Institute for Strategic Studies, IISS). Those marked with * are supplementary ones from "Jane's Defense Weekly" (03/09/00), "U.S. Defense Report: 2000," "Japanese Defense White Paper," and "Republic of Korea Defense White Paper."

combat capability has markedly dwindled from what it used to be, but Moscow continues to maintain vast numbers of strategic and tactical nuclear weapons and may massively rebuild its offensive power projection capability.

Japan has kept upgrading its defense armament and enhancing its military alliance relations with the United States. Although the revised Guidelines for U.S.-Japan Defense Cooperation do not specify the very area surrounding Japan in which the two countries will cooperate to cope with the situation, indications were considerably clear that the intention was to let the alliance exercise broadened regional influence. In the West, NATO continues as the most important collective security structure for the safeguarding of European security. Acting according to its "Partnership for Peace" program, the treaty organization has been redoubling military exchange and cooperation with Central and East European nations. Additionally, NATO has accepted

Poland, the Czech Republic, and Hungary as the first group of new members through its eastward expansion drive. The European Union meanwhile has decided to let its Western European Union act ever more strongly for the discharge of military duties and obligations in handling contingencies, preserving peace, and extending humanitarian relieves.

In the Middle East, Iran has kept strengthening its military to prepare for war in recent years and is now, with its submarines and medium-range ballistic missiles, capable of blockading some of the important international passageways of oil tankers. Iraq continues as a major international threat; its ground forces being bigger than those of the Persian Gulf Cooperation council members put together. Israel is US's foremost military ally in the Middle East. Aside from doing all it can to help maintain Israel's military supremacy in that region, the United States has been regarding Jordan as NATO's quasi-ally and accordingly stepping up military cooperation with that kingdom. Also to be noted is Israel's military cooperation with Turkey, for this has made Jerusalem able to compete against Arab nations.

Just as the various nations have been continuing their armament development in accordance with their individual security requirements and in a race against each other, so global changes of a new kind—the revolution in military affairs (RMA)—have been occurring.

This RMA has to do not only with the purchase and/or development of military-purpose hardware systems. Rather, it is revolutionary in the new technological know-how has to be managed through the application of advanced concepts, doctrines, and organizations, while stepped-up efforts are made to develop new cultures of ideas and technologies to enhance combat power. Just as the early-day technology revolution exerted far-reaching influence on the nature of clashes, technical innovation today is producing profound effects, particularly in regard to precision strike, information warfare, dominant maneuver, and space operations. The best part of technological superiority is the ability to make effective use of time to one's

advantage. By being master of time, one dominates the battle-space as well as the enemy.

One other notable military tendency has followed the advent of “asymmetric war theory” which deals with strategies to prevail upon a stronger enemy through asymmetric means. First and foremost, blows are to be dealt at where the opponent is vulnerable, and the tactics furthermore is to avoid direct-armed confrontation whenever and wherever possible. Because of their heavy reliance on computer-driven way of life, advanced nations are inevitably vulnerable to cyber attacks. Other means to similarly attain goals of strategic and/or political nature through asymmetric warfare include terrorism, threats to use nuclear or biological and chemical weapons, information warfare, and spoilage of environments. In case a war actually breaks out, these asymmetric means can be employed so as to delay the opponent’s accesses to its crucial facilities. By paralyzing the enemy camp’s channels of command, control, communication, and intelligence, the attackers may, without much difficulty, move on to attack the opponent’s major infrastructure.

The world’s various regions have in recent years seen local or area-wide clashes wars in Kosovo and Chechnya, Indo-Pakistani clashes over Kashmir, religious collision on Indonesia’s Maluku islands, ethnic conflicts and massacres in Africa’s Rwanda and Burundi, and civil war in Congo. All have been causes of bitter regional unrest. The Korean peninsula, the two sides of the Taiwan Strait, and the Middle East are now seen as major areas of potential dangers provoking military clashes or hot wars.

Viewing the current international military situation as a whole, one has to say that although nations strive to create safe and stable surroundings, dangers and disturbances are lurking in various regions around the world and unfold themselves in the form of armed conflicts now and then. Furthermore, because of the changes resulting from the ongoing RMA, the patterns and natures of future wars will be greatly different from what used

to be and may further vary as time goes by, thus adding factors of uncertainty to worldwide situations.

II. Asia-Pacific Military Situation

In the presence of many different ethnic groups and cultures as well as diverse economic and political systems, affected by historical complex, and having specific geo-strategic considerations, most Asia-Pacific nations have been unable to appreciate the post-Cold War international order without reservation. While the Asian financial crisis forced some nations to slow down or postpone their military modernization drives, PRC remained unaffected and has kept budgeting bigger sums to modernize its armed forces. The region's military scene, therefore, is still quite rife with lurking dangers.

1. Asia-Pacific Security Strategy of the U.S.

Where matters of security in Asia and the Pacific are involved, the United States has continued to play a decisive role. And U.S. now appears to be gradually heading for increased military presence in the Pacific. This tendency, if true, has to be viewed as a reflection of the U.S. attachment of greater importance to this region in the framework of overall global strategy.

U.S. Asia-Pacific defense efforts are to shape a stable and prosperous region that promotes market-oriented economy as well as democratic reforms. The efforts also are to maintain U.S. military capabilities in East Asia and the rim of Pacific. The U.S. presently forward deploys about 100,000 military personnel in the Western Pacific. Half of them are stationed in Japan, and 40% in South Korea. U.S. Troops and their counterparts in Japan, South Korea, Thailand, the Philippines, Singapore, and Australia, hold bilateral and multilateral joint exercises continually.

The U.S.-Japan security alliance is the axis about which the Asia-Pacific security policy of the US rotates. It also is the cornerstone for achieving multiple global objectives of the US. The bilateral U.S.-Japan security cooperation is now in an ever wider scope as the two sides have agreed to

jointly develop theater missile defense (TMD) system and carry out satellite projects for Japan.

U.S. is currently working to have PRC integrated deeply into the international community so that Beijing may faithfully abide by the Non-Proliferation Treaty and the Comprehensive Test-Ban Treaty, open the Chinese mainland further to global trade, and do more to protect human rights. Because PRC is exercising a growing broader regional and global influence, Washington is still viewing it as a potential rival.

As regards the Taiwan Strait situation, Washington has made it clear that it opposes any use of force or threat to use force. They have been reiterated that their relations with the two sides of the strait rest on the following principles: 1) The U.S. position on the "one China" policy remains unchanged; 2) The U.S. has all along been hoping that the two sides will deal with their differences through peaceful resolution; and 3) The U.S. maintains that dialogue is the best way to resolve such differences.

As for the disputed South China Sea isles, the U.S. issued a four-point statement in 1995 following the Michief Reef incident. The U.S. stand is that: 1) peace and stability should be maintained in the area; 2) ships must be allowed to freely navigate in those waters; 3) no precondition is to be set for the sovereignty issue, and 4) resolution of the clashes ought to be in conformity with the International Maritime Law.

The U.S. hopes the Korean disputes will be resolved peacefully and a nuclear-free, democratic, harmonious, and ultimately unified peninsula will emerge. For this reason, Washington is seeking improved bilateral political and economic relations with Pyongyang.

2. Northeast Asia:

(1) Japan:

The Japanese government in April 1999 submitted to the Diet a bill of amendment seeking a unified view of the words "in situations in areas

surrounding Japan” as given in the latest U.S.-Japan Defense Cooperation Guidelines. It was pointed out that instead of being taken as a reference of geographical nature as the word “areas” might tend to suggest, the phrase have to be seen as referring more to the natures of events that could constitute “a situation.” The listed six types of such developments are: 1) conflicts are seen imminent in areas surrounding Japan; 2) when such conflicts are already taking place; 3) when a conflict has ended but order is yet to be restored or cannot be maintained; 4) when a nation, because of its action, has been termed by the UN Security Council as an “aggressor” and treated as a target of economic sanctions; 5) when possibilities of massive refugee influxes into Japan mount as a result of political disorder and other in a country; and 6) in the event a nation’s civil strife or war has developed into an international conflict. The last item is particularly noteworthy, for it can be seen as indicating that the Taiwan Strait issue may get included in the scope of situations in Japan’s surrounding areas.

Japan in its “1999 Defense White Paper” emphasized that to prevent possible attacks from outside, Japan would, when necessary, exercise the right to launch preemptive strike. When visiting the United States in January 2000, the Japan Defense Agency’s Director was quoted as remarking about the need to raise the Defense Agency to the status of ministry. Taken as suggesting the presence of an ulterior Japanese intention to regain their military power position, these statements caused nervous commotion in PRC and other Asia-Pacific countries.

Japan’s defense budget for 2000 is about US\$44.8 billion, up 9% from the year before. The country’s Self Defense Forces (SDF) personnel total up to 240,000. The Ground SDF has a strength of 150,000, while the Maritime SDF and the Air SDF has somewhat over 40,000 personnel each. The major weapons held by the forces include 1,090 MBTs, 19 submarines, 9 missile destroyers, 48 missile frigates, and 363 combat aircrafts. The U.S.

Troops stationed in Japan number somewhere between 47,000 and 53,000.

Aside from building appropriate defense strength of its own, Japan has been working to enhance its warning and self-guard capabilities. In this latter regard, Japan has joined U.S. TMD development project and is planning to develop spy satellites for its own use. Additionally, in an attempt to cope with threats from North Korea's Tae'o Dong missiles, Japan has decided, in its medium-term (for the years 2001 to 2005) defense build-up plan, to enhance their anti-missile air defense systems and acquire more new Aegis-class warships.

(2)North Korea:

The U.S. in 1953 acted on behalf of the United Nations at the Korean Armistice signing with PRC and North Korea. Seoul and Pyongyang inked an accord in 1991 on reconciliation and mutual non-aggression, but that did not bring lasting peace to the divided peninsula. The greater part of North Korea's defense expenditures has been going into arms development. A ballistic missile test-fired by the North Korea in August 1998 flew across Japan's territorial air space. Pyongyang meanwhile has been exporting missile facilities and technologies to South Asian and Middle East countries. The entire Asia-Pacific region has thus been kept apprehensive. In recent years, the U.S. and Japan have been exerting all possible efforts to persuade North Korea to stop missile technologies trading and accept international regulations, but concrete results are yet to be seen. North Korea now has over 1.16 million military effective, including over 1 million in ground units, over 50,000 in the Navy, and over 100,000 in the Air Force. Major weapon systems of North Korean include some 4,000 MBTs, 40 submarines, 440 surface warships of various type, and 850 warplanes.

(3)South Korea:

Hoping that the decades of military confrontation on the peninsula

might get improved further, South Korean President Kim Dae-jung proposed in his January 3 New Year's address of 2000 that the national policy research bodies of South Korea and North Korea should meet in consultation for the possible formation of a South-North Economic community, thereby ending the Cold War status that had persisted on the peninsula since after the Korean War. Some five months later on June 13, Kim Dae-jung flew to Pyongyang for the historic first summit between the leaders of the rival north and south, and signed "South-North Common Agreement." Major breakthroughs apparently had taken place, and how things eventually will be is being closely watched.

With an annual defense budget of over US\$10 billion, South Korea also has been working hard for military modernization. Plans now are to introduce six submarines to its Navy by the year 2010 so as to complete the deployment of second-generation submarine fleet. Work meanwhile is under way for the development of new-generation destroyers of the KDX-III class. AWACS (airborne warning and control system) planes are to be acquired. Other high-tech facility acquisition plans include the launching of a military satellite before 2005. Of South Korea's present armed forces strength of over 690,000, 560,000 are in the Army and somewhere over 60,000 each are in the Navy and the Air Force. The main hardware include 2,250 MBTs, 10 submarines, 170 various surface warships, and 550 warplanes. About 37,000 U.S. soldiers are now stationed in South Korea.

3. Southeast Asia:

Located where the Pacific meets the Indian Ocean, Southeast Asia is strategically important not just in terms of transportation. The region's various nations have all been striving for political stability as well as steady and realistic economic development. The financial storm of 1997 raged through the region for many months, but recovery has taken place and the

Table 1-2

Current Military Strengths of Southeast Asian Nations

Unit: TS for "troop strength" in approximate number of effectiveness in parentheses

Service Nation	Total Troop Strength	Army	Navy	Air Force	Other Units
Myanmar	429,000	(TS 325,000) 100 MBTs 105 light tanks	(TS 10,000) 68 patrol crafts(PCs)	(TS 9,000) 83 fighters 29 armed heli- copters (AHs)	(TS 85,000) paramilitary units
Laos	29,100	(TS 25,000) 30 MBTs 25 light tanks	(TS 600) 16 PCs	(TS 3,500) 26 fighters	----
Cambodia	149,000	(TS 99,000) 100 MBTs 10 light tanks	(TS 3,000) 10 PCs	(TS 2,000) 24 fighters	(TS 45,000) provincial units
Brunei	5,000	(TS 3,900) 16 light tanks	(TS 700) 6 PCs	(TS 400) 6 AHs	----
Singapore	73,000	(TS 50,000) 60 MBTs 350 light tanks	(TS 9,500) 3 subs, 18 missile Corvettes 24 PCs	(TS 13,500) 174 fighters 20 AHs	---- ----
Philippines	110,000	(TS 73,000) 65 light tanks	(TS 20,500) 1 frigate 67 PCs	(TS 16,500) 42 fighters 97 AHs	----
Malaysia	105,000	(TS 80,000) 26 light tanks	(TS 12,500) 4 frigates 41 PCs	(TS 12,500) 87 fighters	----
Thailand	306,000	(TS 190,000) 289 MBTs 510 light tanks	(TS 73,000) 1 light carrier 14 frigates 88 PCs	(TS 43,000) 162 fighters	----
Indonesia	298,000	(TS 230,000) 275 light tanks	(TS 47,000) 2 subs 17 frigates 58 PCs	(TS 21,000) 91 fighters	----
Vietnam	484,000	(TS 412,000) 1,315 MBTs 620 light tanks	(TS 42,000) 2 subs 6 light cruisers 40 PCs	(TS 15,000) 189 fighters 43 AHs	(TS 15,000) 66 A-A missile bases

Source of data: "The Military Balance: 1999-2000" from Int'l Inst. Of Strategic Studies, London"

nations also are seen to be back on the road of gradual military modernization. (See Table 1-2 for the armed strengths of those nations.)

The foremost security issues of the region are the sovereignty disputes over some of the South China Sea isles and reefs. All these issues are complicated, each of them involving multiple nations as well as vast expanses of waters. Also to be noted are the many ethnic and religious clashes in Indonesia in recent years. Because of the upheavals surrounding the independence-or-autonomy ballot of August 1999 in Indonesia's East Timor, multinational peacekeeping troops had to be sent in there by the United Nations. Affected was not just regional stability; the core position of Indonesia among the Southeast Asian nations was visibly shaken.

Some nations of the region have been staging joint military exercises among themselves and with the United States so as to enlarge their defense capabilities. Bilateral & multilateral talks are frequently held by members of ASEAN (Association of Southeast Asian Nations) among themselves and with certain non-members, the purposes of which being to pool strength for mutual restraints within the region as well as for checking and balancing vis-a-vis PRC. At the same time, however, security dialogues have been going on with PRC and certain other pertinent entities—mainly through the ASEAN Regional Forum (ARF, See Note 1)—so that animosities may get ironed out and potential clashes averted.

4. Regional Conditions Affecting ROC:

The Taiwan Strait is about the only area in the Asia-Pacific region where the tension remains unmitigative. Other regional issues, such as those involving the Korean peninsula and the disputed South China Sea isles, meanwhile appear heading for peaceful resolution, thanks to the efforts of those concerned. Large-scale armed clashes are not likely to result from those other regional issues within the near future. But it has to be expected that in case a war breaks out, the national security and economic development

of ROC will be affected to one extent or another. Then, a major variable has been added to the Taiwan Strait issue by Japan's interpretation of the word "situation" in the Security Treaty Guidelines. Also to be kept in mind is that because of Beijing's stand and influence, nations of Asia and the Pacific have generally been trying very hard to avoid official and political comings and goings with our nation. Obstacles therefore are still many to ROC exercise of rights to participate in regional organizations and promote trade and economic activities.

Note 1. The ASEAN Regional Forum(ARF) was started in 1994 by nations of Southeast Asia to reflect the hopes and desires of those in Asia and the Pacific about keeping the region's political and security surroundings stable. It presently has 22 members from Asia, Europe, and North America. The United States is also included. ARF is important as a mechanism of ASEAN dialogue with non-ASEAN nations so that, through wide-ranging exchanges of views and promotion of understanding, mutual confidence may get enhanced among nations of various regions. Specific security-related issues are discussed.

PRC's Military Situation

I. Strategic Environments

1. External Surroundings:

PRC leaders are known to have held the view that the post-Cold War world would, as it headed for a multi-polar structure through stages of transition or transformation, fundamentally continue geopolitical for goals of equilibrium and that the various regional powers would. In this global process, each strives to broaden its international political influence. Furthermore, the Beijing leaders have been convinced that PRC would together with the United States, Japan, the European Union, and Russia function in a pentagonal structure to steer the shaping and working of a new world order, the reasoning behind this assumption being that the gaps of strength in the so-called present structure of "single superpower over a number of lesser powers" are steadily narrowing down and becoming different in nature. With this much in mind, those leaders have been doing all they can to strengthen PRC's military strength and to actively participate in matter of international politics so that Beijing's international position may be improved and ever more favorable external surroundings will become available for PRC development.

(1)United States:

Because of a series of unpleasant events between PRC and the U.S.—human rights wrangles, trade frictions, scandalous political contributions, suspected of high-tech espionages, differences over the new guidelines of Washington—Tokyo defense cooperation, and accidental bombing of the embassy compound in Belgrade—the bilateral relations of the two sides have been hanging low for partner relations of quite some time, subjecting their "constructive strategic partnership" to serious tests. Even so, overall strategic considerations and the need to keep its own economy

going have made Beijing decide that it would be more to PRC's interest to maintain relations of simultaneous cooperation and competitor with the United states.

(2)Russia:

Wholly aware of Russia's political and economic plights and tainted image on the international stage, Beijing has over the years kept enhancing its multiple cooperative ties with Moscow. And, aside from deriving substantial economic and trade of gains, it also has been working to acquire more of the high-performance Russian weapons and defense technologies. When the U.S.-led NATO went ahead with human rights excuses to start the Kosovo War without United Nation's approval, the two former Red bloc giants could not help feeling very much threatened. Moscow and Beijing thereupon started voicing alike about the various Kosovo-related international issues including ways of troop withdrawal and cease-fire. It became clear then that the two sides had obtained consensus of building a multi-polar world. The Moscow-Beijing's "partnership relations for strategic cooperation" will doubtless get further enhanced.

(3)Japan:

Beijing and Tokyo exchanged diplomatic recognition in 1972, but their bilateral relations have since experienced ups and downs largely because unforgotten ill feelings about past conflicts would get rudely awakened whenever touchy matters crop up. When the new guidelines of U.S.-Japan defense cooperation were taken as suggesting that eventualities involving Taiwan could be treated as a "situation" in the Japanese neighborhood, Beijing reacted strongly. When Jiang Zemin subsequently visited Japan, he asked his hosts to make their position known about the issues of history and Taiwan, a somber shadow was cast over the bilateral relations. But no disruption of ties took place because both sides had to weigh likely losses against desired gains. Japan knew it would continue to need support from Beijing for the possible return of its four small north-

eastern islands that have been in Russian hands since after World War II and for the winning of a permanent UN Security Council seat. On the other hand, for PRC, it has been obvious that a willing Japanese helping hand is indispensable to the buildup of its national strength.

(4)European Union:

Members of the European Union (EU, formerly EC or European Community) collectively emerged as a regional power after the Cold War. Aside from positively integrating the strengths of its West European member nations, EU has endeavored to enhance its relations with PRC. PRC meanwhile also has been keenly enthusiastic about cementing its EU ties for a number of reasons: development of its own economy, active export to the European market, absorption of more capital from that region, and better restraining of the U.S. superpower through EU channels.

(5)Korean Peninsula:

For its dealing with the divided two halves of the Korean peninsula, Beijing has all along continued its realistic policy, attaching importance both to best possible commercial relations with the South and to continuation of traditional friendship with the North. Late in May of 2000, almost literally on the eve of his scheduled first-ever summit with Kim Dae-jung from Seoul, North Korea's Kim Jong-il took time out for a special visit to Beijing. It reflects the influence of PRC to North Korea.

After the meeting, the situation of the peninsula tends to be ease. The impact to U. S. Asian strategy is still unknown, but due to the changed strategy environment, this may be a good indication that PRC will increase its interests on the peninsula.

(6)ASEAN Nations:

As the U.S. and Russia started pulling out of Southeast Asia in the wake of Cold War days, PRC began moving in with apparent intent to fill the vacuum. Enhancement of diplomatic relations with ASEAN members

has been going on positively. By building mechanisms of mutual confidence and cooperation with those southeastern neighbors, PRC wants to maintain stable foundations for its peripheral security strategy. The purpose also has been to block ROC's "southward policy" implementation.

(7) Nations of South Asia:

The Himalayan border clashes in the 1960s quickly worsened PRC's relations with India. Many talks that eventually followed finally resulted in the defrosting in the 1990s with the signing of papers on partial troop withdrawal and measures for the enhancement of mutual confidence. But to prevent India's hegemony expansion, Beijing started enhancing its ties with Pakistan, providing Islamabad with various types of weapons for its confrontation with New Delhi. Because of this "Aid Pakistan Check India" policy, in 1998, India accused that "Beijing as a potential enemy" and made the first nuclear test on the subcontinent. This start the "nuclear armament crisis" of South Asia as Pakistan, in a spirit of rivalry, quickly followed with its own nuclear test. PRC-India relations immediately started deteriorating.

(8) Taiwan Strait Area:

Tensions over the Taiwan Strait mounted to a critical level in July 1999 as former President Lee Teng-hui defined the cross-strait relationship as "Special state-to-state." On various subsequent occasions, Beijing leaders kept sharply criticizing view as one designed to perpetuate the "division of national territory." Then, in a white paper on its Taiwan policy, Beijing in February 2000 stated that it would take all decisive measures, including the use of force, to safeguard "China's sovereignty and territorial integrity" if and when any of the following situations were allowed to arise: a) causing of Taiwan to break away from China under whatever pretext, b) foreign invasion to take Taiwan, and c) interminable refusal of Taiwan authorities to negotiate for a peaceful solution of the cross-strait

unification issue. Reiterating this white paper stand on unification, PRC Premier Zhu Rongji spoke to the press after the National People's Congress annual session the following month (March 2000) and made this warning to Taiwan: "The Chinese people are ready to shed blood and sacrifice their lives to defend the sovereignty and territorial integrity of the motherland." Following the successive reversals of Hong Kong and Macao to PRC's rule, a sense of urgency obviously has been in Beijing's air about soonest possible solution of the "Taiwan issue."

2. Internal Conditions:

While still maintaining its one-party dictatorship of the Communists, PRC has achieved considerable economic development through reforms and opening-up to the outside since around 1980. The GNP has quadrupled, but the problems arising from the process have been serious enough to shake the regime from its foundation. Due to the persisting developmental imbalance, rich-poor gaps between the eastern seaboard and the interior to the west have widened further. The result of state-owned enterprises is yet uncertain, (See Note 2) and even before efforts to save them through restructuring could start yielding affirmative results, unemployment seriously worsened with large numbers of laid-off employees. To keep military units from moneymaking activities (See Note 3), Beijing has had to bear additional burden because of the need to subsidize those units for their now unseen losses. Other potentially grave issues are surfacing-slowed down export growth, sluggish domestic consumer market, slow-going financial reforms, and so on.

While the issue of disparity in wealth keeps adding seriousness in the Chinese mainland society, officials are racing with ordinary people for business opportunities. The resulting grafts and other irregularities have long been among the foremost of widespread concerns. Beijing therefore has been pushing a "three particulars" campaign, asking people of all levels

everywhere to pay special attention to “study, politics, and righteousness,” but it appears that not much headway has been made. Speaking at the People’s Congress session in March of 2000, Beijing leaders admitted that the anti-corruption work still had a long way to go if it was to produce results meeting people’s expectations.

The year 1999 saw Beijing’s all-out clamp down on the Falun Gong spiritual movement. In January 2000, the regime started enforcing regulations governing Internet service providers and users on the Chinese mainland, the purpose being to have tight official control over whatever might be put on and through the facilities. Activities of ethnic separatists have meanwhile been reported in Xinjiang, Tibet, and Inner Mongolia. Human rights issues still are pending. All these go to suggest that Beijing very likely will be having more difficult time trying to get things at home under control.

Because of the internal instability as reflected by the above-listed political, economic and social problems, the Beijing authorities have had to rely heavily on the PLA for the continuation of their rule. This trend is mirrored in the yearly increases in PLA budgets, successive pay raises for soldiers, and glowingly more frequent public statements by military leaders. Note 2. More than 50% of PRC’s state own enterprises have been in losing spells. Debt ratios are in excess of 80%. The losses caused each year total RMB 160 billion yuan or about a fifth of the state’s annual tax revenue.

Note 3. Jiang Zemin as president of PRC asked in July 1998 that all the military and armed police units strictly refrain from business activities and that the enterprises being operated by the military should be handed out. Thus deprived of opportunities to make extra money, and Jiang’s relations with the PLA turned tense. The transfer of major military enterprises seems to be completed, but soldiers are known to be still running medium and small-size businesses.

II. PRC Military Strategy

The Gulf War of early 1991 was a big eye-opener to PRC military. The subsequent trend of thought concerning what became known as “revolution in military affairs” impacted even more sharply on PLA leaders’ thinking, making them see distinctly that high technologies were already the foremost key to determine the outcome of any war.

At its expanded meeting in January 1993 the Central Military Commission readjusted the PLA strategic guideline and declared that the cardinal point of preparations for military struggle would be shifted to the winning of limited wars by means of modern know-how and, in particular, under conditions of high technologies. Also pointed out were following major directions of possible operations: 1) southeast coastal areas of the Chinese mainland, 2) South China Sea, and 3) Sino-Indian border areas. Development emphasis, would be on the PLA Navy and Air Force, but efforts would at the same time be made for the upgrading of the ground forces’ overall combat capabilities, enhancement of the Second Artillery Corps’ deterrence capability, and speedy formation of rapid-reaction forces.

With the progress of its modernization drive, the PLA has increased its force projecting capability dramatically. Because Beijing attaches the great importance to its oceanic territories and does not want U.S. and Japanese interference in the Taiwan Strait issue, the PLA has been attempting to increase the longitudinal depth of its strategic defense from within the presently half-closed areas of the “first island chain” to as far as the “second island chain”. Due to this intention, the PLA’s military strategy of active defense has already been expanded for “off-shore defense” instead of just being for “coastal defense” and is being steadily stretched out farther into the open sea.

The PLA’s strategic considerations call for avoidance of wars, major ones in particular. The thinking also is that even if a war cannot be avoided, there should be efforts to keep it from becoming a major nuclear one or

even a medium-scale non-nuclear one. The drive meanwhile is to build PLA as a force capable of winning localized small-scale warfare by means of high-tech facilities. More recently, certain military sources have come up with theories of “on limited operations” and “asymmetric warfare” whereby in case of hostilities against a superior enemy, various military or non-military means should be employed, irrespective of battlefield and non-battlefield limitations, so that ultimate victory may be clinched.

When thinking about modern warfare and possible high-tech wars of the future, PRC’s military strategists are emphatic not only about the importance of high-tech facilities as prerequisites. They still insist on guidance of “Mao Zedong’s military thinking and Deng Xiaoping’s concept of new-stage military construction.” In other words, they have not abandoned the traditional strategic for thinking about ways for inferior to prevail over the superior and are still emphasizing the retaliatory power of the “people’s war.”

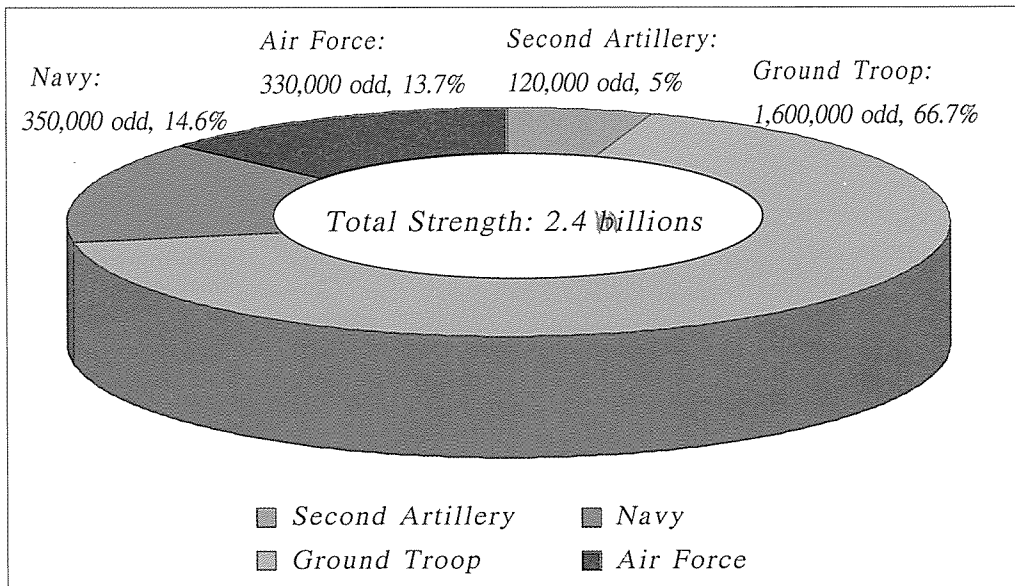
III. Present PRC Armed Strength

The current armed strength of PRC consists of regular People’s Liberation Army (PLA) active units, PLA reserve units, units of the Chinese People’s Armed Police Force, and militia units.

1. People’s Liberation Army:

(1) Total strength: The force as a whole is over 2.4 million strong, with over 1,600,000 of ground units, 350,000 in the Navy, 330,000 in the Air Force, and 120,000 in the Second Artillery Corps. (See Figure 1-1 for estimated ratios of breakdowns.)

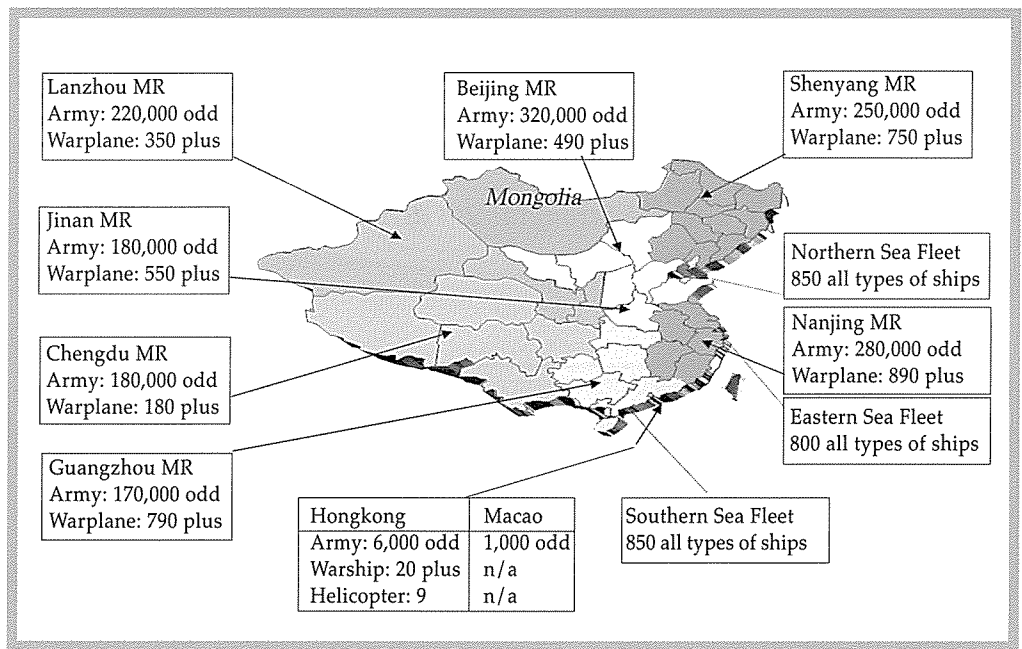
(2) Points taken into consideration for the deployment of PLA forces include the strategic guideline of “active defense,” the topographic characteristics of various PRC regions, and the whereabouts and extents of potential enemy threats. Units of various arms and services are assigned to the seven major military regions, in line with the planning “theater” strategic concepts. (See Figure 1-2 for estimated PLA deployments.)

Figure 1-1 Estimated Armed Forces Strength Ratio of PRC

(3) The PLA's Second Artillery Corps now has more than 400 missiles of various ranges including ICBMs, in the Dong-feng (DF, East Wind) series. DF-15s (M-9 type) are deployed in the Leping area of Jiangxi province. Advance missile bases (spare ones) ready to be used, are at various other points of Jiangxi and in areas of Fujian. The DF-11s (M-11 type) and their improved versions can cover all of Taiwan if fire from their present launching sites in Fujian. The DF-15s and 11s in Jiangxi and Fujian are clearly for potential Taiwan targets. The number of DFs missiles is likely to exceed 600 by the year 2005.

(4) Units from the Guangzhou Military Region (MR) formally marched into Hong Kong and Macao right after PRC took over the sovereignty there in mid-1997 and late 1999. The units now in the former British colony are made up of somewhere more than 6,000 soldiers and equipped with 21 armored vehicles, 9 helicopters, and over 20 vessels. The troops stationed in the former Portuguese enclave number over 1,000. They have 10 armored vehicles and 60-odd other vehicles.

Figure 1-2 Estimated Forces Deployment of PLA



2. People’s Armed Police:

PRC’s People’s Armed Police, about 1.1 million strong, is a force that functions for both public security and military purposes. It is known as a matter of fact that just as the PLA’s numerical reduction was taking place in the recently past, partly in Beijing’s attempt to allay the international apprehension about “Chinese threats,” large numbers of the discharged soldiers were absorbed by the Armed Police. Units of the Armed Police are grouped into these seven functional branches: internal garrison, frontier defense, fires fighting, forests protecting, transportation, gold, and utilities. In peacetime the men are assigned to protect key offices and officials, help maintain public security and order, handle contingencies, and ensure the safety of strategic support facilities and resources, such as forests and mines. In case of a war, these personnel come under the military command structure

and attend to duties like battlefield order maintenance, counter-infiltration, sentry and patrol, etc. that are generally in the “support battle line, secure home front” category. If and when necessary, the Armed Police fights also along with regular units in defense operations.

The status and importance of the Armed Police became ever more significant after the Tiananmen Incident of 1989. Suppression of disturbances in Tibet and Xinjiang in recent years has been done mostly by the Armed Police. The Central Military Commission announced in 1994 that “if anything should happen in the country, coping with the situation would be mainly through Armed Police mobilization.” Quite clear is that the Armed Police have been functioning as the main PRC force for internal stability.

(1) Command Structure:

Armed Police units in PRC are under the dual leadership of the Central Military Commission and the State Council. According to the “Regulations Governing the Work of the Chinese people’s Liberation Army’s Armed Police Force Commands” promulgated in June 1997, the headquarters got elevated from the level of PLA provincial commands to that of major military regions. In the four years or so beginning in 1996, altogether 14 PLA field divisions were put under the Armed Police jurisdiction and renamed as “armed police mobile divisions” for task force and other duties.

(2) Future Development:

In terms of nature and function, the PRC Armed Police are the equivalent of something in between the military police and the police force of a democratic country. The units are equipped mainly with light arms. All the heavy and outdated equipment that had been handed over by the PLA ground force have been gotten rid of so that the cost of maintenance could be minimized. But a great deal of new facilities have been acquired in recent years, such as armored vehicles, command vehicles, mobile detection vehicles, and even airships and helicopters for aerial surveying and

investigation. In terms of long-range mobility and ability to deal with emergencies, those well-equipped Armed Police units are better than ordinary public security units. Some of the battalion-level Armed Police units are known to have taken part in training and mock-war exercises with regular PLA troops. It is evident that the Armed Police can, in time of peace, ably bring large groups of reactionaries under control and, if open hostilities break out, immediately start performing support duties for the prosecution of war.

3. Militia and Reserve Units:

By formulating and of “speedy mobilization” the “defense education” stipulations in 1997, Beijing moved further to implement institutionalization militia and reserve units. Acting in accordance with those measures, Beijing also has made provincial authorities step up “People’s Armed Departments”, established basic militia facilities, formation of emergency militia detachments, and strengthened military training for militiamen and reservists.

(1) Militias:

Focus on the strategic southeast coastal areas of the Chinese mainland, Beijing has been building maritime militia units in earnest. This is obvious that for all the recent large-scale PLA landing operation training exercises, large numbers of fishing and other civilian boats were mobilized by the maritime militia. Militia units are formed by district, county, and township enterprises and the like under the two-in-one formula that requires paramilitary training for able-bodied civilian workers. The militia members are mainly for duties of rear defense. They have to answer calls for supplementary mobilization, provide support for frontline operations, and make sure logistics services are continued.

(2) Reservists:

Components of the PLA reserve units, mostly being retired or honorably-

discharge military cadres and rank-and-file soldiers, are naturally better grounded in combat capability than militia members. Now numbering over one million, the reserve units are collectively the mainstays of mobilization. It is seen that some of the phased-out regular PLA units have been transferred as reserve divisions and regiments to absorb those affected by disarmament. Additionally, reserve units have been organized into battalions of various independent arms, such as artillery, A-A guns, tanks, communication, pontoons, transportation, and vessels. The units formed with those from the Second Artillery Corps are known as "non-equipped formations." For this moment, reservist divisions, regiments, battalions, and companies were to be expanded to various administrative areas from the provincial level down to counties and townships.

IV. All-out Defense Mobilization

PRC's defense mobilization "for all people" is under the principle of "Military-civilian combination, peacetime-wartime linking, soldiers from general publics," and the militia and reserve units in various walks of civilian life will be accordingly mobilized as called for by wartime needs. The Defense Mobilization Commission, established in 1994 for stepped-up management, in charge of formulating pertinent work, surveying the "national defense potentials" of the various PRC provinces and autonomous regions and establishing strategic materials storage facilities and local mobilization offices. Then, in order to further enhance mobilization-related work as well as the training and administration of militiamen and reservists, Beijing in March 1996 put the provincial-level "People's Armed Departments" under the command of the PLA General Staff Headquarters, and conferred military ranks on those who were in charge of the departments and of various level. Furthermore, the PLA authorities in recent years have been issuing annual directives and guidelines to all-out enhance the basic infrastructure of militia and reserve units, and promoting standardized training at fixed bases

so that the trainees would all be a plus, of political as well as military, to the drive for a stronger backup force for defense mobilization.

To further improve the quality and capability of PLA troops, Beijing in 1997 started to call for military units of various levels to correctly perceive the trend of the times and earnestly screen the physical and ideological qualify of enlisted men. The first task aims at conducting health inspections thoroughly, in order not to affect the troop's tangible capability. Secondly, political screening was to be rigidly done to keep the military pure and healthy in thought. Anyone who dissatisfied with socialism or had a criminal record should not be allowed to enlist so that no liberalization of thinking would enter and spread in the military. Vigilance, the directive pointed out, ought to remain high in the barracks against signs of ideological disintegration. It also was asked that to meet the need of building high-tech troops for the future, targets of enlistment should cover young people with specialized know-how, including high school and vocational school graduates with work experience at urban industrial and business concerns.

V. PRC Defense Expenditures

PRC's budgeted defense expenditure for the year 2000 is RMB 120.5 billion (US\$14.536 billion), an increase of 12.7% from the year before. Increases rate have been by more than 10 each year since 1989, making the amount in RMB, terms nearly quadruple in only a decade. (See Table 1-3 for more details.)

The announced PRC defense budget figures are only part of what actually is spent for military purposes. This is because the sum does not include what is listed under items like "defense technology development," "militia construction," and "special projects and other expenditures." Additionally, considerable portions funds from "compensations and sums for social welfare and relief," "expenses for Armed Police Force," and "operation expenditures for cultural, educational, science and health institutions," actually go to the PLA. It was seen that such stashed sums for the PLA in 2000 could

add up to no less than RMB230 billion, making the actual spending somewhere more than RMB350 billion. (As pointed out in the Republic of China's "National Defense Report for 1998" p. 34 of the Chinese original and p.38 and of the English version.) Thus, PRC's defense expenditure must in fact be somewhere between three to five times of the officially given sum.

VI. Military Modernization

The U.S.-led coalition's Gulf War victory over Iraq made Beijing leaders see how far PRC was lagging behind the advanced West in military science and technology. They readjusted the PLA armament buildup guideline and started earnest learning from the "foreign military"—U.S. and Russia for example, in particular. They put emphasis on "quality and quantity buildup" and "combat capability from technology." The objective was to win local wars under high technology conditions. By expanding foreign military exchanges in recent years, Beijing has obtained additional pertinent experiences and thoughts for the development of combat tools and tactics of IT (information technology) and asymmetric operations to further augment the PLA's arsenal and combat potentials. Current efforts and future likelihood are as follows:

1. Troop Quality Upgrading:

(1) Military Education Reform:

For the building of a "21st-century-oriented military education structure," Beijing in June 1999 started an across-the-board restructuring of PLA military academies and colleges with emphasis on spearheading, practicality, comprehensiveness, and global orientation. The prescribed direction, from a solid foundation of higher education, was overall betterment of cadet quality, continuous upgrading of cadre-ship, and increasingly greater IT application. The success of the last aspect, it was noted, would largely depend on a similarly IT-oriented national education. After adjustment, the PLA education structure has become a

Table 1-3
Defense Expenditure of PRC in the Last Decade
Unit: 100 Million RMB

Item	Defense Budget(DB) (Total Increase Rate)	Total Financial Expenditure(TFE) (Percentage of DB)	Gross National Product (GNP) (Percentage of DB)	US\$(Million)	Exchange Rate
1991	330.29 (up 13.76%)	3,793.87 (8.71%)	19,580.00 (1.69%)	6,118	1:5.32
1992	377.89 (up 14.41%)	4,426.46 (8.54%)	23,939.00 (1.58%)	6,630	1:5.51
1993	432.48 (up 14.44%)	4,982.47 (8.68%)	31,380.00 (1.38%)	7,457	1:5.76
1994	550.62 (up 27.32%)	5,819.76 (9.46%)	43,800.00 (1.26%)	6,330	1:8.70
1995	636.772 (up 15.65%)	6,812.19 (9.35%)	57,650.00 (1.10%)	7,581	1:8.40
1996	720.036 (up 12.29%)	7,912.75 (9.03%)	67,795.00 (1.05%)	8,512	1:8.40
1997	812.57 (up 12.84%)	9,233.75 (8.80%)	74,548.00 (1.09%)	9,801	1:8.29
1998	928.57 (up 14.28%)	10,772.2 (8.62%)	79,553.00 (1.17%)	11,201	1:8.29
1999	1069.21 (up 15.14%)	13,137.00 (8.14%)	82,054.00 (1.22%)	12,601	1:8.29
2000	1,205.00 (up 12.72%)	14,637.00 (8.23%)	87,797.00 (1.37%)	14,536	1:8.29

three-level mechanism for preliminary, intermediate, and advanced training. Specific subjects for the waging of special-purpose operations—high-tech intelligence and information warfare, psychological warfare, etc.—have meanwhile been added to the curricula.

(2) Betterment of Officer Quality:

Efforts in this regard have included: a) Active cultivation of post-doctorate research, including the establishment of a system of “mobile labs” for such personnel to continue highly specialized researches in fields of medicine, IT technology, anti-chemical warfare, and the like; b) brush-up training sessions to keep cadres informed of the latest development in

their fields of specialization; c) prizes and awards for major science-tech achievements, offered in a drive to stimulate creative researcher endeavors; d) a management and coordination center for the optimum allocation of high-level science-tech personnel according to their work records and fields of study emphasis. The PLA General Staff Headquarters meanwhile has been treating the cultivation and training of cross-century personnel as a strategic mission.

(3) Work on Rank-and-File Soldiers:

The PLA's training units on various levels have all been working hard to make young intellectuals willing to become enlisted. According to the amended regulations of military service, all the soldiers on the active list must be on or above the level of junior high school graduates. After serving for two years, those picked according to the "cadre selection procedure" are sent up for training as noncommissioned officers (NCOs). Efforts are made this way to effectively raise the servicemen's educational levels, so that the PLA structure will keep improving from the basic strata, with more and better basic level leaders as well as cadres having specialized technical know-how. All the soldiers meanwhile are asked to equip themselves with enough fundamentals combat skills on future battlefields.

(4) Conscription System Reforms:

At its 6th meeting late in 1998, the NPC Standing Committee resolved the proposed amendments of the Conscription Law. The major changes included the following:

- a. Shortening of service terms for draftees (See Note 4)—so far 3 years for those in the Army and 4 for the Navy and Air Force—uniformly to 2 years. Also rescindment of the stipulations concerning extension of service terms.
- b. Adjustment of "18 to 20" to "18 to 22" as the age of militia members and reservists required taking part in training.
- c. Better treatment for the families of draftees. No matter in urban or

rural areas, draftees' families are to be accorded preferential treatments by the concerned local governments. Also broader channels are created for the relocation and job placement of retired servicemen.

(5) Strengthen Science-Tech Training:

Immediately after the General Staff Headquarters announced its three-year plan for "cadres of the entire military" to study and acquire high-tech know-how, over one hundred scholars and specialists—from institutes like the University of Science and Technology for National Defense and the Defense Science and Technology Information Center—were sent to various major PLA units for lectures to promote the ideas. The Central Military Commission meanwhile issued a circular directive calling on all the troops to resolutely persist in Jiang Zemin's strategic thinking about military buildup from science-tech angles and accordingly start a study-and-train campaign resembling a full-scale mass movement across the PLA. Beijing has been emphatic that this training drive should not be taken as just another of the study campaigns, adding that this is a new-type military drill that had made its advent as called for by the electronics age, and should be pursued energetically for the winning of local wars under high-technology conditions. The demand also has been that theoretical studies of combat tactics, training methods, and management techniques should be ardently and extensively carried on.

2. Trends of Armaments Development:

(1) Establishment of General Ordnance Department:

The tasks to procure, develop, and manage weapon system for the PLA used to be under the supervision of five different top offices—the Armament Planning Department of the General Staff Headquarters, and the individual Armament and Technology Departments of the PLA Army, Navy, Air Force, and Second Artillery Corps. After the Gulf War, the PLA leaders graphically saw the military technology management gap

between PLA and the advanced nations of the West. In April 1998, just as the State Council started going further with the restructuring of government and military agencies, the Central Military Commission, aside from keeping the Commission of Science, Technology and Industry for national Defense (which subsequently was put through organizational and functional restructuring), established the General Armaments Department (GAD), right under the commission for uniform supervision of weapons procurement, development and management.

(2) Strategic and Theater Missiles:

a. Strategic ballistic missiles: Development emphasis for PRC's strategic ballistic missiles has been on better mobility, higher precision as well as greater effectiveness of warheads. The DF-31 missile has already been successfully tested. Work is going on positively for the development of new solid-fuel medium/long-range, and intercontinental missiles. It is seen that such new-type missiles will eventually replace the existing liquid fuels DF-3s, 4s, and 5s.

b. Tactical ballistic missiles: PRC's work on tactical ballistic missiles is continuing in four directions: greater range, higher precision, bigger payload, and better warhead effectiveness.

c. Cruise missiles: Development is going on for the production of land-attack cruise missiles launched from the sea, ground and air. Efforts also are being made to reduce the sizes of missile. PRC additionally wants to develop its own satellite guidance facilities for cruise missiles and further improve its technologies for precision guiding in the final stage of cruising.

(3) Weapons for Air Supremacy:

a. Development of new fighters: Test-fly has been going on for J-10 fighters (developed in PRC with technologies from Israel) and J-11s (Sukhoi-27s, produced in cooperation with Russia). Expected to get deployed before the year 2005, these fighters are similar to U.S. F-15s and F-16s in

performance and, it is seen, will effectively help the PLA bolster air supremacy over battlefields.

b. Beyond-visual-range engagement: Introducing Russian AA-12 air-to-air missiles.

c. All-weather low-altitude infiltration: PRC has all by itself developed the JH-7 fighter-bomber capable of low-altitude terrain-following flight. Additionally, Russia has agreed to sell PRC a certain number of SAMs system and a batch of Sukhoi-30 MKK fighter-bombers that are comparable in performance to the U.S. F-15E. Thus, the PLA Air Force will be able to greatly stretch the radius of its air defense and seriously threaten warships and ground targets of stand-off range.

d. Aerial refueling capability: Already developed in PRC is the H-6 aerial tanker. Copying with J-8D fighters that can get refueled in the air, the extended fighter range and additional radius of operation will be both dramatically increase.

e. AWACS: The airborne warning and control system of PRC is patterned after the Russian A-50 and may equip with facilities from Israel or Britain. With a control range of 210 nautical miles, the units are ordinarily used for purposes of early warning and, in case of a war, could command and control the interceptors for interception, early warning in-depth could also be obtained by expanding the control area.

f. Air defense weapons: The PLA currently has HQ-9s and SA-10 SAMs for area air defense. Field deployed SAMs includes HQ-7s, QW-IIIs, and SA-15s. Either produced locally or purchased from Russia, the new SAMs systems will gradually replace various old systems.

(4) Naval Weapons:

The PLA Navy is actively developing Type 093 SSN and Type 094 SSBN, the latter carrying either 12 or 16 JL-II SLBMs (improved versions of DF-31 ICBMs). The range of JL-II can cover the whole United States. PRC furthermore has been bringing in Russian-built Sovremenny-class destroyers

and Kilo-class diesel-electric submarines, partly to replenish the battleship shortage, and partly to obtain advanced technologies to improve what the PLA Navy already has. The Sovremenny destroyers, equipped with SS-N-22 “Sunburn” anti-ship missiles, can seriously threaten ROC and U.S. naval units in the area.

Some older battleships of the PLA Navy (such as Luda-class destroyers) are upgrading with modern weapon systems (such as YJ-8 anti-ship missiles as replacements and Sea HQ-7 SAMs as additions) for enhanced capability, and in line with large numbers of old-type diesel-electric subs. This process of upgrading and rearrangement is expected to bring about a better-performing mixed maritime force by the 2005-2010 period.

(5) Ground Force Weapons:

Weapons refurbishing for PLA ground units have been considerably slower than planned. Third-generation MBTs could not make their first public appearance till the October 1 military parade of 1999. Retouching of the relatively new MBTs of the 88 series (variants from the 80 and 85 series) had taken place only in few priority-armored units. But some of the technologies dug up from imported weapons have gone into PRC’s own arms research and development. The Russian HTD (Red Earth) laser-guided shells, for instance, have led to the production of airborne laser-guided firearms for planes. Also being developed, possibly with notable future outcome, are theater artillery pieces (such as large-caliber multiple launchers of long-range rockets) and attack helicopters (such as the developing Zhi-10).

(6) Information Warfare:

a. Stepped-up building of command & communication Systems: Automated command networks have already been completed for the entire upper structure of the PRC military—the Central Military Committee, the four PLA general departments (General Staff HQ, General Logistics Dept., General Political Dept., and General Armaments Dept.), and the

headquarters of the various arms and services, major military regions, and group armies. Similar systems for field operations are being expanded to cover the division and regiment levels. Inter-unit transmission of messages and information is done mostly through optical fiber and satellite facilities. It is seen that dependability in terms of signal strength and security protection is quite good.

b. For better electronic Soft & hard kill capability: In all the major military regions are counter-electronics units equipped with various communication and radar-jamming facilities. Plans presently are to let those units acquire unmanned aerial vehicles(UAVs) carrying electronic devices for purposes of surveillance, detection, jamming, etc. Air Force planes and naval vessels also are being equipped with jamming facilities for active and passive self-defense. As for "hard kill" weapon, PRC's development of airborne supersonic counter-radiation missiles are nearly complete and actual deployment of such electronic weapons will start before long.

c. Weapons against information facilities: Those means to cripple information-related electronic facilities include computer viruses, hacker intrusion, spamming, and electromagnetic impulse bombs. If applied effectively, these can paralyze or burn down the computer and other electronic devices that the enemy side uses for the command and control of its military and related units. War making will immediately be rendered difficult or impossible, and destroy enemy's combat capability.

(7)Space Military Force:

The PRC Academy of Military Sciences is actively studying space war theories and patterns and also makes in-depth evaluation of its possible impacts. Beijing and Moscow are for the time being cooperating in building radar satellite, synthetic aperture radar on this satellite platform can monitor & detect digitalized target on the ground. According to the Plan it announced in October 1996, Beijing would spend US\$250 million and

launch a radar satellite for military-civilian dual use by the year of 2002. Beijing meanwhile has been developing a commercial image satellite. Relevant technologies are being purchased simultaneously from the U.S., France, and Israel. Beijing not only is with mature technology of launching spy satellites, but also has launched the unmanned spacecraft "Shen-zhou". Quite naturally, it has successfully improved its space-related science and technology.

Note 4: Draftees (compulsory servicemen) of the PLA are privates in active service. It may also be noted that volunteer servicemen are noncommissioned officers, also in active service.

VII. Training Exercises

In cope with the world's military development, also in line with its strategic guideline of "win local wars under the modern high technology conditions," and its tactical thinking about being "equally well on the offensive and defensive," the PLA has been working in these two directions at the same time: 1) continuous enhancement of training methods and broadening of drill results for increasingly greater technology-oriented fighting strength; and 2) qualitative and quantitative upgrading of training through positive testing and verification of new equipment and tactics as well as priority development of capabilities to fulfill emergency missions and provide necessary logistics supports. The PLA has, in its drive for modernization, constantly carried out exercises to test new weapons, examine new tactics, and determine the effectiveness of joint operations.

The frequency of PLA exercises during 1998-2000 diminished from earlier years. Besides, only the joint landing exercises of September 1999, conducted by the Nanjing and Guangzhou Military Regions and involving units from all the various arms and services, appeared to be quite clearly directed against a specific potential target, for the drill came shortly after Taipei made

its "special state-to-state relationship" statement and very much angered Beijing. Other exercises of the period were largely routine training exercises. But less frequent PLA military exercises do not represent mitigation of threat to ROC.

VIII. Military Diplomacy

PRC's military diplomacy is generally for these purposes: 1) to make it imperative that the "one-China principle" is upheld by all; 2) to refute the theory of "China threat"; 3) to demonstrate "military information transparency"; 4) to acquire high-tech weaponry to strengthen military power; and 5) to blockade the weaponry acquiring channels of ROC. Its involves include the following: 1) national security policy declaration; 2) military items and weaponry procurement; 3) enhancement of bilateral relationships & interaction influence, and will improve the international relationships of PRC as well as maintain a peaceful international security environment. In addition, with highly political implies, the military diplomacy of PRC will also cope with its overall national security and interests. It will particularly focus on friendly relationship development with its neighboring states, and emphasis the functional imperative of visit exchanges. For example, it enhances its "strategic partnership" with Russia to improve border security, and develops the bilateral relationship with the U.S. to promote its international standing. Those have been the focus of its recent military diplomacy.

The PRC has received almost 80 foreign military delegations in 1998-1999. It has also sent military delegations consisted of military leaders from CMC, General Staff Dept., General Political Dept., General Logistic Dept. and various services for foreign military exchange. The most noted one is the U.S.-PRC military exchange. In January 1998, PRC and the U.S. signed

“Military Maritime Consultation Agreement” to prevent accidents between their Air Forces/Navies due to misunderstanding or mis-judgement. In August 1998, the Chairman of CMC, PRC Chang Wan-nien visited U.S., and signed accords with U.S. secretary of Department of Defense William Cohen for drills of bilateral disasters & humanity relief and for matters of observers to military exercises and of military academy guest cadets, U.S. port calls by PLA Navy vessels, and seminars on maritime search and rescue techniques. Zhang and Cohen then signed a joint communique on information inter-flows for the safeguarding of military environments. But PRC-U.S. relations plunged to a new low because of early May 1999 accidental NATO bombing of the PRC Embassy in Belgrade. Later the same month the U.S. Congress released the Cox Report, alleging PRC thefts of classified U.S. nuclear and missile technologies through national and commercial laboratories as well as private firms related with weapons, supercomputers, etc. Then, in October of that year, Congress decided in the defense authorization bill for the year 2000 to restrict U.S. collaboration or exchange with PRC in force projection and application of nuclear, biological, and chemical weapons. Also banned was U.S. exchange and contact with Beijing regarding the military space and matters of modern logistics, detection, and intelligence collection. But the bilateral military exchange seems restore again after the U.S. Defense Secretary William Cohen’s visit to Beijing in July, 2000.

The PRC’s military diplomacy is for omnidirectional, multi-level, and broad-scope development. Efforts are constantly made not just for the cementing of “good neighbor” relations with nations in the vicinity but also for the building and promotion of channels of inter-flow and cooperation with the world’s major countries. As the scope of PLA involvement in external matters broadens, military leaders will become more weighty and

outspoken whenever the regime's handling of external affairs takes place.

IX. Impacts of Beijing's Military Posture on the Asia-Pacific & ROC

1. Asia-Pacific Region:

Acting in line with its changed military strategy, PRC has been increasing its military expenditures each year for speedy modernization of PLA, with particular emphasis on the upgrading of the PLA Navy, Air Force, and Second Artillery Corps, plus the formation of rapid reaction forces. The PLA has this way grown as an offensive-type force quite able to undertake actions in the off shore area. Because of PRC's military exercises in the Taiwan Strait in 1966 and sustained verbal attacks as well as threats to use force against ROC, unrest has spread in the Asia-Pacific region and Beijing naturally has been viewed as the region's No. 1 source of armed threats.

The United States has started regarding the PRC as the potential competitor. Aware of the PRC military expansion, Japan has been planning to shift its defense emphasis from its northern frontiers, against possible Russian encroachment, to the west-side waters of the Japanese chain of islands. Members of the Association of Southeast Asian Nations meanwhile have been working through their mechanisms of multilateral security talks, like the ASEAN Regional Forum, for "check and balance" against PRC. As the various Asian and Pacific nations keep seeking better defenses, a new wave of arms race may sweep through the whole region.

2. Perceived Impacts on ROC:

The PRC has in recent years dramatically modernized its PLA by acquiring advanced weapons from foreign countries and by making use of its own greatly increased ability to develop and produce arms. PRC is a threat to this nation not just in terms of numerical superiority. The whole matter

is now a race for better quality and larger quantity. In June 2000, the "ANNUAL REPORT ON THE MILITARY POWER OF THE PEOPLE'S REPUBLIC OF CHINA" published by Department of Defense of the U.S. indicated the following: "In the long term (2010-2020), China's qualitative edge over Taiwan's military forces could continue to increase." "After 2005, however, if projected trends continue, the balance of air power across the Taiwan Strait could begin to shift in China's favor, assuming no significant, concurrent improvement in Taiwan's air capabilities." "Particularly since the 1991 Persian Gulf conflict, the PLA has devoted considerable resources to the development of Special Operations Forces (SOFs). These units apparently have been assigned specific missions or tasks in a variety of Taiwan contingency operations." "A PLA amphibious invasion of Taiwan probably would be preceded by a naval blockade, air assaults and missile attacks on Taiwan."

Due to PRC's continually increased military strength and heightened sense of urgency about settlement of the "Taiwan issue," the threat to our national security from the other side of Taiwan Strait is ever more imminent as well as serious. Furthermore, PRC is positively developing tactics and tools for "unlimited operations", information warfare, and asymmetric tactics to win the victory. Instead of remaining unchanged, the patterns of Beijing's intended strikes at Taiwan will be very much diversified.

PART TWO |
NATIONAL SECURITY
AND DEFENSE POLICY

Summary

1. Threats to national security of ROC are not just those of military nature from the People's Republic of China (PRC). There are also threats of human nature on our own side as well as natural calamities. Some of our people are either without clear delineations between friends and foes or without consensus on the issue of national identification. The economy is heavily dependent on external trade and a great deal of the resources we need must come from abroad. The country's infrastructure is inadequate. Typhoons and earthquakes are frequent and may at times spell disasters. Therefore, ROC government and the entire private sector must build a consensus on a sound concept of national security.
2. The use of force against Taiwan by PRC is the biggest threat to our national security. Units of PLA Army, Navy, Air Force and Second Artillery may be committed against Taiwan. The worst scenario that can be expected is the saturation attacks with missiles.
3. The Republic of China's national defense calls for full display of the nation's strength in the building of defense forces. The purpose is to achieve the goal of safeguarding national security and world peace.
4. The underlying concepts of present defense policy are: "strengthening all-out defense," "building modern defense," "implementation of the three assurances policy," and "promotion of regional security cooperation."
5. The country's present-stage military policy measures are the following : "total perspective and institutionalization," "self-reliance and self-sufficiency," "effective deterrence and strong defense posture," "mobilization of all available manpower," and "stronger defense as a way to deter wars."
6. The visions for ROC defense are: "specialized, modern mechanisms for decision-making," "crack troops for joint operations and excellent combat systems," "effective mobilization mechanism with all-out defense consciousness," and "secure national security environment through the promotion of military exchange and mutual confidence."

7. The defense guidance of ROC Armed Forces is based on the strategy concept of "effective deterrence and strong defense posture." It is also under the principle that "stop the war but not to be afraid of war, and prepare for the war but not to seek the war." In case the enemy forcibly stages an invasion, the rule "strategic endurance but tactical expeditiousness" for the commanding of troops is observed as a total war is waged through an integrated application of armed forces units and firearms as well as a general mobilization of civilian resources. Additionally, ROC military has been working on building a missile defense system. This will be done stage by stage as the relevant preparation and improvement work continues. The principle set for the system is scheduled: "Lower levels to higher ones, expansion from points to areas, west (coast of Taiwan) before the east, equal emphasis on land and sea."
8. The all-out defense mobilization preparatory mechanism is the concrete approach to the targeted "all-out defense." The principle demanding "mobilization as part of administration, military preparedness via economic construction" is followed as the government in peacetime takes necessary administrative steps to complete a comprehensive buildup of manpower and material resources and capability. As this accumulation of combat capability goes on, the government will, whenever required, give timely help for the handling of local contingencies. In case of war, the government will integrate the application of civilian strength to support military operations, and maintain the operation of public offices to deal with emergency situations, and provide the people with fundamental daily needs.

General Security Situation

I. Security Environments and Cross-Strait Relations

1. Security Environments

Located halfway in the West Pacific's first island chain, Taiwan is strategically important in the entire area because of its controlling position over the Taiwan Strait, the Bashi Channel, and the adjoining Pacific waters. The island is of immense geostrategic value to the PRC's eastward expansion. Quite naturally international communities have often listed the Taiwan area's stable peace and the Korean peninsula situation as the two major keys to Asia-Pacific security.

The Republic of China's national security can be affected by changes in the international structures, but its major threat comes from the Beijing regime. Viewing themselves as the orthodox inheritors of Chinese history and as charged with the historic mission to bring about unification, leaders in Beijing have persistently refused to accept the fact that the two sides of Taiwan Strait are divided and separately ruled. They reiterated that they would not exclude the use of force as a possible means of unification, and have kept trying to elbow us out of our existence as a nation by imposing their "One China" policy, insisting that People's Republic of China is mainly that "One China." Quite understandably our national security has been subjected to implied or overt threats.

Aside from threats of military nature from the PRC, menaces to our national security have included human and artificial matters as well as natural calamities. Some of our people, for example, are either confusing foes with friends or are divided on the issue of national identification. Our economy is overly dependent on external trade and most of the resources we need have to be from abroad. Our public utilities and infrastructures, including means of transportation, are inadequate in many respects.

Furthermore, typhoons and earthquakes are quite frequent in the Taiwan area and many have brought havoc. For instance, the "921 Devastating Earthquake" on September 21, 1999, caused 2,333 deaths, inflicted injuries on over 10,000 others, and did enormous damages to properties. In view of these facts, the government and the private sector must likewise unequivocally see the need to establish an all-inclusive concept about what safety and security and call for.

2. Cross-Strait Relations

For some three decades following 1949, military opposition with actual armed clashes at times (from 1949 to 1978), persisted between the PRC on the mainland and ROC on the eastern side of the Taiwan Strait. The subsequent nine years or so, from 1979 through 1987, saw less furious confrontation but there still was no engagement. Private-level exchanges and consultations began in November 1987 when our government started allowing mainland visits by ROC citizens wishing to see their relatives there. Some three and a half years later, Taipei terminated the Period of National Mobilization for Suppression of the Communist Rebellion. Two more years later, in April 1993, top negotiators from both sides, all non-governmental, met in Singapore for the first talk. That was supposed to be the beginning of benign interactions.

Early in 1996 as ROC was ready for its first-ever popular presidential election (to elect the ROC's 9th-term President), the PRC staged massive military exercises, including test-firing of ballistic missiles into waters outside the Keelung and Kaohsiung harbors, in an attempt to produce certain effects on voter choices. Relations between both sides worsen. In October 1997, Mainland China invited Koo Chen-fu, chairman of the Taipei-based SEF (Straits Exchange Foundation), to visit Beijing and Shanghai. In July 1999, Beijing reacted vehemently to the former President Lee Teng-hui's "special state-to-state relationship" statement, and immediately called off

the expected Taipei visit later that year by Wang Daohan, chairman of SEF's counterpart ARATS (Association for Relations Across the Taiwan Strait). Additionally, in February 2000, Beijing issued a white paper of very strong language on the "One China Principle and Taiwan Issue," emphasizing that the "People's Republic of China is the sole legitimate government representing all of China" and that the Taiwan Strait was facing a "serious crisis." The White Paper then spelled out the "three if's" of conditions that would make the PRC resort to arms against Taiwan. The following month (March 2000), just before ROC was to elect its 10th-term President, Beijing voiced an even more forceful warning against voters who might opt for Taiwan independence. Tensions mounted in the strait and East Asia, causing intense concerns in international sources everywhere.

Although sharing the same ancestral, cultural, and historical background, the people of both sides have, due to long periods of separation, developed vastly different political systems and lifestyles. These discrepancies have not only obstructed empathy and friendship but even led to confrontation. We hope the two sides will, upholding the principles of democracy and parity and of "goodwill, reconciliation, active cooperation, and permanent peace," build a foundation of mutual confidence and, with good intentions, create conditions for cooperation to jointly deal with the question of a future "One China." Through governmental and people's level exchanges, the two sides should be able to remove unnecessary obstacles and bring a win-win situation.

II. Sources of Threats

Going over the present national security environments, one will see that possible PRC use of force against Taiwan is the most serious threat to ROC's existence.

1. Unchanged PRC Position About Use of Force

Beijing's Taiwan policy has, in different time periods, prescribed dissimilar

approaches. Beijing has repeated the rhetoric such as “blood-washing Taiwan”, “unification by means of force”, “peaceful negotiation” and “one country, two systems,” but has remained the use of force as the unchanged essence. The PRC has all along entertained the belief that “force” is the key inducement to “peace” in achieving settlement of the unification issue. In its White Paper on the “One China Principle and Taiwan Issue,” Beijing stated, “While pursuing the policy of peaceful unification, the Chinese government has made it clear that the settlement of the Taiwan issue, no matter by what means, is the matter of China’s internal affairs, and there is no obligation for China to renounce the use of force.”

2. The Available Forces That Beijing May Employ against Taiwan

(1) Army

The 31st Group Army presently deployed in the Fujian area directly opposite Taiwan is about 70,000 troops. If and when necessary, some 250,000 troops from contingency mobile units and strategic reserve forces in other military regions can be reinforced promptly.

(2) Navy

Submarines of the PLA Navy will certainly be employed to enforce underwater blockade. Mines of various types could also be used in the main transportation courses. Once it secures the command of the air and sea, the PLA can by means of its 300 plus landing crafts, ship one reinforced division over in successive groups at a time. With the help of motorized fishing boats assembled, about 400,000 light equipped troops can be used for regular and irregular landing operations against Taiwan and its offshore islands.

(3) Air Force

Already deployed within 600 nautical miles of the Taiwan proper are about 1,000 planes of various types which could undertake operational missions at any moment. The capability includes shipping two airborne

regiments once a time. Additionally, the Sukhoi-27 fighters at Wuhu of Anhui and Suixi of Guangdong can cover all of Taiwan with combat radius of 810 nautical miles.

(4) Second Artillery Corps

The PLA Second Artillery Corps now has over 400 missiles of short, medium, and long ranges, including ICBMs. DF-11 and DF-15 short-range mobile ballistic missiles range 300 to 600 kilometers, and increasing precision on-target hitting has been made possible in recent years. The DF families, now deployed in areas directly across the strait from Taiwan, very likely will be used against major political, economic, and military installations of ROC. In addition, together with the ground-attack cruise missiles now near completion, they can be employed for multiple-wave and multidirectional saturation attacks. This then will be the most seriously threatening form of PRC military invasion.

Current Defense Policy

Because of the growing military threats from the PRC, our nation must, for the sake of survival and development as well as for the safeguarding of its constitutional democracy and its people's life and property, continue to maintain sufficient defense capabilities. It is necessary, on one hand, to keep the Taiwan Strait situation stable so that the PRC will not be rashly using force against Taiwan, thereby upsetting peace in the Asia-Pacific region, while on the other hand, to keep enough power for Taipei's dialogue and negotiation with Beijing. Hence, the defense preparations and defense readiness of ROC are purely for self-defense and peace-keeping.

The fundamental concepts of the defense policy nowadays are: elevation of all-out defense, continuation of defense modernization, earnest implementation of the "three assurances" policy, and promotion of regional security cooperation. The military policy adopted for the moment on the basis of these concepts are with emphases on following aspects: total perspective and institutionalization, unfettered initiative for self-sufficiency, effective deterrence and strong defense posture, mobilization of all available manpower, and stronger defense as means to deter wars.

I. Objectives of National Defense

The objectives of national defense are defined with the country's Constitution, the nation's spirit, fundamental national policies, and national strategies as well as the extents and natures of threats from potential enemies. In article 2 of Chapter 1 of the National Defense Law promulgated by the President on January 29 of 2000, stipulated that "the national defense of the Republic of China shall, through the utilization of national resources and the establishment of defense forces, achieve its objective of defending the nation's security and maintaining world peace."

II. Fundamental Concepts

1. Strengthening All-out Defense

The National Defense Law specified in Article 3 of Chapter 1: “The national defense of the Republic of China is an all-out defense, involving military, political, economic, psychological, technological and other affairs that may directly or indirectly contribute to the protection of the nation.”

Based on the ROC constitution, the all-out defense should simultaneously contain the followings: the consensus of national identity; citizens’ participation in all the relevant activities that are centered around military construction; the development of defense potentials with economic buildup as the backbone; and channeling the will of safeguarding the nation with psychological construction as the driving force. The goals to be attained through these endeavors are:

(1) Omni-directional National Defense

In addition to military build-up, an adequate defense capabilities should resist external threats, avert wars and secure peace only with democracy, trade, diplomacy and self-confidence.

(2) Citizens’ Participation of Defense Affairs

Faced with military threats from the PRC, the country’s existence will be difficult unless all the people pool their volitional power and keep striving indomitably as determined members of a destiny-sharing “common entity.” For this, the idea of “all-out defense” must be realized through active transformation of the private-sector strength into defense power. Only by augmenting its overall capability and maintaining the military superiority with PRC can ROC hope to keep peace and stability in the Taiwan Strait.

(3) Total Defense

To meet Beijing’s threat, ROC sees the war would be the integration of political, economic, psychological, and military power. More specifically, war has to be fought as a total war, with politics and economy on the

forefront and with the military power as backbone. To build the total defense capability, it is essential that the principle of national defense and people's livelihood as one should be applied by the effective utilization of manpower, material, financial resources, and the integration of political, economic, psychological and military power next to combat preparedness.

(4) A National Defense upon Which the People Depend

In order to solicit public support, defense administrators must keep producing concrete results, demonstrating high administrative efficiency, and proving themselves upright and willingly ready to serve the people. With strong nationwide confidence in it, the government sector in charge of defense can go ahead with more and better defense construction.

2. Defense Modernization

National security is the prerequisite of a nation's constructions. The intense relationship between both sides of the Taiwan Strait is due to Beijing's expansion of its armament and unreasonable verbal and physical threats, causing instability to the whole area. To insure our national security, ROC Armed Forces, with bolstered spirit and creative efficiency of enterprise administrators, further streamline organizational structures, promote qualitative improvement of manpower, and make the composition of the services more rational so that stronger capability will get preserved. Additionally, improvement of weapons and facilities, including those for information-related operations, must continue for the building of highly efficient, modernized defense strength. By being qualitatively better and still better, we are to remain able to forestall its opponents.

3. Implementation of the "Three Assurances" Policy

The "three assurances" policy—for a sense of keeping safety of servicemen, for making soldiers better able to take care their families, and

for making soldiers' dependents comfortable—represents focal direction of ROC's defense buildup. In the first regard that is to make servicemen feel secure, various safety inspections are enhanced along with soundness control and psychological guidance so that unnecessary material wastage and accidental injuries and death may be minimized. For the care of soldiers' families, lawmaking will continue for the betterment of servicemen's pays and of preferential measures for military dependents, especially when their men are disabled or become deceased. In the last regard, two-way interactions between those in active service and their folks back home are to be earnestly arranged and assisted so that both sides will be kept sufficiently informed and free from worries.

4. Promotion of Regional Security Cooperation

As the Asian and Pacific nations are apprehensive about Beijing's military modernization, it is essential that ROC should, mostly through cultural pipelines and by means of trade and economy, seek opportunities of strategy cooperation with the ASEAN nations, so that additional room for maneuver may be available for the continuation of its national existence and development. Foreign military exchanges should be promoted at the same time for the enlistment of strategic cooperation and opening of additional channels of military intelligence early warning among the various nations concerned. With advance warnings furnished and heeded, it could lead to prevent clashes, chances of wars breaking out may get lessened too. We also hope that military transparency will become available between both sides of the Taiwan Strait so that no misjudgment of information will occur and touch off open hostilities. To make this transparency possible and enhance mutual confidence in a common quest for lasting peace, there ought to be through security dialogues, exchanges and the establishment of cross-strait military confidence mechanisms.

III. Military Policy

1. Total Perspectives and Institutionalization

With the condition that combat preparations are fully attended to, ROC military will institutionalize the various aspects of its endeavors through the enactment of pertinent laws and regulations. The principle followed for this process of institutionalization is that the outcome should be of long-term practicability, with all things duly taken into consideration, and is forward-looking. Plans of various ranges — long, medium, and near term — also are formulated for building reliable fighting capability and of a foundation on which development continues.

2. Unfettered Initiative for Self-sufficiency

Due to the prevailing international political circumstances, ROC has found it difficult to purchase desired weapons from abroad. The nation therefore has had to think of developing its own defense technology research and development capacity. Efforts have been stepped up in key frontier areas of know-how and in systems science. Defense-related researches and production activities have been proceeding, first of all, in fields like aviation, missile, electronics, chemistry, and systems development. These will be serving as foundations for follow-up efforts to produce high-performance weaponry and equipments. Additionally, the military's R&D structure has been seeing to it that the private sector likewise keeps enlarging its technological capabilities. Major military procurements from abroad over the years have also offered opportunities to bring in important new know-how. Efforts have been going on and will continue for the nation's entire defense industry to achieve higher technology levels and become better able to work independently and with the initiative in its own hands.

3. Effective Deterrence and Strong Defense Posture

Through years of endeavor for Armed Forces Refining Program, ROC military has established a new-generation force that is new in terms of formation and outfit. It has what it needs to demonstrate strategic initiatives, execute countermeasure operations, and achieve effects of deterrence up to certain degrees. The strategic guidance therefore has been accordingly adjusted — from “strong defense posture and effective deterrence” to “effective deterrence and strong defense posture.” Modernized forces that are small but crack, quick to respond, and highly efficient have been actively designed and formed. Work also has been under way for the formation of an appropriate scaled deterrence force.

4. Mobilization of All Available Manpower

Efforts have been made to intensively train regular troops and extensively acquire reserve strength, and also to make sure adequate manpower and material resources can be mobilized and utilized for as long as military operations have to be executed. The objects are “maintenance of smaller numbers of soldiers in peacetime but employment of greater numbers in wartime” and “timely mobilizing and timely combat.” In other words, it is to constantly guard against enemy invasion and adequately safeguard the people’s lives and properties.

5. Stronger Defense as Means to Deter Wars

To cope with threats from the PRC, the Armed Forces of ROC have, acting in accordance with the principle that “quality prevails against quantity” and in anticipation of future war requirements, continued to push Armed Forces Refining Program for organizational restructuring. Acting at the same time in light of the arms and equipment acquisition for the new-generation force, the speed-up efforts are being made for the adjustment of the joint operational command mechanism. In addition, they are also

for the consolidation and integration of C4ISR (command, control, communication, computer, intelligence, surveillance, and reconnaissance) along with C4IDL (command, control, communication, computer, intelligence, and data link). This is for real-time grasping of enemy movements and quickest possible command responses for effective results. The cream of ROC Armed Forces capability will this way be rising ably against and over the quantitatively superior enemy.

IV. The Vision of National Defense Military

As ROC marches into the uncertain 21st century, the Ministry of National Defense will structure high-quality, effective and secure defense vistas with the precise objectives of “development of surroundings conducive to national security and creation of resolution to the national crises.”

1. Specialized Modern Mechanisms for Decision-making Management

Restructuring of the defense organization is focused on the establishment and operation of the military policy, military command, and military armament. Military policy will be the core to establish the modernized defense structures most suitable to the conditions of the nation as well as special mechanisms for defense-related decision-making management. The military policy structure is to be charged of the military buildup work such as strategic planning, resources arrangement, and policy formulation, all in support of the operation of the command and armament system. The command structure is in charge of military readiness, such as command of operations, formulation of operation plans, offering needed requirement for operations, and screening proposals to beef up the strengths of various services. The armament structure attends to duties of armament readiness, making sure that full support is given according to the command structure’s requirements for operations. The goals to be attained through the buildup and activation of the above structures include the thorough nationalization of armed forces, the realization of the ideal of civilian-led military,

full manifestation of benefits possible from specialization and division, the introduction of a flat defense organization, and compliance with the decision about innovative restructuring of government organizations. The ultimate objective, of course, is fullest war potential buildup of ROC Armed Forces.

2. Excellent Troops and Lineup of Units for Joint Operations

Facilities utilizing information technology will be extensively put to use for the integration of armed forces operations command mechanisms; enhance the nation's overall missile defense capability; establish professional high-tech troops with automated, digitized equipment; and digitized command and control systems. By thus, the buildup and enhancement of cyber warfare capability for offensive/defensive operations and related defense technologies will safeguard the nation's security.

3. Effective Mobilization Mechanisms with All-out Defense Conscious

Understanding and support by the general public could be won by making relevant defense issues transparent and lawful. Through efforts for all-out participation in national defense, concerns for the nation's future are to be heightened so that the multitudes will be fully prepared at heart against the enemy's bluffing and intimidation of psychological warfare. Effective methods of mobilization are to be devised and, when necessary, vigorously employed for coordinated channeling of the nation's effective resources into efficient crisis management. The national development policy that calls for the tying in of national defense with the people's livelihood is applied to the building of peacetime and wartime mechanisms for the pooling of strengths — political, economic, social, educational and military. What appears to be quantitatively smaller will be used for the protection of Taiwan Strait's peace and stability.

4. Secure Surroundings through Promotion of Military Exchange and Mutual Confidence

Aside from actively promoting military exchanges with various nations so as to obtain stronger measures for regional security, ROC will, if PRC's attitudes permit, attempt to promote systemized military mutual confidence mechanisms across the Strait. If near term military transparency plan to de-escalate the tension works well, promotion will follow for the establishment of medium-range and long-range mechanisms of military mutual confidence enhancement so that lasting peace in the Strait will make joint furthering of prosperity and development possible.

Guidance for Defensive Operations

The ROC military's strategic concept and guidance are "effective deterrence and strong defense posture." The principle followed is that "to avoid war but not to be afraid of war, and to prepare for war but not to seek war." Making use of the Taiwan Strait as a natural barrier, all the units concerned have been jointly on the lookout to pinpoint all possible signs of hostile actions to obtain early warning. Additionally, the Armed Forces constantly enhance their combat readiness and capability to carry out joint operation missions. Reservists, meanwhile, are kept ready and strong for the lending of required support. All possible steps are taken to guard against and check enemy in advance. But if the enemy disregards the price and launches forcibly an invasion, we will, while observing the rule of maneuver for "strategic endurance but tactical expeditiousness," wage a total war through an integrated application of armed forces units and firearms as well as a general mobilization of civilian resources. Tactics for the command of air and sea and for frustrating enemy's landing attempts will be vigorously employed. Other effective combatant means, such as information and electronic warfare, also will be resorted to. The drive will go on for the annihilation of invaders and for the restoration of peace and upholding of national security.

To cope with possible PRC missile attacks, ROC Armed Forces are asked to act according to the guidance "early warning, immediate response, multiple-layer interception, and decisive destruction." Also required is to come up with an effective combination of passive and active means of defense, whereby missiles are to be sought and destroyed. The defense system will be built stage by stage as the relevant preparation and improvement work on potentials continues. The underlying principle of the progress schedule is: "Lower levels to higher ones, expansion from points to areas, west (coast of Taiwan) before the east, equal emphasis on land and sea." Although not

given in the spelled-out principle, it is understood that from “lower levels to higher ones” also means that shorter-range interceptions will be eventually extended to longer-range ones. “Points to areas” means that although defense emphasis will first be on where it would hurt most, an area-wide system will have to be made available as soon as possible.

All-out Defense Mobilization

The fundamental belief in defense is that national defense has to be participated by all. The mechanism already available for the preparation of “all-out defense mobilization” is a concrete approach to the actualization of that belief. The principle followed for the mechanism is to treat “mobilization as part of administration” and achieve “military preparedness via economic construction,” which accordingly form various preparatory plans of mobilizations, such as those for spiritual, manpower, material, economic, financial, transportation and public health. Detailed planning is done yearly and specific points go into the government’s annual administrative plans for implementation to make sure preparation is adequate in light of prevailing conditions.

This all-out defense mobilization is divided into peacetime preparation and wartime activation. In case the nation faces a crisis, the President may, acting in accordance with the Constitution, issue an emergency decree and initiate a state of general or partial mobilization. All the pertinent stand-by plans come into forthwith and the earmarked units are set in motion. Peacetime preparedness becomes wartime readiness accordingly.

I. Legal Basis

The all-out defense mobilization as it stands ready today has its legal basis in the Implementation Rules of All-out Defense Mobilization Preparation that the Executive Yuan promulgated on May 28, 1997. The National Defense Law that became promulgated more recently has devoted to “all-out defense” and its Article 25 stipulates that a Law on Preparation of All-out Defense Mobilization be formulated and enacted for the required pertinent preparations such as materials stockpiling, exercises, enforced purchases, requisitions, and matters of compensation. That law is now going

through positive steps of legislation.

II. Organizational Structure

According to the above-mentioned “Implementation Rules of All-out Defense Mobilization Preparation” promulgated by the Executive Yuan, the Ministry of National Defense is the agency charged with overall handling of mobilization-related matters. While directed by the Executive Yuan, the MND sponsors the “Central Work Conference on All-out Defense Mobilization Preparation” that has offices for secretarial and other duties and is joined by the various ministries and commissions. With the words “all-out defense mobilization preparation” in its designation, the work conferences are maintained on three lower levels. They are Taiwan-Fukien area (Fukien, or Fujian, has the offshore islands of Kinmen and Matsu that remain under ROC), operating areas (including the Taiwan Area Defense Agency and the two special municipalities of Taipei and Kaohsiung), counties and cities under the Provincial Government. These conferences are convened and chaired by Armed Forces Reserve Command, Local Operations Command and by mayors and magistrates (of administrative areas). Secretarial units are maintained in the concerned army and division and regiment-level reservist commands that have to do with military matters (such as conscription and training and mobilization of recruits and reservists). Those attendees and secretariats are charged with tasks of government-military coordination and pooling of fighting strengths. In this way, the government in peacetime takes necessary administrative steps to complete a comprehensive buildup of manpower and material resources and war potentials. As this accumulation of war-making capacity goes on, the government will, whenever required, give timely help for the handling of local contingencies. In case of war, integrated application of civilian strength takes place for support to military operations, for public offices to deal with emergency situations, and for the people to meet their fundamental needs of life.

III. Concrete Steps

1. Legislation of Mobilization-related Statutes

The Implementation Rules of All-out Defense Mobilization Preparation now in effect is one that belongs merely to the level of administrative orders. After the promulgation of the National Defense Law early in 2000, the Ministry of National Defense, acting in accordance of its Article 25 and working positively under the Executive Yuan's direction, produced the Draft Law on Preparation of All-out Defense Mobilization. Covered in the draft are intentions of peacetime preparations for mobilization and reserve stipulations" that will become applicable if and when the nation goes to war. Hopefully the ideal of all-out defense will be furthered and actualized on a solid legal foundation.

2. Refining Readiness Plans

For the preparation of an all-out defense mobilization, the MND-convened Central Work Conference studies the latest requirements of defense operations. There also comes up a set of guiding principles for reference used annually by the pertinent lower-level offices. The governments of cities (including the two special municipalities) and counties of the competent authorities are in charge of overseeing the planning and implementation work as they separately draw up annual "programs and itemized plans" for their respective local areas. The Mobilization Preparatory Programs (MPP) and the scopes covered are as follows:

(1)Spiritual MPP (3 itemized plans): National spirit education, domestic and foreign news, armed forces news (the last two items covering matters of the "culture and publicity" category).

(2)Manpower MPP (8 plans): Civil defense; fire-fighting; wartime allocation, replenishment and control of personnel for transportation concerns and public as well as private productive enterprises; deployment of young people from schools and elsewhere for special assignments;

wartime relocation and settlement of disabled or aged retired servicemen.
(3)Material MPP (8 plans): Resources stockpiling and matters of wartime materials distribution control, allocation, sale, enforced purchases, requisitions, etc.

(4)Economic MPP (5 plans): Acquisition and storing of major industrial raw and processed materials, changes in production patterns of war industries, wartime supplies of electricity, water, etc.

(5)Financial MPP (3 plans): Raising funds to provide for war expenditure, wartime budgetary switching, wartime financial and foreign exchange control.

(6)Transportation MPP (6 plans): Unified wartime control over means of land and water transport, communication facilities, harbors, and lending of support to military operations by non-military transportation and communication concerns.

(7)Public Health MPP (4 plans): Medical administration, pharmaceutical administration, the matters of controlled medicines and the mobilization of personnel for battlefield medical units.

3. Drive to Promote Mobilization Understood by All

For the mechanisms of all-out defense mobilization to work, the public must first understand that “security through defense has to do with everybody and everybody is duty-bound to help build defense,” then move on to enhance their “live and let live” resolve about “concerned, supported and participated by all.” Only this way can the whole nation be of one heart and one mind as they demonstrate the truth that “unity is strength when faced with threats of war.” Such calls for concerted efforts are issued in myriad ways by the Government Information Office, Ministry of Education, Ministry of National Defense, etc. Through the reportorial, cultural, educational, and other publicity programs that have been formed specifically in line with the prevailing government emphasis on spiritual mobilization. Round-table

discussions, lecture meetings, prize-offering essay contests, feature and commentary writing, and other activities to promote ideas about defense by all are regularly sponsored, often in conjunction with the nation's print and electronic media. Readiness for hardship and labor is thus being enhanced as all are combined in a common entity.

IV. Civil Defense and All-out Defense

In the period of National Mobilization that lasted more than four decades, matters of civil defense in ROC were based on stipulations of the National Mobilization Law and the Air Defense Law. After the termination of Mobilization period, the legal basis was narrowed down to the Air Defense Law and its detailed enforcement regulations. Following the decision to change the preparatory work for "general national mobilization" into one for "all-out defense mobilization," the Implementation Rules of All-out Defense Mobilization Preparation, promulgated by the Executive Yuan in May 1997, integrated civil defense into the structure of all-out defense mobilization.

The National Defense Law specifies in Article 3 of Chapter 1, "The national defense of the Republic of China is all-out defense, involving military, political, economic, psychological and other affairs that may directly or indirectly contribute to the protection of the nation." Additionally, Chapter 5 of the same law exclusively on "all-out defense" and given therein is stipulations concerning civil defense. Thus made sufficiently clear is that civil defense is a sub-item of the all-out defense mobilization structure.

Covered by civil defense are mainly civilian air defense, disaster rescue work, local peace-security, and support duties for the military. Where civil defense has to do with support for the military, the work, if in peacetime, is supervised by the Ministry of the Interior (MOI) in conjunction with the Ministry of National Defense (MND). In time of war, the coordination with the MOI authorizes the various operating areas to do their own overall planning and make use of what they arrange and obtain for their military missions.

Various public enterprises of this country have long organized their civilian defense corps ("fang-hu-tuan" in Chinese, literally meaning "protection group"; the words "civilian defense" being to differentiate the term from "civil defense" which in Chinese is "min-fang" or "people's defense"). Sample groups from this or that corps are assembled each year for demonstration drills, in the presence of invited civil defense personnel from various relevant enterprises, so that notes may be compared as the skills of the participating groups to cope with emergencies are tested and evaluated. It is seen that those civilian defense corps are generally well trained and maintained. However, in view of the fact that such corps are not extensively found in private organizations, the Executive Yuan has drafted a Civil Defense Law that will make it mandatory for any private enterprise with workers numbering more than a hundred to organize a civilian defense corps of its own. The stipulation furthermore is that smaller-size enterprises, if they are in the same building or industrial area, should organize their joint civilian defense corps and have the men trained for civil defense duties. When that law is put through the legislature, civil defense hopefully will become closely linked with the people's work environments. The people in general then will be better able to defend themselves and move closer to the goal of the public providing for and helping itself. That will be a big stride in the drive to enhance the all-out defense mobilization structure and to make possible an effective lending of support to wartime military exertions.

PART THREE |
DEFENSE
RESOURCES

3

Summary

1. The number of the Armed Forces, which stood at 450,000 in 1997, will be reduced to 400,000 in 2001 when the Armed Forces Refining Program is completed. The transfer of the Coast Guard Command to the Executive Yuan Coast Guard Administration on January 28, 2000 helped reduce 18,000 personnel from the Armed Forces. The actual number of the Armed Forces will stand at some 380,000. That makes the number of reduction up to 60,000.
2. Given sufficient supply, MND will frequently review eligibility standards and adjust for higher physical requirements in order to achieve a higher quality of manpower.
3. The defense industry policies are to expand cooperation with domestic industries, establish an R&D network for military supplies, upgrade R&D capability, strengthen industrial cooperation to introduce high-tech and key technologies, stimulate industrial development and upgrading, and elevate national competitiveness.
4. The defense technology policies are to follow the basic principles of "autonomy, integration, interoperability, and continuity," the Armed Forces is making comprehensive forward planning for the objectives of defense technology development in order to establish an indigenous and autonomous R&D and manufacturing capability. In line with international conventions, ROC Armed Forces will not own, manufacture, or use nuclear and biochemical weapons. Up to now, the systems of electronic warfare, information warfare and major weaponry, the key know-how and the dual-use of defense technology all have been successfully developed.
5. Defense procurement policy is first focused on the domestic procurement and source diversification.
6. Under the "Armed Forces Refining Program," MND has begun to review how the military bases should be combined. It is also under the policies requiring that "small barrack compounds be combined to large compounds" and that "barracks and training sites not required to be located

in urban areas be moved to suburban or mountain areas." MND is also fully supportive of adjusting the allocation of land and facilities for military uses in order to balance the major economic development and transportation projects .

7. While the PRC continues its military development, ROC's defense budget is nevertheless on the decline. For the sake of ensuring the security of Taiwan, the Pescadores, Kinmen, and Matsu, and maintaining a military balance on the two sides of the Taiwan Strait, ROC defense budget ratio in GDP should be maintained at 3% or a bit higher. This could build up the next-generation forces, phase out aging facilities, and maintain effective deterrence to ensure national security.

Defense Manpower

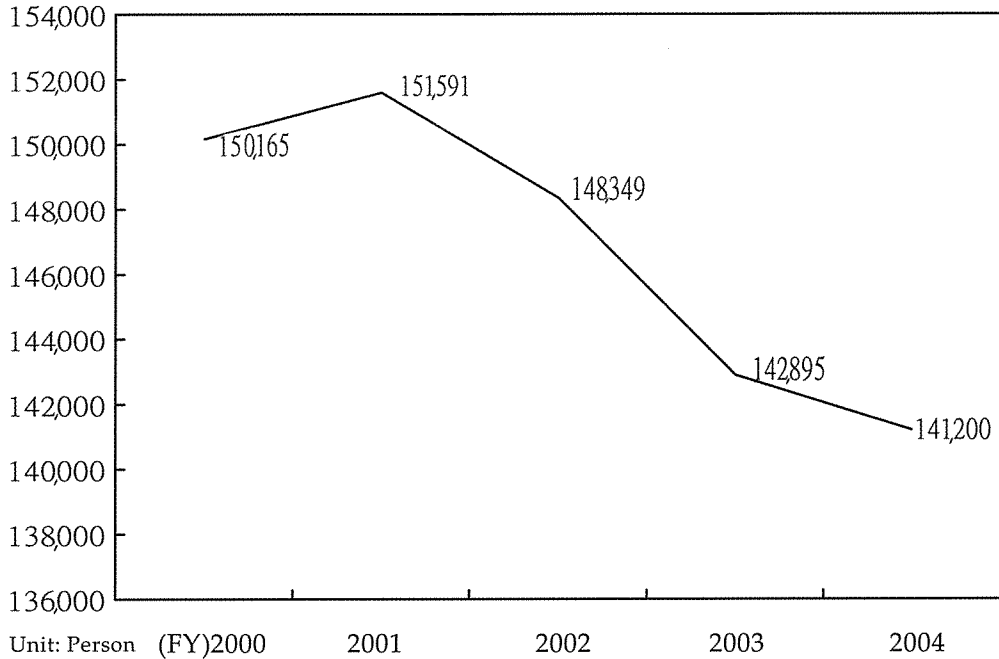
I. General Situation

According to the “1999 Population Census in the Taiwan and Fujian Areas” published by the Ministry of the Interior, the population by the end of 1999 totaled 22,092,387, including 11,312,728 males, accounting for 51.21% of the total. Among the 3,861,169 men aged between 20-39 (34.13% of the total male population), 3,484,323 are enlisted as reservists (90.2% of the 20-39 age group) — including 309,775 officers, 1,395,355 NCOs, and 1,779,193 soldiers. The number of eligible draftees has been on the decline over the past few years. In 1984, newborn baby boys totaled 187,936. In 2004, the number of age 20 eligible draftees will reach only 81,188 after deduction of the deceased, the physically unfit, the non-eligible, postpone enrolled and those enrolled in military academies. Another 60,000 men of other ages were drafted to bring the conscription number to some 140,000 that year. While the Armed Forces have been engaged in the “Armed Forces Refining Program,” reducing the conscription target, the number of eligible draftees may exceed the required draftees. To effectively use manpower resources, the Ministry of the Interior began on July 1, 2000 to implement the “Substitute Public Service,” pursuant to which MND has completed the “Standards on Categorizing the Physical Status” and related measures. The number of men eligible for military service is shown in Figure 3-1.

II. Manpower Quality

The physical condition and quality of manpower are important index for the conscription system. The purpose of the “Armed Forces Refining Program” is to build up a modernized military force featuring “quality, compactness, and strength.” Given sufficient supply, MND will frequently review eligibility standards and adjust for higher physical requirements in

Figure 3-1
The Numbers of Eligible Recruits from 2000 to 2004



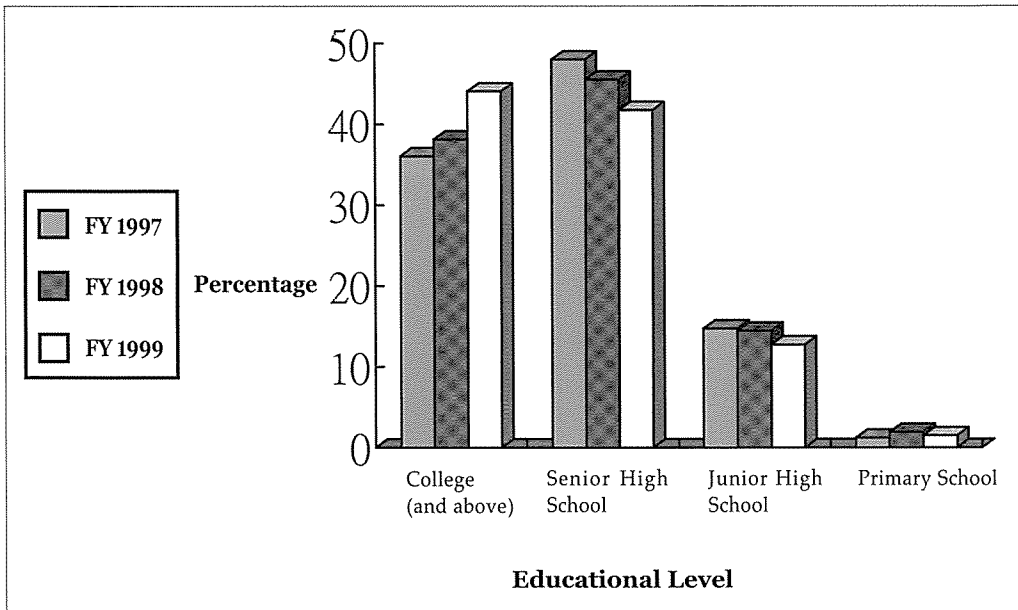
order to achieve a higher quality of manpower. While the nation's higher education programs are expanding, the education levels of officers and soldiers are also on the rise. Military servicemen receiving a high school education or above amounted to 85.8% of the total forces in 1999, compared to 83.07% in 1997. The percentage of those who are college graduates (including graduate level) among the total forces increased to 44.05% in 1999 from 36.05% in 1997. The educational level of ROC officers and soldiers is shown in Figure 3-2.

III. Manpower Structure

1. Force Structure

After the Armed Forces Refining Program is completed in 2001, the structure of ROC Armed Forces will be as follows:

Figure 3-2
The Educational Level of the ROC Officers and Soldiers from 1997 to 1999

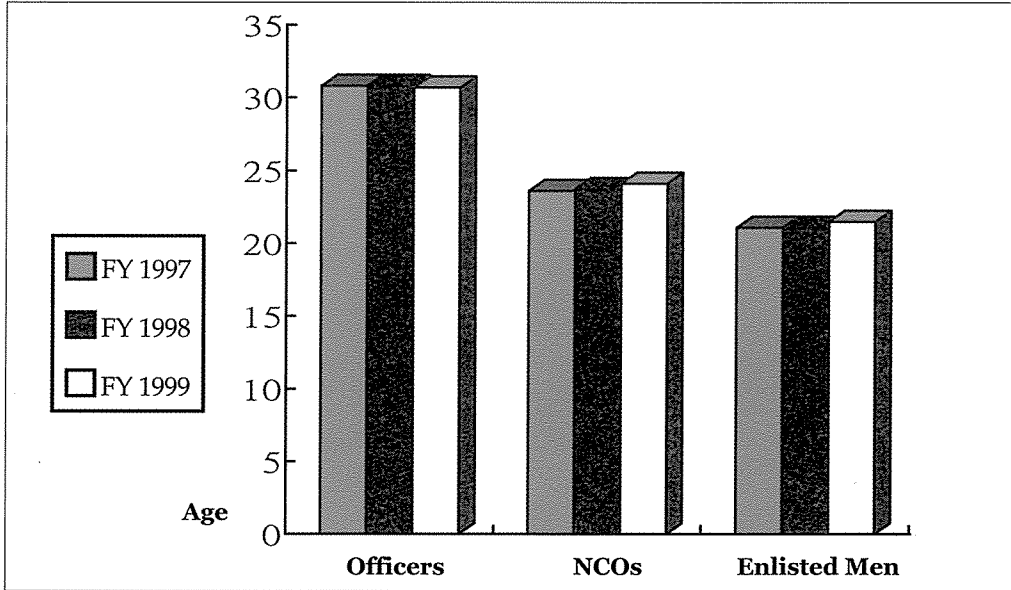


- (1) Army: 51.75%
- (2) Navy: 14.61%
- (3) Air Force: 14.33%
- (4) CSF: 3.89%
- (5) Reserve Corps Command: 1.57%.
- (6) Central Components: 10.17%
- (7) Military Police: 3.68%.

2. Age Spectrum

In 1999, the average age of officers, NCOs, and enlisted men reached 23.47, of which officers were 30.7 years old in average, NCOs 23.74, and enlisted men 21.07. The age spectrum of the forces from 1997 to 1999 is show in Figure 3-3.

Figure 3-3
The Age Spectrum of the Forces from 1997 to 1999



3. Force Reduction

The number of the Armed Forces, which stood at 450,000 in 1997, will be reduced to 400,000 in 2001 when the Armed Forces Refining Program is completed. The transfer of the Coast Guard Command to the Executive Yuan Coast Guard Administration on January 28, 2000 helped reduce 18,000 personnel from the Armed Forces. The actual number of the Armed Forces will stand at some 380,000. That makes the number of reduction up to 60,000.

Material

I. Defense Industry

The defense industry is an integration of the aviation, shipbuilding, automotive, electronics, electric machinery, information, mechanics, chemistry, material, and environmental industries. Aiming at supplying all military hardware and materials and ensuring a full logistical backup capability throughout the life cycle of weaponry and the defense industry, sustaining operational capability, is an indispensable element for achieving military buildup and combat readiness. It is also a general reflection of a nation's technological advancement.

1. Policy

(1) Expand cooperation with domestic industries, establish an R&D network for military supplies, upgrade R&D capability, and base the defense industry in the private-sector.

(2) Continue upgrading the R&D strength of the Chung-Shan Institute of Science and Technology (CSIS), develop key weaponry systems, reduce dependence on foreign supply, and establish an indigenous defense industry.

(3) Strengthen industrial cooperation, properly use the offset agreements in foreign acquisition to introduce high-tech and key technologies, stimulate industrial development and upgrading, and elevate national competitiveness.

2. Defense Industry Capacity

(1) Units under the Armed Forces

(a) Army

The Ordnance Readiness and Development Center is capable of handling the entire system from R&D, production, and maintenance

of armored vehicles. The Army Missile Service Division has the depot maintenance capability for the Hawk and Patriot missiles.

(b)Navy

The shipyards in Tzoying, Suao, Makung, and Keelung have the depot maintenance capability for the latest generation of various battle ships and other ships. The Marine Base Depot can handle the maintenance of LVTs.

(c)Air Force

The Air Force 1st and 2nd Local Logistic Commands are capable of maintaining existing fighters, trainers, carriers, and helicopters, and overhauling the component parts of missiles, avionics systems, and aircrafts.

(d)CSF

The CSF plants can carry out R&D and manufacture of light weaponry, cannons, and ammunition. They are also capable of R&D in thermal cells and optical equipment, such as laser range finder, and night vision goggles, among others.

(e)CSIS

Laboratories and centers under CSIS are highly capable in the following disciplines: space and aviation, rocket and missile, radar, artillery fire control, electronics warfare, propellant, high-performance explosives, composite material, optoelectronic facilities, and automated examination. CSIS has also built up its capability in system simulation design, software development, integrated engineering, and full logistical support. Most of the advanced arms systems have been deployed.

(2)Government-run Enterprises

(a)China Shipbuilding Corp.

China Shipbuilding Corp. is capable of R&D, design, manufacture, assembly, and testing of shells of military ships.

(b)Han-Xiang Aviation Industrial Co.

Han-Xiang Aviation Industrial Co. is capable of R&D, design, manufacture, assembly, and testing of the entire frame structure, systems, electronics, generator, and quality control of military aircraft and its logistic support. It is now building up the depot maintenance capability for F-5s, IDFs, and AT-3s.

(3) Private Enterprises

Enterprises now engaged in the R&D and manufacture of military supplies primarily focus on the manufacture of weaponry parts. There are about 200 satellite companies in the metal, machinery equipment, electronics and equipment, transport vehicles, and precision machinery businesses which accept contracts to develop, manufacture, and maintain a total of 1,000 parts for armored vehicles, wheeled vehicles, avionics, ships, aircraft, and missiles. In wartime, these factories can immediately shift to production for military purposes by supplying parts, assisting maintenance, and offering adequate backup for military operations.

(4) Academic and Research Institutes

(a) The Applied Mechanics Graduate School of National Taiwan University, the Aviation and Space Graduate School of National Cheng Kung University, the Computer Information Center of National Chiao Tung University and the Materials Center of National Tsinghua University construct 13 laboratories focusing on guided aviation control and high-performance material combustion, two computing rooms, one test field and one wind tunnel. They will be devoted to basic research related to the defense industry and will make reports as reference for the armed forces.

(b) Industrial Technology Research Institute (ITRI)

Established under the auspices of the government as a R&D center on applied technologies, ITRI is highly capable in the fields of aviation, chemistry, communications, electronics, machinery, material, and

optoelectronics. Its research can support the development, production and maintenance of military weaponry systems, notably the magnetron, and traveling wave tubes (TWT). It also assists in the research of inter-com systems within armored vehicles and tactical modem technology.

3. Development Strategy and Focus

(1) Development Strategy

(a) Since the opening up of the CSIS Research Park, private enterprises have been encouraged to set up in the park, so as to receive technology and assistance to upgrade their R&D and industrial level to take part in the overall economic development of the country.

(b) Through the deregulation of restrictions on out-sourcing contracts for military supplies, qualified satellite plants for the manufacture and maintenance of weaponry parts have been established under a market competition mechanism.

(c) The R&D, manufacture and maintenance of weaponry systems (such as avionics system, generator system, fire control system, etc.) are in turnkey projects for local companies and foreign original manufacturers to contract the work for modification, performance enhancement, or maintenance in joint venture or cooperation model. This can ensure acquisition of technology, streamline logistical support, and strengthen the capability of the defense industry.

(d) Large special projects are contracted out to support healthy local firms, which also have professional know-how in defense industry, to help them retain their professional experts, support their R&D capabilities and production capacity and help their operations in order to develop a sound defense industry network.

(e) The Defense Industry Development Fund is appropriated to provide low-interest loans for public and private companies in manufacture and maintenance of military supplies as an incentive for them to join the

defense industry.

(2)Focus

(a)In major foreign acquisition projects, it is necessary to win a high portion of offset trade, lower the multiplier of industry cooperation to expand the total range, and to ensure our nation's interests.

(b)Review and expand year by year the scope and items to be contracted out for maintenance, and use military exhibitions as a means for contractors to apply for maintenance contracts to promote greater participation by the private enterprises.

(c)Promote military plants to be run by civilians, take advantage of manpower and material resources from the private sector and market competition to help reduce costs, improve efficiency, adjust the role of the government, and maximize the use of resources for industrial development.

(d)Strengthen standardization of technological specifications for military supply, establish specification requirements, definition, inspection methods, and criteria, and construct an information service system for consultation and public education, in order to simplify programs and increase interoperability.

4. Execution Results

(1)Expand R&D, and the Trial Manufacture of Military Supply

Stage exhibitions for products developed and manufactured on a trial basis by private enterprises on out-sourcing contracts and encourage private enterprises to contract for development, manufacture or maintenance. After delivery and inspection, qualified enterprises will be given certificates and included in the military satellite factory system. Acquisition of particular military supplies can be arranged directly with qualified contractors through price comparison or price negotiation. In 2000, there were 2,452 military items being displayed, with 387 enterprises

registered as contractors for 1,968 items. The executed organs (armed forces) then separately inked with contractors for the related business of the trial production.

(2) Promote Industry Cooperation Measures

The industry cooperation is now a contractual obligation for suppliers in any major foreign acquisition valued higher than NT\$500 million. The suppliers are required to provide technology transfers, training, capacity-building, joint production, or joint venture projects with local industries. Up to now, there are 30 major foreign acquisitions including F-16s have signed the industry cooperation agreements. Task forces handling the agreements are negotiating with foreign suppliers on terms and conditions, means and items. Negotiations on three cases, including modified Hawk missiles, are nearing conclusion. These all contribute to the upgrading of private industry.

(3) Provide Consultant Services for Technology Transfers

In order to help government-run and private enterprises understand the defense industry and encourage private participation in manufacture and maintenance, the CSIS Technology Transfer Service Center was established under the Industrial Development Bureau of the Ministry of Economic Affairs. The center provides consulting services on technology transfers, specification explanation, and other information services to help private enterprises establish and upgrade their technological levels and capacity. Since 1996, the center has provided services in 5,348 cases, and helped 489 cases of technology transfers.

(4) Opening up of the CSIS Park

In order to cooperate with the government's plan to build the Asia-Pacific Regional Operations Center, CSIS was partially open to private industries and research centers to develop dual-use technology and products. Technological assistance has been offered on site. Three Chung Shan Scientific Research Parks—Chinshan, Lungyuan, and Taichung—have

been opened and more than 30 private companies have established offices and plants in the parks.

(5) Encourage Private Participation

In order to encourage private enterprises to take part in the defense industry, the NT\$1.5 billion of the Defense Industry Development Fund allocated to Chiao Tung Bank and the Farmers' Bank offer soft loans to both the government-run and private enterprises. It helps both obtain the machinery and material for the manufacture and maintenance of military supplies. Loans provided to 117 firms through the fund reached NT\$964.19 million since it began operation on August 1, 1994.

II. Defense Technology

1. Policy

(1) Following the basic principles of "autonomy, integration, interoperability, and continuity," the Armed Forces is making comprehensive forward planning for the objectives of defense technology development in order to establish an indigenous and autonomous R&D and manufacturing capability.

(2) Efforts in the industry, government, and academia are combined to boost defense technological capability in the private sector. It is hoped that in peacetime the defense technological capacity can be fully used to contribute to the nation's technological advancement, and that in wartime this capacity can be immediately diverted for defense capability.

(3) In line with international conventions, ROC Armed Forces will not own, manufacture, or use nuclear and biochemical weapons.

2. Research Strategies and Focus

(1) Research Strategies for Defense Technology

(a) Follow operational requirements and the defense appropriation regulations, combine efforts from all sides to be committed to R&D in

defense technology.

(b)Based upon the enemy’s threats and operational conditions of different forces, upgrade the R&D capability of defense technology, and construct effective new-generation weaponry systems as a deterrent.

(c)Expand international cooperation to boost R&D in defense technology, introduce advanced technology, recruit top-caliber experts, and perfect designs, cross-disciplinary and system integration capabilities.

(d)Use the quota of the “reciprocity of industry cooperation” to obtain “technology transfers,” “technological cooperation” and “licensing production” to elevate the level of defense technology and industry.

(e)Enhance transfers of defense technology to the private sector, expand the efficiency of R&D in key defense technology, and build up the defense technology capability in the private sector.

(2)R&D Focus

(a)In view of the condition of threats from the enemy, ROC Armed Forces will follow the military priority of electronic warfare, information warfare, commands of the air and sea and anti-landing to build up core capacity of defense technology. In addition, the full-scale planning for the new weaponry system for the 21st century will secure a victory in future technology war.

(b)Improve performance of present weaponry systems, elevate the readiness of arms, and support combat readiness.

(c)Use expertise from R&D in defense technology to provide technological opinions and test technology in foreign acquisition projects, and to take part in industry cooperation.

(d)Promote dual-use technological development and services within the industrial sector, strengthen cooperation with industry, government, and academia, join the nation’s large-scale technological development, assist the private sector in contracting for military supply projects, build

up defense technology in the private sector, and improve the indigenous defense capability.

3. Execution Results

(a) Electronic Warfare System

In line with the nation's defense policy, and based upon the requirements of electronic warfare, the Armed Forces have learned from the latest world developments in electronics warfare to develop a new generation of electronics warfare equipment. Efforts are devoted to improving communication countermeasures, electronics counter-countermeasures, developing opticelectronic countermeasures and early warning capability, and assisting the Armed Forces in the installation, and testing training of electronics warfare.

(i) Develop a VHF/UHF frequency-hopping communication network, capable of switching frequencies, improve anti-jamming capability, develop and improve the Armed Forces' facilities to counter the enemy's frequency-hopping communication electronic warfare.

(ii) Develop standoff electronics countermeasures to jam ground based air defense radar, develop infrared-countermeasures, improve ROC air fleet's countermeasures against infrared-homing missiles, develop a warning facility for laser weaponry, to improve early warning capability of major armored vehicles, various motor vehicles, and position facility.

(iii) In line with continued improvements and acquisitions of various electronics warfare systems, the Armed Forces shall combine the related testing systems and training centers to effectively conduct test-runs of electronics systems and operational and tactical applications.

(b) Information Warfare

It is necessary to construct a safety wall system for ROC information network. Beginning in 1999, the Armed Forces used the gateway

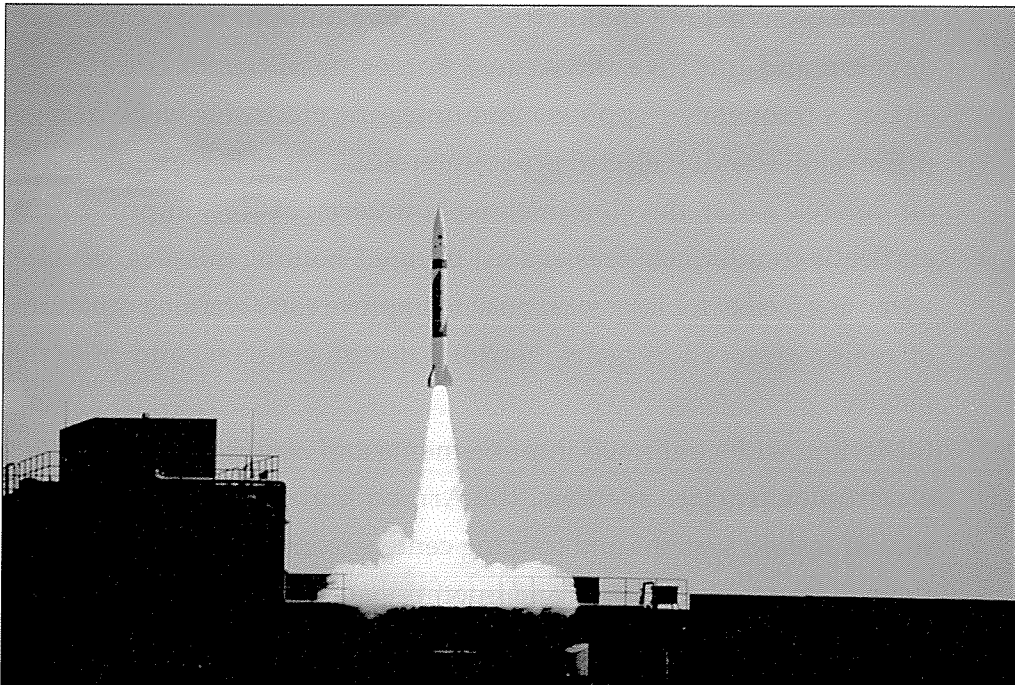
protection, safe e-mail system, and firewall system against Internet hackers, internal certification management and a safety performance inspection team to build up its capacity for future information warfare.

(c)Major Weaponry Systems

(i)Weaponry for Air-command

In view of the PRC's threat from the development of ballistic missiles, cruise missiles, and high-performance aircraft, ROC Armed Forces is actively developing advanced defense air missile systems for launch from air vehicle, ships and land bases.

- The Sky Bow II SAM, long range and capable of multiple-target combat interdiction, has been deployed since 1998.
- Sky Sword II AAM has a beyond-visual range and is capable of fire-and-forget. These missiles were transferred to the Air Force



The Launch of the Sky Bow II SAM

ahead of schedule in 1998, strongly enhancing air command capability.

- Based upon the Sky Sword AAM system, the vehicle-launched Sword I SAM was developed and was highly acclaimed after being shown in the Singapore Airspace Show in February 1998.

(ii) Weaponry for Sea-command

Facing the threat of PLA Navy combatant ships and submarines, ROC has endeavored to develop the new-generation combatant anti-ship missiles of long range capability and high penetrating power.

- Hsiung Feng II, all-weather anti-ship missiles, with dual homing capability through active radar and imaging IR, which have been deployed in both the field and on ships. Mass production is in the process.
- Seven Kuang Hwa I Chengkung-class frigates, after completing battle systems integration certification, are combat ready. Six Kuang Hwa II Kangting frigates, which have also completed the same certification, have been commissioned.
- Anti-landing weaponry. In order to strengthen our anti-landing capability, and develop a new face-assault readiness, the Thunder 2000 multiple rocket launcher system (MRLS) has an impact area extensive enough to cover entire landing area and beach-heads. The system not only provides traditional artillery firing, but also destroys landing craft at their maritime rendezvous point, which may effectively achieve the goal of landing-point assault. These systems are in the process of operational evaluation and certification.

(d) Key Know-how of Defense Technology

- (i) Several missile defense key technologies have been developed based upon the technology of the Sky Bow II missile, giving rise to further pilot development, if needed.
- (ii) The next step in developing key radar technology is to integrate the current radar systems and other R&D results to establish an early

warning radar system of mid- and long-range air defense.

(iii) Efforts should also be devoted to the R&D of tactical unmanned aerial vehicles (UAVs), which can be used for day-and-night reconnaissance photography, real-time information transmission, automatic pilot control, and global positioning navigation.

(e) Dual-use Technology

(i) The manpower, facilities, technology, and systems integration capability of the Chung Shan Institute of Science and Technology can be fully availed to assist industries in upgrading their technological levels, capacity building, the commercialization of defense technology. Since 1998, the institute has completed 31 projects under the Ministry of Economic Affairs and the Ministry of Transportation and Communications, with a total budget of NT\$2.908 billion. It has accepted 3,708 contracts from other ministries and private enterprises worth a total of NT\$1.253 billion. The institute will continue to strengthen market-oriented research and to assist local enterprises in finding business opportunities to benefit the entire economy.

(ii) Following CSIS's opening of three research parks, many private enterprises established plants at the parks. Since 1998, those parks have provided 222 technology transfers, participated in 247 joint research projects and issued preliminary licensing to more than 500 recipient companies, and have drawn over 19,800 entrepreneurs to visit. These numbers all demonstrate that these parks have achieved the objectives of their establishment.

III. Defense Procurement

1. Policy

(1) First Priority: Domestic Procurement

Those military supplies or services which can be locally manufactured and supplied, or for which availability on local markets is not confirmed,

will first be opened to domestic procurement. Only those military supplies or services which are confirmed not to be available through domestic manufacture or supply, or for which domestic procurement can not meet requirements, shall be open to foreign suppliers. This policy is designed to support the development of domestic industry.

(2)Source Diversification

Supply sources shall be diversified according to different areas through various channels in line with the changing international situation. Wider sources for major arms and weapon systems can help reduce dependence on one single area (nation).

2. Execution

(1)Annual Programs

In 1999, the Armed Forces executed 16,426 procurement projects worth a total of NT\$76,885,760,000, including 15,433 domestic procurement cases and 935 foreign supply projects, and 58 military procurement projects. Using the bidding procedure, 6,699 projects were carried out through public tender, 6,316 through price comparison, and 3,411 through price negotiation. (see Figure 3-4)

(2)Complaints

A total of 177 complaints were received as of the end of June 2000, and all were satisfactorily settled through due process of law.

(3)Market Fact-finding Trips

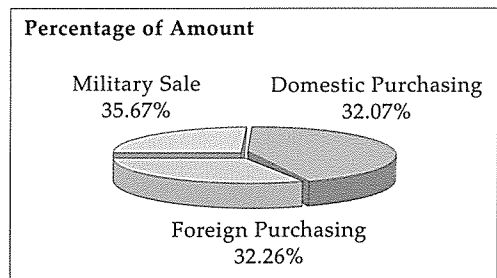
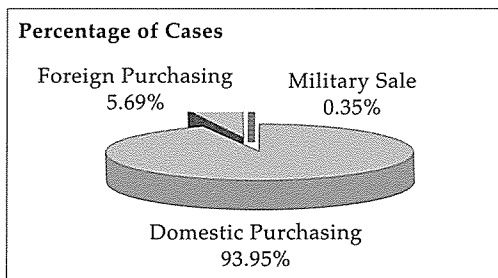
In 1999, officers visited America and Europe to gather market information from major defense industries and weapons manufacturers.

(4)Business Conferences

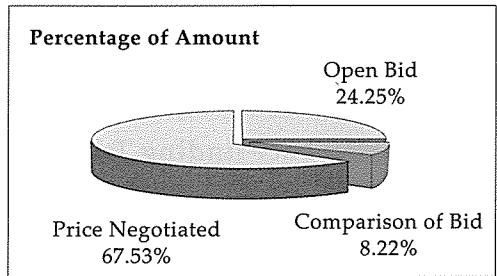
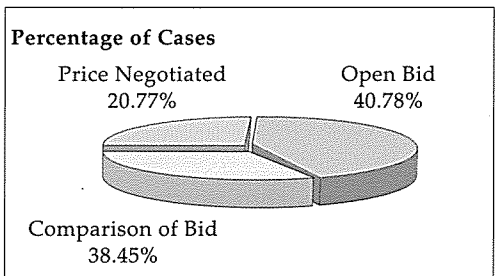
Annual business conferences were held in June 1998 and May 1999 as major forums to communicate and provide information services to enterprises.

Figure 3-4 The Procurement Projects in Year 1999.

Items	Procurement	Domestic Purchasing	Foreign Purchasing	Military Sale
		Statistic of Cases	No. of Cases	15,433
	Percentage	93.95%	5.69%	0.35%
	Total Cases	16,426 Cases		
Statistic of Amount (Unit: NT\$ 10,000)	Sum	2,465,909	2,480,016	2,742,651
	Percentage	32.07%	32.26%	35.67%
	Sum Total	7,688,576		



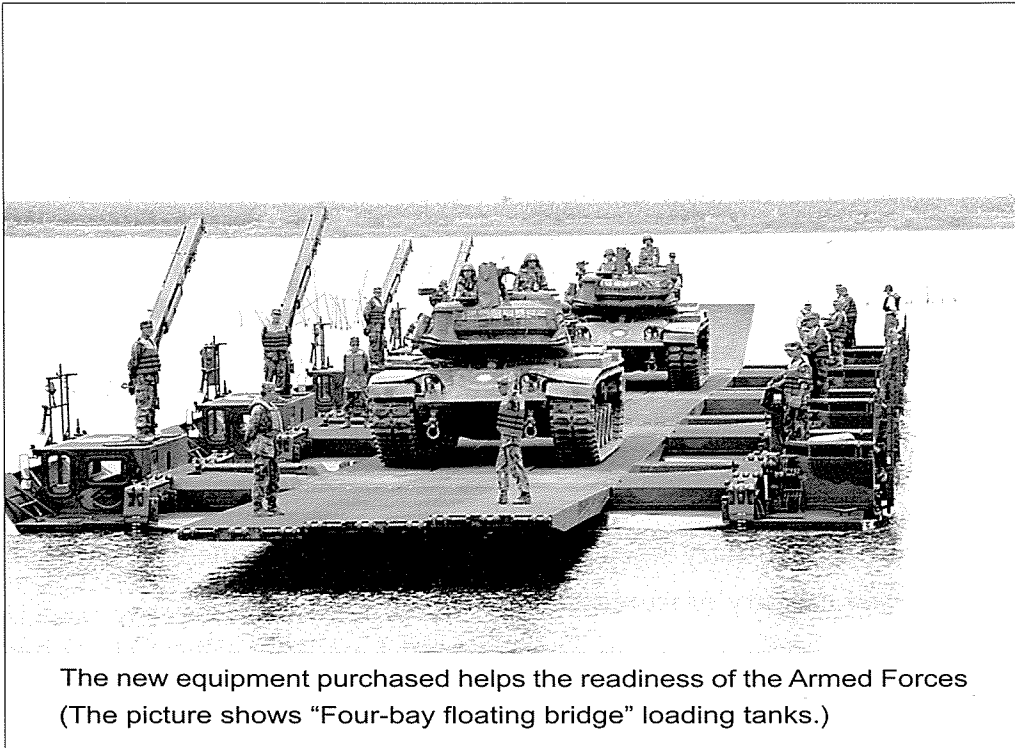
Items	Call for Bids	Open Bid	Comparison of Bid	Price Negotiated
		Statistic of Cases	No. of Cases	6,699
	Percentage	40.78%	38.45%	20.77%
	Total cases	16,426 Cases		
Statistic of Amount (Unit: NT\$ 10,000)	Sum	1,864,503	631,876	5,192,197
	Percentage	24.25%	8.22%	67.53%
	Sum Total	7,688,576		



Note: The procurement from MS Channel of USA is listed in the part of Price Negotiated.

3. Work Pursuant to the Government Procurement Law

The Government Procurement Law was promulgated by the President on May 27, 1998, and took effect on the same day in 1999. The measures



taken by MND are as follows:

(1) Educational Training

(a) Seventeen officers from procurement units under MND and the Services were selected to take part in a seed teacher training session sponsored by the Public Construction Commission in August 1998. All were given seed teacher certificates.

(b) In line with the Government Procurement Law, MND procurement units arranged short-term professional training programs on procurement policies. Three basic training sessions were held in May, June and October of 1999 at the CSF Training Centers. An intermediate training session was held in October 1999 for 265 chiefs, deputies, and contracting officers of procurement units at all levels.

(c) Conferences were held from October to December 1999 on different

military branch bases, providing on-site presentations to 1,800 participating officers.

(2) Study of Law and Regulations

(a) Pursuant to Article 104 of the Government Procurement Law, the "Measures Governing the Scope of Special Military Procurement and Applications" were formulated in coordination with the Public Construction Commission. Approved by the Executive Yuan, the Measures were promulgated by MND and the Commission on May 17, 1999, and presented to the Executive Yuan for review.

(b) The "Regulations on Handling Procurement by Military Agencies" were revised as "Regulations on Handling Procurement of Goods and Services by Military Agencies," and took effect on June 9, 1999 for all levels of military procurement agencies to abide by.

(c) Since the Government Procurement Law took effect, MND has revised and updated 17 regulations.

IV. Land for Military Use

1. Policy

Under the "Armed Forces Refining Program," MND has begun to review how the military bases should be combined. It is also under the policies requiring that "small barrack compounds be combined to large compounds" and that "barracks and training sites not required to be located in urban areas be moved to suburban or mountain areas." Evacuated land can be diverted for urban development, developed into residential compounds, or rezoned into other renovation plans. The reallocation of barracks within metropolitan areas has been reviewed year-by-year under the national security considerations.

2. Handling Principles

(1) Areas Prioritized for Military Use

Given no alternative sites, military facilities in these areas were established for military needs. Therefore, these areas cannot be demilitarized before their functions are replaced or repealed. It is preferable to first conduct negotiations with different levels of government to designate those areas into restricted areas specifically for military use, with the neighboring areas designed as green areas, parks or farming areas, as a segregation from other urban areas. This could avoid disturbance or sabotage by non-military nearby. However, such a zoning must be reviewed on a regular basis in line with national economic development projects, military modernization, deployment, and adjustment in military facilities and depots.

(2) Areas for General Military Use

Economic development and social changes around military-use areas have caused a squeezing effect, which has reduced the military value of these lands. Since military considerations cannot justify the monopoly of these areas for military use, facilities on these lands, indispensable for military readiness though not directly to be involved in military operations, can be conditionally relocated to suburban or mountainous areas in line with urban development plans.

(3) Areas not for Direct Military Use

These generally refer to lands for military residential compounds or open space. Having no relevance to military deployment, these areas can be offered in line with local development plans to improve the urban landscape and resolve the housing needs of military dependents.

3. Full Support of Major Economic and Transportation Projects

MND has provided relevant opinions based on military considerations for the government in handling major economic development and transportation projects, such as industrial parks, multi-function economic parks, new cities, tidal lands, railway and highway construction and expansion projects.

When national security is not seriously affected, MND is fully supportive of adjusting the allocation of land and facilities for military uses in order to balance major construction projects and defense readiness requirements.

Funding

I. Policy

1. Strive for Proper Position of Budget

To satisfy the military buildup, the defense budget should be kept in the reasonable position of 3% of the GNP.

2. Properly Allocate Financial Resources

Under the reasonable limits of the defense budget, the first priority is to satisfy all the payments and expenses required by laws and regulations. The second priority is to pay for the outlay of maintaining basic operations and military investment. The defense budget appropriation follows the “Armed Forces Budget Planning System” and the principle of “zero baseline budgetary principles” in accordance with the priority for military buildup and combat readiness for the timely support of military objectives.

3. Enforce Management of Financial Resources

The projects under the Five-year Administrative Plan shall be completed in line with the military doctrine and the Armed Forces Refining Program. The annual budget appropriation under the Armed Forces Refining Program is carried out in accordance with monthly demand and through levels of hierarchy. Special fund management regimes have been established to complement the defense budget.

4. Upgrade the Efficiency of Budget Execution

Efforts are devoted to strengthening budget control and execution, enhancing internal audits, and reviewing the performance of budget execution.

II. Estimates of National Finance and of Reasonable Defense Budget

1. Projection of the National Finance

Applying the "Projection Model for the Supply and Demand of Gross National Resources," the Executive Yuan, using all available information on local and international economic development, has made a projection of the future supply and demand of available economic resources of the country. Results from the projection model are used to rationalize the use and allocation of resources and become a major reference for the Central Government in adjusting the revenue and outlay in formulating the budget. As indicated in the Executive Yuan's "ROC Central Government Total Budgetary Plan of July 1999 to 2000," Taiwan's macroeconomic situation is as follows:

- (1) Based upon the gross national product (GDP), 2000 economic growth will rebound to 5.9% from 4.7% in 1999.
- (2) GNP in 2000 will total NT\$9.9392 trillion, up 7.4% from the NT\$9.2511 trillion one year ago (a 5.5% increase from 1998).

Based upon the central government budget baseline for July 1999 to 2000, the Executive Yuan already projected revenue for the 2001-2003 period in order to control the annual outlay with the following points:

- (1) Budgetary revenue: From July 1999 to the end of 2000, revenue totaled NT\$1.9426 trillion, including NT\$1.3902 trillion for the whole of 2000. The 2003 budgetary revenue is projected to be NT\$1.607 trillion. The annual growth rate from 2000 to 2003 is projected to average about 4.9%.
- (2) Budgetary outlays: From July 1999 to the end of 2000, outlays total NT\$2.2558 trillion, including NT\$1.4531 trillion in 2000. The outlay in 2003 is estimated to be NT\$1.5557 trillion. The growth rate in these three years will average 2.3%.

2. Allocation of the Defense Budget

During its' review of the central government's budget for the period of July 1999 to December 2000, the Executive Yuan explained that the defense budget will account for 2.76% of GDP. After the reduction of the NT\$10

billion compensation for mistrial cases of espionage under Martial Law rule, and NT\$5.9 billion for the “Dingyuan Project,” the defense budget only represents 2.65% of GDP, considerably lower than the 3% level favored by scholars and experts. The defense programs execution always follows a pre-determined schedule. In view of below-baseline budget amount for national defense, MND has tried to tighten budget controls by the postponement of some military investment items, or curtailing some adopted programs in order to minimize the impact on force renovation.

3. Maintain Rational Defense Budget Appropriations

Defense outlays are a necessary expenditure to ensure national security. A nation’s determination of the budget level is based upon analysis of the subjective and objective factors, including military threat, relations with neighboring states, geographic environment, national resources, economic development, the political situation, and social development. The 1998 defense budget ratio of the GDP of major countries is in Table 3-1.

Table 3-1 The 1998 Defense Budget Ratio of the GDP of Major Nations

Division	Nation	GPD(%)
Nations with High Defense Budget Ratio of the GDP	Saudi Arabia	16.21
	Israel	11.66
	Kuwait	10.97
Nations with Moderate Defense Budget Ratio of the GDP	Singapore	5.44
	Greece	4.63
	Turkey	4.24
	South Korea	4.17
	India	3.33
	Republic of China	3.23
	USA	3.10
	France	2.8
Nations with Low Defense Budget Ratio of the GDP	Thailand	1.89
	Germany	1.55
	Belgium	1.5
	Canada	1.16
	Japan	1

Source: The Military Balance 1999-2000 (London, International Institute of Strategic Studies), and 1998 GDP (Taipei, Council for Economic Planning and Development)

These figures show that ROC's defense budget level is rather moderate. While the PRC continues its military development, ROC's defense budget is nevertheless on the decline. For the sake of ensuring the security of Taiwan, the Pescadores, Kinmen, and Matsu, and maintaining military balance on the two sides of the Taiwan Strait, ROC defense budget ratio in GDP should be maintained at 3% or a bit higher. This could build up the next-generation forces, phase out aging facilities, and maintain effective deterrence to ensure national security.

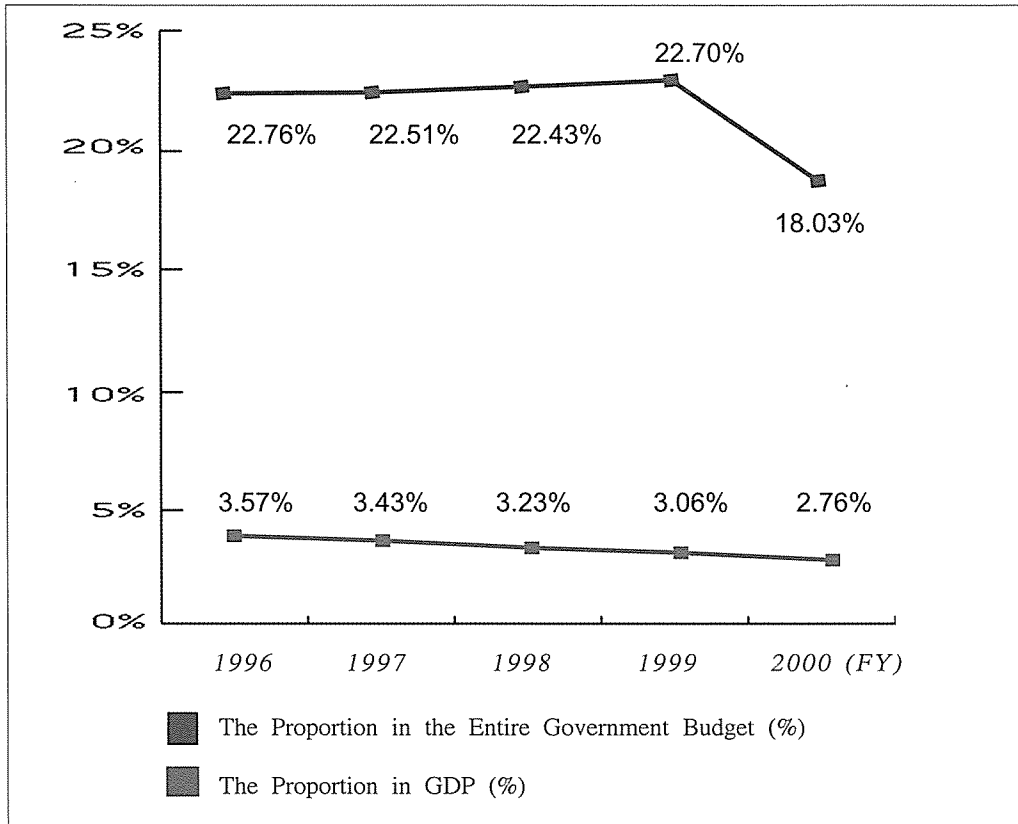
The ROC's current level of defense budget ratio is still criticized by some as too high. In comparison with other countries, Japan maintains an annual defense budget of about US\$40 billion, three to four times ROC's. Japan's defense budget in 2000 reached US\$44.8 billion, an increase of US\$3.7 billion from a year ago. The United States also increased its budget for 2000 by US\$4.6 billion from 1999. While the PRC is beefing up its forces, ROC feels an urgency to keep building up its military capability. It is also the critical moment that ROC Armed Forces must establish the new-generation forces, with many arms facilities and projects nearing the completion stage. The budget line has reached a peak. Therefore, how to strike a balance among "national economic development," "democratic reforms," "social welfare," "community development" and "the military threat" in order to maintain a reasonable defense budget is a major issue for the general public.

III. Comparison of Defense Budgets over the Past Five Years

1. Defense Budget as a Part of the Entire Budget and GDP (Figure 3-5)

Budget constraints have troubled ROC government in recent years. Also, the Executive Yuan has vowed to strike a revenue-outlay balance in 2001. Therefore, the share of defense budget as part of the nation's budget has fallen from 22.76% in 1996 to 18.03% in this fiscal period (July 1999 - end of 2000). After deducting the NT\$5.9 billion for the Dingyuan Project adopted

Figure 3-5 Defense Budget as a Part of the Entire Budget and GDP



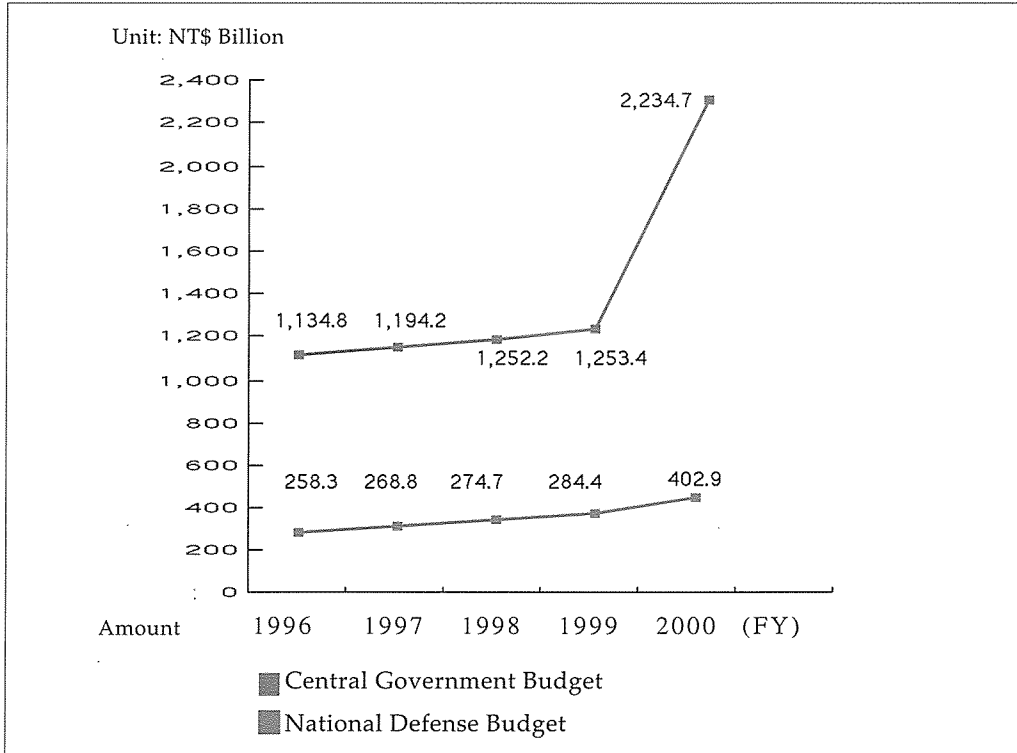
by the National Security Bureau, and the NT\$10 billion compensation for mistrials of espionage under Martial Law rule, the real defense budget only accounts for 17.32% of the entire government budget. The defense budget ratio in GDP has also dropped year by year, from the 3.57% in 1996 to 2.76% this fiscal period (July 1999 - end of 2000). And the ratio of real defense budget is only 2.65%.

2. Comparison of Growth Rates of the Central Government Budget and the Defense Budget (Figure 3-6)

The total budget of the Central Government increased from NT\$1.1348

Figure 3-6

Comparison of Growth Rates of the Central Government Budget and the Defense Budget

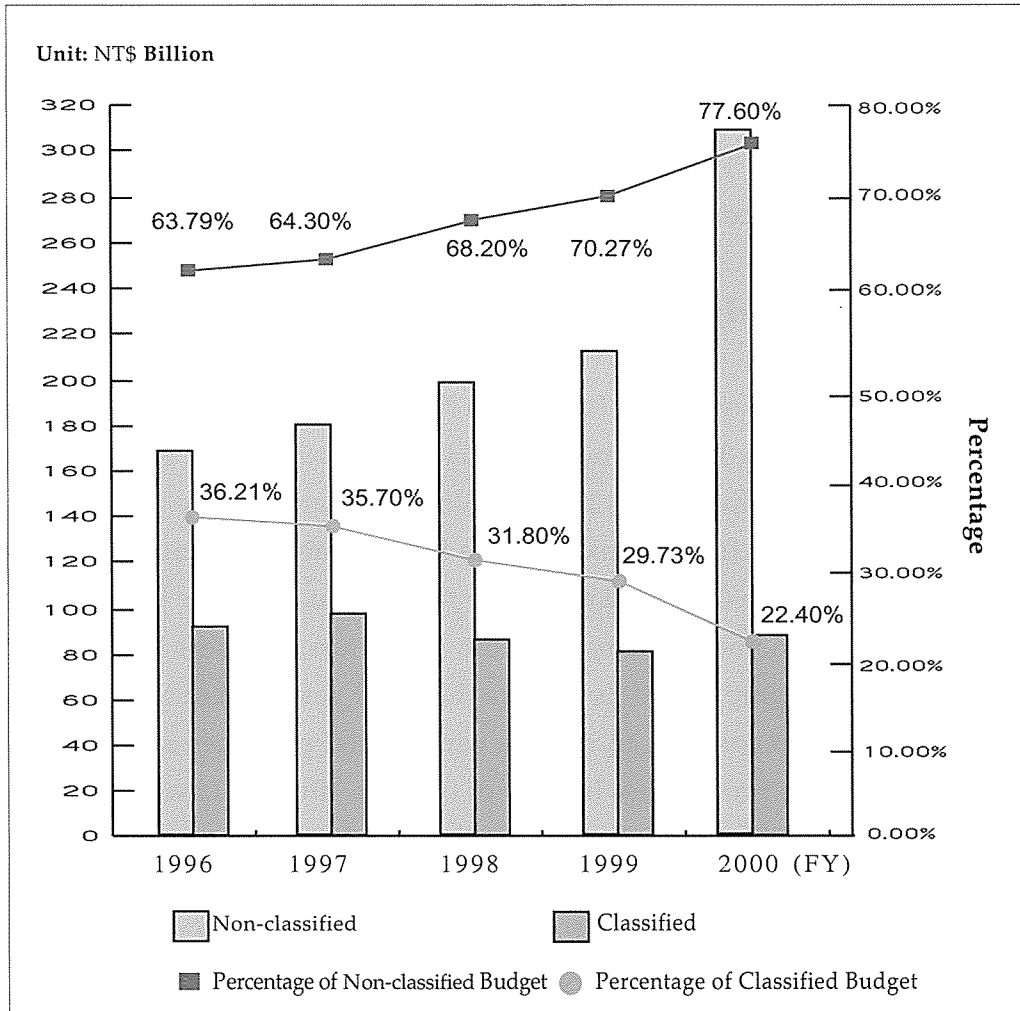


Note: The Budget of FY 2000 (Covered from July 1999 to the end of 2000)

trillion in 1996 to NT\$2.2347 trillion this fiscal period. The increase amounts to about NT\$1.999 trillion. The growth rate for this fiscal period of 18 months should be multiplied by 1.4596 of an annual growth rate, which was computed by averaging the budget allocation of the first half and second half of the most recent three years. Therefore the central government budget for this fiscal period increased 34.92% from the previous fiscal period.

However, the defense budget, totaling NT\$258.3 billion in 1996, increased to NT\$402.9 billion in this fiscal period. The increased amounted to NT\$144.6 billion. After being adjusted into the annual rate by dividing by 1.4596, the annual growth rate of the defense budget reached only 6.87%. If further adjusted by commodity prices, the expendable under the defense budget

Figure 3-7 Non-classified and Classified Defense Budget



might show a negative growth rate.

3. Non-classified and Classified Defense Budget (Figure 3-7)

When formulating the defense budget, MND has always been cautious, conservative, and rational. The classification system of defense budget was adopted by MND competent authorities on different projects by deliberating on the items, guidelines on military secrets, and related codes. Projects will

be classified by their nature and level of confidentiality accordingly. The defense budget has become more transparent to meet the people's "right to know" and the concerns of national security. The non-classified budget in this fiscal period represented 77.6% of the entire defense budget, compared to 63.79% in 1996. The transparency level increased by 13.65 percentage points, or 7.33 percentage points from 1996.

IV. Defense Budget Contents

1. Budget Content

(1) ROC budget system has followed a fiscal year, which begins on July 1 and ends on June 30 of the next year. However, traditional practices and the general public always follow calendar year, and the commercial accounting law, income tax law, the law on the evaluation of public servants, and the Organic Law of the Judicial Yuan follow the calendar year. Therefore, the Ministry of Audit, legislators, business leaders, and scholars had campaigned to change the fiscal year system to a calendar year system to conform to routine commercial practices and simplify administrative procedures. In view of this, the "Budget Law" revised on October 15, 1998 in three readings by the Legislative Yuan, the fiscal year was stipulated to be adjusted to coincide with the calendar year pursuant to Article 12 of the Law. It was then promulgated by the Executive Yuan on October 29, 1999. As stipulated in Article 99, for the purpose of smooth transition of the two fiscal systems, one fiscal year shall be extended to 18 months in order to link the old system to the new fiscal-calendar year.

(2) The defense budget is formulated in accordance with ROC Defense Budget Planning System. Under the system, design dictates plan, plan dictates budget, and budget supports plan, so that national target, military strategies, force structures, and resource allocations are closely related. In a top-down planning system, policies and guidelines are formulated

to centralize resource management and allocation. In view of missions, characteristics, and development flexibility of different forces, the use of budget follows the principle of resource allocations and delegation of authorities to levels of units in order to share the responsibility for military buildup. In recent years, efforts have been devoted to defense administration, budgetary planning and control through due process of law, and internal auditing and statistical analysis so as to enable the defense budget to be more effectively utilized to support military missions.

(3)The MND formulated the defense budget covering July 1999 to the end of 2000 in line with the newly adopted Budget Law. For the 18 month period, the defense budget reached NT\$402,933,276,000, representing 18.03% of the central government's total budget of NT\$2,234,767,116,000 (after deduction of the NT\$5.9 billion of the "Dingyuan Project" and the NT\$10 billion for compensation for the mistrials of espionage under Martial Law rule, the real defense budget only accounts for 17.32% of the central government budget.) The share in this 18-month fiscal period shows a drop of 4.67 percentage points from the 22.7% recorded in 1999 (the real defense budget of this 18-month fiscal period shows a drop of 5.38 percentage points from 1999). The defense budget of this 18-month fiscal period represents 2.76% of GNP, or NT\$14.602 trillion (the real defense budget accounts for 2.65%). The ratio over GNP showed a drop of 0.3 percentage points from the 3.06% recorded in 1999. These figures fully explain that ROC's defense budget is shrinking year after year.

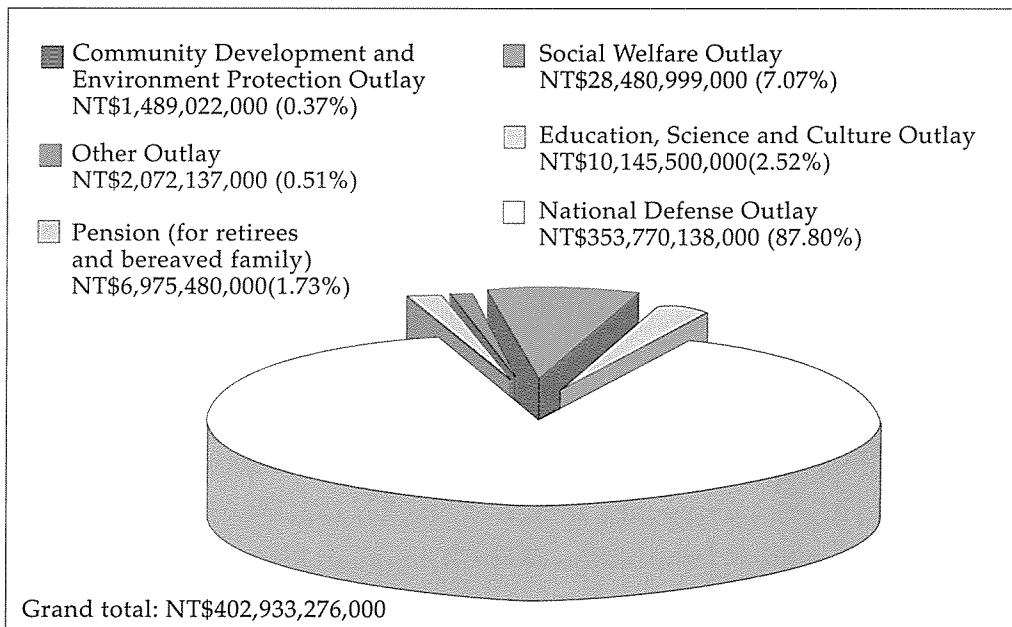
2. Budget Analysis

MND budget for this fiscal period (July 1999 to the end of 2000) totals NT\$402,933,276,000, itemized as follows:

(1)In Accordance with the Operation Manual for Central Government Budget Planning, the Budget Items Are as Follows: (Figure 3-8)

(a)Defense outlays: NT\$353,770,138,000, or 87% of the total defense

Figure 3-8 The Allocation of Central Government Budget



budget. This includes all ROC Armed Forces' equipment, military installations, construction, facilities, military administration expenses, political warfare, operational education and training, intelligence, mobilization, communications, supply and maintenance, logistical support, and personnel expense under MND and its subordinate units and agencies.

(b)The education, science, culture outlay: NT\$10,145,500,000, or 2.52% of the defense budget, including expenses for scientific study and facilities.

(c)The social welfare outlay: NT\$28,480,999,000, or 7.07% of the defense budget. This includes insurance for officers, laborers, civilian employees, and the supplementary funds for the National Insurance Program provided for the dependents of military personnel and civilian employees, as well as compensation for mistrials for espionage under Martial Law rule.

(d)The community development and environmental protection outlay: NT\$1,489,022,000, or 0.37% of the defense budget, including expenses for environmental protection and a fund for housing loans for officers.

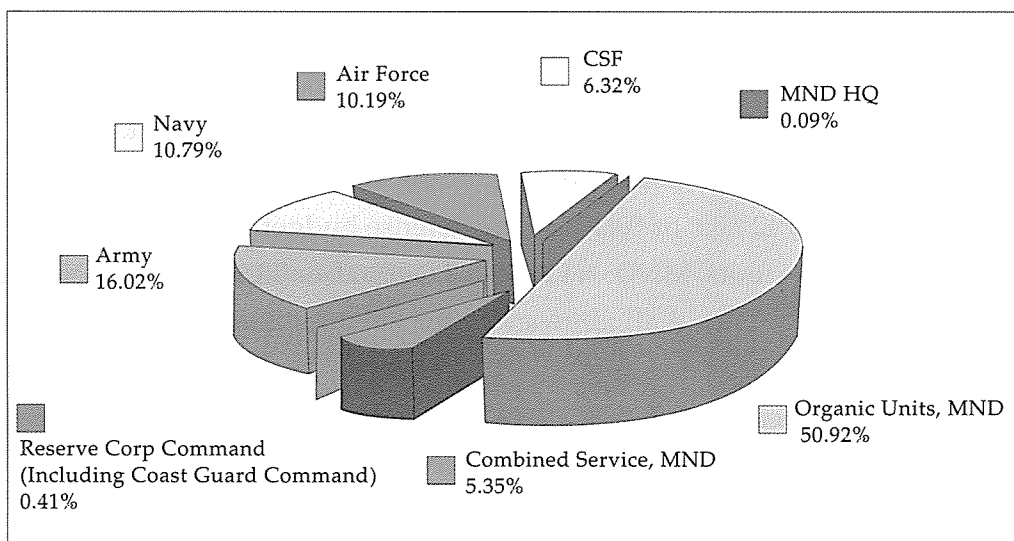
(e)Pension for retirees and bereaved families: NT\$6,975,480,000, or 1.73% of the defense budget, including pensions and allowances for the retired and the bereaved.

(f) Other: NT\$2,072,137,000, or 0.51% of the defense budget, including various allowances for military dependents.

(2)Defense Budget Sharing Structure by Component (Figure 3-9)

(a)Ministry headquarter: NT\$344,314,000, or 0.09% of the defense budget. This number shows an addition of NT\$259,122,000 from the 1999 budget of NT\$85,192,000, to cover the expenses for administrative affairs and policy research including:

**Figure 3-9
Defense Budget Sharing Structure by Components (July 1999- 2000)**



Note: 1. Army: including all food expenses for the three armed services.
 2. Organic Units, MND: including wages and all allowances for personnel in the three armed services.

- (i) Personnel expenses: NT\$50,036,000.
 - (ii) Facilities: NT\$26,890,000.
 - (iii) Administrative costs: NT\$267,388,000.
- (b) Organic units, MND: NT\$402,588,962,000, or 99.91% of the defense budget. There is an increase of NT\$118,441,084,000 from the 1999 fiscal year. The addition is for expediting arms innovation and logistics capacity building, improving command, control, communications, and information (C3I) capability as well as information and intelligence capability, upgrading surveillance efficiency, and introducing advanced software to support hardware, personnel training, and defense technology development. Other items include rezoning of military lands, renovation of aging military residential compounds, improving residential facilities for officers, and solidifying tangible and intangible operational capability. The allocation by components is as follows:
- (i) Army: NT\$64,502,623,000, or 16.02% of the defense budget (including all food expenses for the three forces.)
 - (ii) Navy: NT\$43,425,260,000, or 10.79% of the defense budget.
 - (iii) Air Force: NT\$41,023,661,000, or 10.19% of the defense budget.
 - (iv) CSF: NT\$25,444,506,000, or 6.32% of the defense budget.
 - (v) Reserve Corps Command, including the Coast Guard Command: NT\$1,659,742,000, or 0.41% of the defense budget.
 - (vi) Organic units, MND: NT\$204,984,088,000, or 50.92% of the defense budget (wages and all allowances for personnel in the three armed services are included here).
 - (vii) Combined Services: NT\$21,549,082,000, or 5.35% of the defense budget.

(3) Budget Sharing Structure by Military Objective (Figure 3-10)

Over NT\$91.5 billion was expended on the defense arms including:

- (a) Equipment for air command operation : NT\$18,649,757,000, or 20.36% of the total amount of military investment itmes.

Figure 3-10
Budget Sharing Structure by Military Objective from July 1999 to the End of 2000

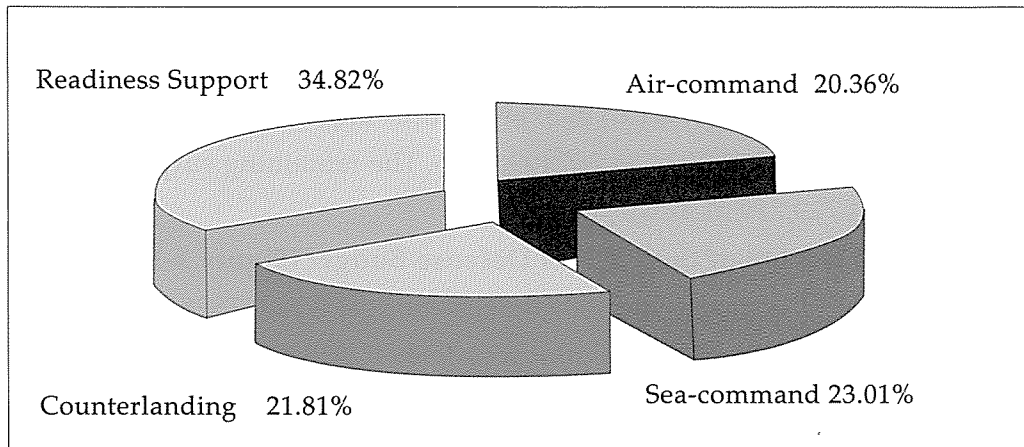
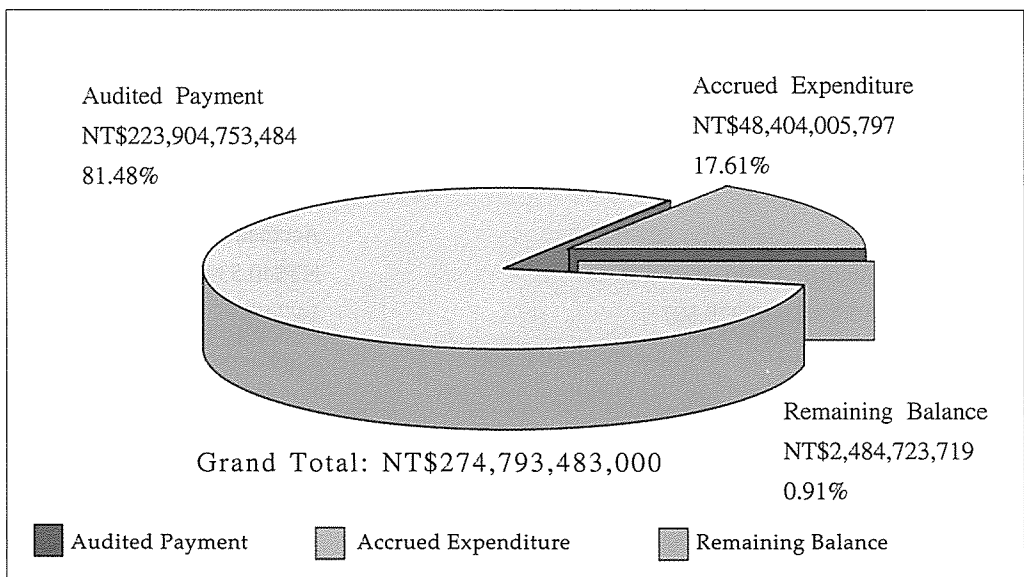


Figure 3-11 The Execution of the FY 1998 Defense Budget



- (b) Sea-command: NT\$21,074,787,000, or 23.01%.
- (c) Counter-landing operations: NT\$19,978,972,000, or 21.81%.
- (d) Readiness support: NT\$31,890,894,000, or 34.82%.

V. Budget Execution of the 1998 and 1999 Fiscal Years

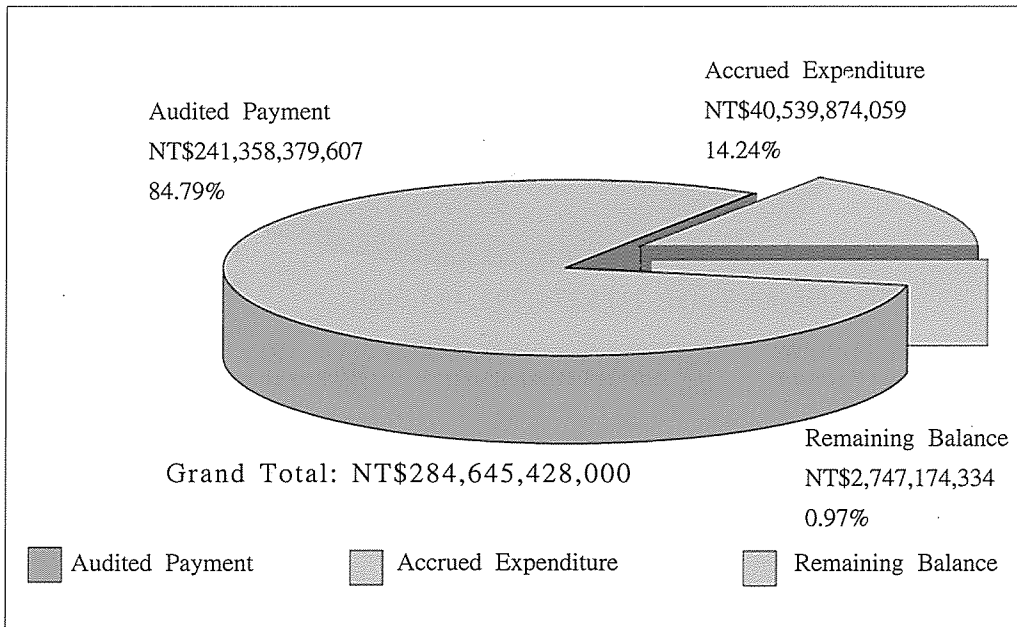
1. The Execution of the FY 1998 Defense Budget (Figure 3-11)

The MND-administered 1998 defense budget was NT\$274,793,483,000. The realized and audited amount was NT\$223,904,753,484 (81.48%), with NT\$48,404,005,797 (17.61%) in expenditures unjustified. The final outlay adds up to NT\$272,308,759,281 (99.09%). The remaining surplus reached NT\$2,484,723,719 (0.91%).

2. The Execution of the FY 1999 Defense Budget (Figure 3-12)

The MND-administered 1999 defense budget was NT\$284,645,428,000. The realized and audited amount was NT\$241,358,379,607 (84.79%), with NT\$40,539,874,059 (14.24%) expenditure unjustified. The final outlay adds to NT\$281,898,253,666 (99.03%). The remaining surplus reached NT\$2,747,174,334 (0.97%).

Figure 3-12 The Execution of the FY 1999 Defense Budget



VI. High Performance Fighter Procurement Budget Execution

In order to beef up military readiness and maintain ROC air security, the Executive Yuan has listed a special budget running from 1993 to 2001 for the purchase of F-16s and Mirage 2000-5s, totaling NT\$300.71 billion. By year 2000, the budget has been listed total NT\$300.682 billion. Appropriations up to June 30, 2000 have accumulated to NT\$286.67547 billion, including NT\$143.73834 billion for F-16s, and NT\$142.92712 billion for Mirage 2000-5s. The unused amounts to NT\$14.0652 billion to be used for future appropriations under contractual obligations.

PART FOUR |
ROC
ARMED FORCES |

Summary

1. In line with the needs of future combat missions, the character of future battles — short warning period, limited zone depth, and rapid decisive battles — and topographic constraints of Taiwan proper, the ROC Army has step-by-step shifted the strategic basic unit from “division” to “joint-branch brigade.” The ROC Army has been committed to becoming “mechanized, automated, and 3-dimensional” in future operations to establish a rapid reaction strike force.
2. In peacetime, the ROC Navy is responsible for marine reconnaissance and patrolling, supply of offshore islands and escort of ships. In wartime, its mission is to carry out counter-sea blockades and surface interception operations to ensure command of the sea. The ROC Navy is committed to “establishing a missiles weaponry, automation of the communication-command system, and 3-dimensional ASW warfare” to establish the necessary forces for operation of sea-command.
3. In peacetime, the ROC Air Force conducts air combat patrols and surveillance, maintain strict monitoring operations, and intercepts intruding enemy aircraft with military aircraft, surface-to-air missiles, and anti-aircraft artillery. In wartime, it acts with the Army and the Navy in joint combat operations. The military objective of the ROC Air Force is “automation of ATC and integration of air defense.” It will enhance EW and early warning capability to expand the function of integrated air defense operations.
4. The Military Police assists police in maintaining public security; supports military operations; carries out tasks pursuant to martial law and judicial laws.
5. The ROC Armed Forces, in line with the Defense Operation Guidance, have streamlined organization of the reserves, promoted training and mobilization readiness to establish the necessary reserve forces for “timely mobilizing and punctual combating.”
6. In 2000, the registered number of reservists amounted to more than 3.484

million, accounting for 15% of the ROC's population, of which officers totaled 309,000 strong, 1.395 million non-commissioned officers (NCOs) and 1.779 million enlisted soldiers.

7. Educational recall aims at providing MOS refresher training and readiness training — the basics to maintain the capability of reserve forces. Law requires each reservist to receive 30 days capability refresher training a year. However, since refresher training periods vary by services, the actual annual training is reduced to last for five to seven days, which is the required training period for each MOS of the Army field unit. Beginning 1999, the muster recall was changed to a registered mailing system with the Force and every reservist exchanging registered mails to verify his personal data and the MOS code. Reservists are not required to report to their unit.

Chapter 1

Regular Forces

I. Army

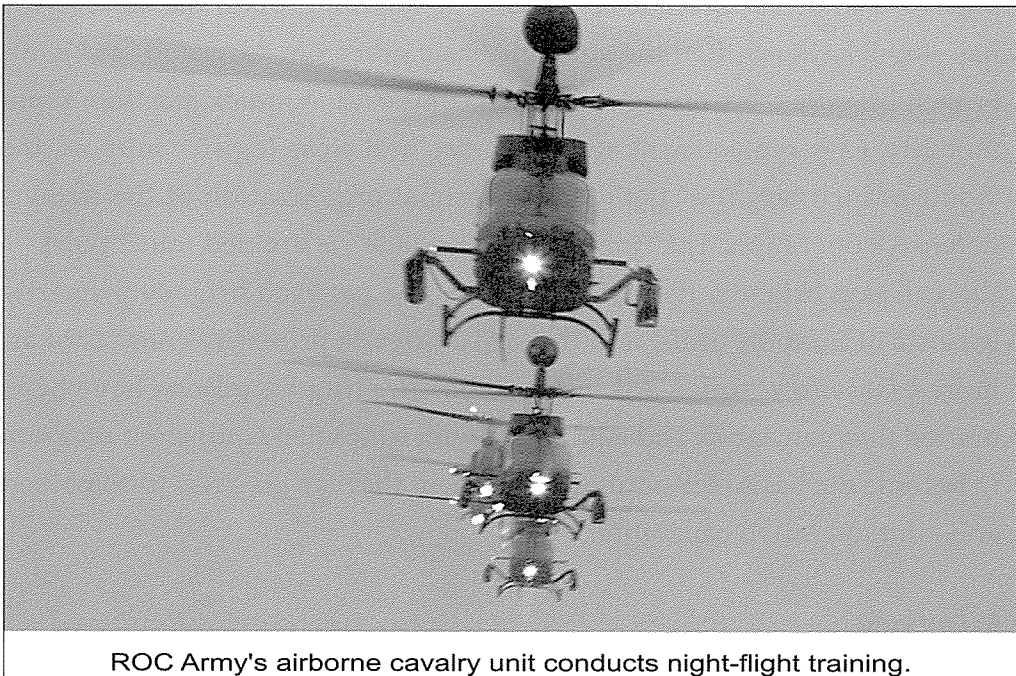
1. Strength:

approximately 190,000.

2. Mission and Organization

(1) Mission:

- (a) Defend critical civil and military posts on Taiwan proper and offshore areas;
- (b) Conduct basic capability and contingency capability training;
- (c) Help maintain security of crucial bases, factories, and depots;
- (d) Adequately support local disaster relief works in peace time; and
- (e) Conduct joint ground defense warfare with the Navy and Air Force to defeat an invading enemy in time of war.



(2) Organization:

Army Corps, Defense Command, Aviation and Special Warfare Command, Division Commands, Airborne Cavalry Brigades, Armored Brigades, Armored Infantry Brigades, Motorized Rifle Brigades, Infantry Brigades, Special Warfare Brigades, Missile Command.

3. Main Weapons and Equipment:

AH-1W attack helicopter, OH-58D scout helicopter, M-48H MBT, M-60A-3 MBT, man portable air defense missile, vehicle-mounted air defense missile, M-109A-5 self-propelled howitzer, Sky Bow air defense missile, and Patriot air defense system.

4. Character of Organization:

In line with the needs of future combat missions, the character of future battles — short warning period, limited zone depth, and rapid decisive battles — and typographic constrains of Taiwan proper, the ROC Army has step-by-step shifted the strategic basic unit from “division” to “joint-branch brigade.” Featuring a compact composition, quick reaction, rapid mobility, easy replacement and dispersal, and close logistic support, the “joint-branch brigade” is the most optimal organization of the Army’s defensive operation. The “joint-branch brigade” is divided into 2 types — the garrison brigade, the strike brigade. The garrison brigade primarily consists of infantry units, and the strike brigade primarily consists of armored (infantry) units. All of the subordinating battalions have been unified in organization and equipment with simplified equipment program to become the basis of modular realignment that can give rise to combined and joint operation capability.

5. Outlook

The ROC Army has been committed to becoming “mechanized,

automated, and 3-dimensional” in future operations with the following endeavors: establish a rapid reaction strike force and enhance operation capabilities of reconnaissance and surveillance, mobile strikes, command and communications, and logistical support. The other focus is to strengthen the capability for counter-assaults, counter special operations and decisive strand strike capability.

II. Navy

1. Strength:

approximately 50,000.

2. Mission and Organization

(1) Mission:

The primary mission of the ROC Navy is to safeguard the security of the Taiwan Strait and smooth marine transportation. In peacetime, the



ROC Navy's fleet exercise

Navy is responsible for marine reconnaissance and patrolling, supply of offshore islands and escort of ships. In wartime, its mission is to carry out counter-sea blockades and surface interception operations to ensure command of the sea. In peacetime, the ROC Marine Corps assumes naval base defense, guards appointed offshore islands, and acts as a rapid reaction force under its mission for contingency reaction and control. In wartime, the Marine Corps, as the strategic preparation forces, are engaged in combat missions.

(2) Organization:

Fleet Command, Chinese Marine Corps Command, Destroyer Fleet, Frigate Fleet, Amphibious Fleet, Mine Fleet, Service Fleet, Submarine Squadron, Fast Attack Boat Force (missile), Land-based Missile Force, Naval Aviation Command, Surveillance and Communication System Command, and Marine Corps Force.

3. Main Weapons and Equipment:

Missile frigates, missile destroyers, missile corvettes, missile fast attack craft, mine warfare ships, submarines, fixed-wing ASW aircraft, ASW helicopters, amphibious ships, landing vehicles, etc.

4. Newly Established Forces

(1) Marine Brigade:

The Marines focus on maintaining amphibious capability and properly adjusting its mission and organization. While the divisions were phased out, Marines Brigades, a Base Security Guard Brigade and Garrison Brigade were established.

(2) Naval Aviation Command:

Since the Anti-submarine warfare (ASW) features a 3-dimensional operation, quick mobilization and unified command, the S-2T ASW Aircraft Fleet was transferred from the Air Force to the Navy while the ASW

Command was merged into the Naval Aviation Command in order to further modernize the ROC airborne ASW force.

5. Outlook

The ROC Navy is committed to “establishing a missiles weaponry, automation of the communication-command system, and 3-dimentional ASW warfare.” Given these objectives, the Navy is beefing up its capability for maintaining command of the sea with focuses on counter sea-blockades and interception capability and air defense and the anti-armor capability of the Marine Corps to ensure the security of bases and shipping routes in peacetime and wartime.

III. Air Force

1. Strength:

approximately 50,000.



Formation of ROC Air Force's Mirage 2000-5 fighters

2. Mission and Organization

(1) Mission:

The primary mission of the ROC Air Force is to use tactical control systems to dominate ROC air space, gain early warning time, and ensure the security of the air territory. In peacetime, the Air Force conducts air combat patrols and surveillance, maintains strict monitoring operations, and intercepts intruding enemy aircraft with military aircraft, surface-to-air missiles, and anti-aircraft artillery. In wartime, it acts with the Army and the Navy in joint combat operations.

(2) Organization:

Air Combat Command, Air Defense Artillery & Guard Command, Tactical Fighter Wings, Transport/EW Wing, Air Tactical Control Wing, Communications & ATC Wing, Weather Wing, and the Air Defense Artillery & Guard Troops.

3. Main Weapon and Equipment:

IDFs, F-16s, Mirage 2000-5 fighters, and the Sky Sword II missile.

4. Equipment Transition:

The ROC Air Force has formed IDF (Ching-kuo) wings, F-16 wings, and Mirage 2000-5 fighter wings respectively in line with new acquisitions.

5. Outlook

The military objective of the ROC Air Force is "automation of ATC and integration of air defense." It will enhance EW and early warning capability, complete the automation of ATC system, establish a powerful air defense net, combine high performance fighters and surface-to-air weapons, and enhance close support and interdiction capability to expand the function of integrated air defense operations.

IV. Military Police

1. Strength:

approximately 10,000.

2. Mission and Organization

(1)Mission:

Conduct special guard and garrison missions;

Assist police in maintaining public security;

Support military operations;

Carry out tasks pursuant to martial law and judicial laws; and

Ensure national security and social stability.

(2)Organization:

Military Police Headquarters, Military Police Commands, investigation units, Military Police Battalions and Military Police Squadrons.



ROC Military Police's SWAT exercise

3. Outlook

The Military Police Force is committed to becoming “strong in precaution, quick in mobility, highly capable of intelligence and criminal investigation, and operational for combat and missions.” It is building up a sophisticated, lightweight and portable weaponry. Its acquisition focuses on professional equipment and mobile vehicles for surveillance or control, reconnaissance or investigation, inspection and safety protection missions in order to strengthen its capabilities of protection, strike, deterrence of mass movements, and support of ground operations.

Reserves

Pursuant to policy guidelines for “reducing regular forces and expanding reserves”, the regular forces are being downsizing with the capability of the reserves being built up. The ROC Armed Forces, in line with the Defense Operation Guidance, have streamlined organization of the reserves, promoted training and mobilization readiness to establish the necessary reserve forces for “timely mobilizing and timely combating.”

I. Army Reserves

1. Mission:

In peacetime, the mission of the army reserves is to conduct mobilization training and service support and gear up mobilization readiness in accordance with the nature of each overseeing unit. In wartime, these forces can mobilize rapidly to assume local garrison duties and defense of critical posts in accordance with their streamlined peacetime organization and training.

2. Organization

Core battalions , mobile battalions and reserve division (brigade) of the joint branch brigade, and operational command the garrison reserve regiments and the mountain reserve companies of Armed Forces Reserve Command.

II. Navy Reserves

1. Mission:

In peacetime, the mission of the navy reserves is to conduct mobilization training and service support and gear up for readiness in accordance with the nature of each overseeing unit. In wartime, its mission is to mobilize

rapidly to assume local garrison duties and base defense.

2. Organization:

Reserve battalions, regiments and divisions.

III. Air Force Reserves

1. Mission:

In peacetime, the mission of the air force reserves is to conduct mobilization training and service support and gear up for operation readiness in accordance with the nature of each overseeing unit. In wartime, it mobilizes rapidly to assume local garrison duties and base defense.

2. Organization:

Reserve companies and battalions

Chapter 3

The Coast Guard

The mission of the Coast Guard, which formally belonged to the MND, is to safeguard the security of Taiwan's coastal areas and the Pescadores with a force of about 10,000. On January 28, 2000, the Coast Guard Administration came into being as a cabinet agency. All coast guard forces were transferred to "Coast Guard Headquarters" under the command of the Coast Guard Administration.

In peacetime, the Coast Guard Administration is in charge of cracking down on smuggling, stowaways, and security inspection of commercial and fishing ships. In wartime, it will accept orders to engage in operational missions pursuant to Article 4, Paragraph 2, of the National Defense Law and Article 24 of the Coast Guard Administration Organic Law. Provisions therein state that "In wartime or in contingency, the agency shall be transferred to the defense military operation system as ordered by the Executive Yuan."

Military Mobilization

I. Force Mobilization

1. The Status of Reservists:

Reservists play an important role in the nation's overall combat capability. For the purpose of balancing the needs of defense security and economic development, the reserves must be precisely organized and managed in order to fully support the military strength in wartime. In 2000, the registered number of reservists amounted to more than 3.484 million, of which Army reservists totaled 2.724 million, Navy, 425,000, and the Air Force, 334,000, accounting for 15% of the ROC's population. Of this number, there are 309,000 officers, 1.395 million non-commissioned officers (NCOs) and 1.779 million enlisted soldiers.

2. Organization of the Reserves

(1) Mobilization of the Armed Forces

According to the requirements of the Armed Forces Mobilization Troops, reservists who are young, strong, in good health and who have an military occupational specialty (MOS) code, will be called up pursuant to the "Annual Mobilization Plan" for education and muster recall so as to enhance mobile combat readiness.

(2) Regimental Reserves

Except for those who have been included in the Armed Forces Mobilization, other strong and young reservists will be organized into Reserve Groups based on their household registration in township (city or district), to defend their hometowns, protect their property, and replenish necessary manpower for sustainable combat capability.

(3) Reserve Team

All registered reservists are organized into reserve teams in accordance

with their household registration under each village, borough, and lin - the smallest administrative unit. They will be managed by the township reserve service stations through local administrative channels.

3. Reserve Training

(1) Educational Recall:

Educational recall aims at providing MOS refresher training and readiness training — the basics to maintain the capability of reserve forces. Law requires each reservist receive 30 days capability refresher training a year. However, since refresher training periods vary by services, the actual annual training is reduced to last for five to seven days, which is the required training period for each MOS of the Army field unit. In 1998 and 1999, more than 180,000 reservists were recalled for educational training.



The MOS refresher training of Reserve Educational Recall.

(2) Muster Recall:

Other than those who receive educational recall, all reservists will be called up to receive training in combat readiness at mobilization sites or nearby locations to retain their active participation in the recall and verify their personal data. In 1998, 660,000 reservists received a muster recall. Beginning 1999, in consideration of the demand for economic development and human resources, the muster recall was changed to a registered mailing system with the Force and every reservist exchanging registered mails to verify his personal data and the MOS code. Reservists are not required to report to their unit. In 1999, about 750,000 mail recalls with verified data were received.

II. Defense Industry Mobilization**1. Defense Industry Mobilization Readiness:**

According to the "Economic Mobilization" plan, the mobilization of defense industry is the major portion of the economic mobilization. In peacetime, mobilized factories devote themselves to the R&D and manufacture of military items in support of the central factory for mobilization preparation. In wartime, these factories can switch to expand production and maintenance capacity in support of military operations. Logistics departments of the ROC Armed Forces, based upon scenario study and prediction of wartime demand, will build up capacity of maintenance and manufacture and select to-be-mobilized factories to establish a defense industry mobilization production system to achieve sufficient military mobilization production of all items.

2. Defense Industry Mobilization Organization:

According to the practical requirements of each service, the MND published the "Defense Industry Mobilization Preparation Program" in 1999. In this program, about 100 factories and production systems were mobilized

and organized to produce some 500 military items. In peacetime, they assist in the manufacture and maintenance of military items. In wartime, they will switch to mobilization production and increase their maintenance and manufacture capability of supporting military operations.

III. Service Muster

1. Service Muster Readiness:

In wartime, airports, harbors, military bases, depots, hospitals, runways, railroads, highways, bridges, electricity towers, and pipelines in Taiwan, the Pescadores, Kinmen and Matzu areas may become attack targets. Destruction of these utilities and infrastructure by the enemy will affect the capability and mobilization of the Armed Forces. In order to effectively employ the Military Service Group to supplement the repair work of the Armed Forces, the MND convenes a coordination conference once a year with the participation of officials from the central and local governments, government-run enterprises, and related units of the armed forces to formulate the "Annual Assistance Military Service Manpower Mobilization Program." In 1999, about 50,000 personnel were called to man 235 squadrons and 418 independent service divisions. They were given necessary training and muster recall sessions to successfully support military operations during the wartime and contingency.

2. Service Muster Training:

From December 29, 1998 to May 11, 1999, joining the "Service Muster Exercise" of the Taiwan Province, Taipei city and Kaohsiung city, the Army Headquarters, Navy Headquarters, Air Force Headquarters, Combined Service Headquarters, Military Medical Bureau and the Taiwan Area National Freeway Bureau conducted 35 "Military Service Training Exercises." These exercises involved 24 squadrons and 12 independent military service divisions. About 3,000 personnel reported to their units, a turnout of

99.97%, greatly enhancing military capability of supporting military operations in wartime.

IV. Mobilization Training and Exercises

1. The Armed Forces Mobilization Exercise (Tunghsin Exercise):

This exercise is aimed at demonstrating the capability of “timely mobilizing and punctual combating” The MND issues mobilization orders through the electronic media in addition to the military command system to conduct various training in connection with drills. The Armed Forces Mobilization Exercises — “Tunghsin Exercise No. 10 and “Vehicle Mobilization No. 4” — were carried out on May 9, 1998 with 1,300 personnel and nine trucks and heavy engineering vehicles. On June 11-17, 1999, the Armed Forces Mobilization Exercise — “Tunghsin Exercise No. 11” - was conducted, involving



Tunghsin No 11 Exercise-mine lifting exercise

570 personnel, 10 trucks and three motorized fishing boats.

2. Defense Industry Mobilization Exercises (Chihchang Exercise):

This exercise was aimed at testing the capability of governments at all levels, government-run enterprises and private factories to meet the requirements of supporting factories and depots for the wartime need of the ROC Armed Forces, and practicing the SOP and regulations for wartime production. Chihchang Exercise No. 16 was conducted from March to May 1998, with 670 personnel from four logistics units, related local governments and agencies participating. From April to June 1999, Chihchang Exercise No. 17 was conducted in central and southern Taiwan areas and Kinmen, with the participation of 700 personnel from four logistics depots and transportation units, the Kaohsiung city government and related mobilized factories.

PART FIVE |
DEFENSE
MANAGEMENT |

Summary

1. To build a modern defense system, the Ministry of National Defense (MND) revised the draft bills of the “National Defense Law” and “the Organic Law of MND” based on the requirement of “shared responsibility” and “the unification of MND policy-making and command system.” The bills have been approved by the Legislative Yuan and became effective on Jan. 29, 2000 by the signing of the President.
2. Due to the fact that combat capabilities are often negatively affected by casualties caused by car accidents, maneuvers and training among military personnel, MND developed the “Concrete Steps for the Prevention of Casualty and Discipline Violation.” Emphasis is put on internal management, unit training and cadre training with the objective of “zero casualty.”
3. The number of female officers and non-commissioned officers is more than 8,500. These female military personnel have contributed to combat power and manpower shortage. Under the principle of equal right for both sexes, MND has made rules which facilitate their job protection, promotion, career development, educational training and management in order that female officers and non-commissioned officers can obtain equal treatment and working environment.
4. Considering military characteristics and defense needs, MND is now adjusting salaries and raising pays for its personnel comparing with the pay level for government employees and the police. To boost morale, MND is trying to raise the pay 15% to 20% higher than the average government employees do.
5. To utilize land legally and settle the land disputes between the military and the civilian communities, MND is actively finding reasonable ways to solve this problem for the benefits of both sides.
6. To meet the challenges of communication and information threat from the enemy and to establish the fighting capability in information warfare, the policy for information warfare at current stage is to integrate the communication and information resources, to build the infrastructure for

defense information, to develop the C4ISR monitoring capability and security measures, and to outsource information functions.

7. "The management of arms and ammunitions" is a long term and continuous effort. Besides periodical inventory inspection, all units actively enhance their precaution measures, warehouse security, and guard-on-duty training to tighten the management of arms and ammunitions and to prevent the leak of deadly weapons.

Management of Defense Regulations

I. Systematization of Defense Regulations

To meet practical needs, the Ministry of National Defense, in addition to making and revising the regulations concerning defense affairs, has been overhauling and abolishing laws and regulations that are out of current with a view to "the requirement of a sound legal system." From Jan. 1, 1998 to Jun. 30, 2000, twelve bills, such as the "Regulation of Military Education," were passed by the Legislative Yuan to become laws, and thirty-eight regulations (See Table 5-1) such as the "Statue for the Security & Guidance of Kinmen, Matsu, and the Pratas and Spratley Areas" were abolished. Furthermore, fifty-nine regulations (See Table 5-2), such as the "Requirement for Personal Data", were revised. Up to Jun. 30, 2000, the total of the current effective laws and regulations is 161.

In conjunction with the "Administrative Procedural Law" due to be effective on Jan. 1, 2001, MND has reviewed all current defense laws and regulations based on the spirits and purpose of the said law. MND is planning to make the "All-out Defense Mobilization Regulation," to revise six rules such as the "Regulations of R&R for Members of the Armed Forces," and to abolish 61 rules and regulations which have lost legal basis, such as the "Organization of the Armed Forces' Athletic Association." All these efforts that will perfect the defense legal system and achieve the goal of "doing the right things" will be completed by Nov. 30, 2000.

II. The Enactment and Revision of Important Regulations

1. The Completion of the "National Defense Law" and the Revision of the "Organic Law of MND"

The "National Defense Law" is the basic law guiding defense development. Due to the fact that the law involves not only defense system

Table 5-1 The Achievement of Defense Laws Enacted and Abolished from 1998 to 2000

Enacted	Rule for Control and Application of Disbursement of the Armed Forces Production and Service Operating Fund	Rule for Procuring Military Items in Military Institutes
	Regulation of Compensation to Civilian Casualty Due to Military Actions	Detail Rule for the Service of Officers of the Army, Navy and Air Force
	Regulation of Paying Pensions and Other Allowances to Retired Officers and NCOs	Detail Rule for the Service of NCOs of the Army, Navy and Air Force
	Regulation of Military Education	Rule of Dealing with the Civilians Wound or Killed by Stray Bullets during Live Fire Combat Exercises Conducted by ROC Armed Forces
	Law of Coast Guard	Rule of Continuing to Keep Active Service and Treatment for 1st General Living in Taiwan
	The Organic Law of the Coast Guard Administration of the Executive Yuan	Disposal Guideline for Military Production Unit's Surplus Profit and Depreciation Preparation Fund
	The Organic Statute of the Ocean Guard Headquarters of the Coast Guard Administration of the Executive Yuan	Rule of Military Budget Implementation and Disbursement
	The Organic Statute of the Coast Guard Headquarters of the Coast Guard Administration of the Executive Yuan	Regulation of Military Transportation by Railway
	The Organic Rule of Area Coast Guard Agency of the Coast Guard Headquarters of the Coast Guard Administration of the Executive Yuan	Rule for the Armed Forces' Comptroller Operation in Wartime
	National Defense Law	Rule for MND to Request to Award Medal of Honor to Foreigners and to Accept Medal of Honor from Foreign Countries
	Compensation Standards for Casualty Caused by Military Service	Rule of Punishment for Violating the Military Telecommunication Regulations
	Provision of the Organization of National Defense University	Regulation for Martial Trial and Jurisdiction
	Abolished	Rule of the Management of Supporting Military Maps in the Armed Forces
Statute for the Security & Guidance of Kinmen, Matsu, and the Pratas and Spratley Areas		Regulation for Inspection the Stereotyped Fishing Boats in Taiwan Area
Management Guideline for Evaluating Appointed Military Personnel		Rule for Maintenance and Repair of Equipment of the Armed Forces
Management Guideline for Evaluating Hired Military Personnel		Rule of the Armed Forces' Finance and Service Operation in Wartime
Implementation Rule of Organization and Education of the Reservist Group		Regulation for Postponing Conscription and Military Call of the Scholars Who Are Invited Home by the Government and with the Identity of Reservist or Eligible for Military Service
Preferential Rule of Volunteers' Families Receiving Medical Treatment		Rule of Implementation for Political Education of the Armed Forces
Rule for Control and Application of Disbursement of Manufacturing Operation Fund of the Armed Forces		Regulation for Controlling the Anesthetic Drugs of the Armed Forces
Rule for Control and Application of Disbursement of the Military / Commercial Dual Technology Development Fund		Rule for Military-use Long Distance Operations in Varied Preparedness Stage in Taiwan Area
Rule for Control and Application of Disbursement Fund of the Civilian Medical Service Attached to Armed Forces' Hospitals		Regulation for the Management of the Issue of Military Newspaper and News Magazine
Rule for Control and Application of Disbursement of Manufacturing Operation Fund of the Military Prisons		Rule of Military Uniform
Regulation for the Service of Officers of the Army, Navy and Air Force		Rule for the Armed Forces' Dealing with Picking up the Materials floating on the Sea
Regulation on the Service of NCOs of the Army, Navy and Air Force		Rule of Internal Check-up in Units under the Ministry of National Defense
		Rule of the Establishment and Management of Military Broadcasting Stations
	Regulation for Lawyer Registration with Court-Martial Institutes	

Source of duration: Jan. 1, 1998-Jun.30, 2000

Table 5-2 The Achievement of Defense Laws Amended from 1998 to 2000

The Requirement for Personal Data	Rule of Management of the Reservists
Regulations of Armed Forces Medical Service	Rule for Adoption of the Armed Forces Martyrs Shrine
Rule of Muster Call	Application Rule of the ROC's Armed Forces to Check the Related Information with Local governments and Professional Institutes
Rule for Adoption of the Armed Forces Martyrs Shrine	Regulation of Controlling Poisonous Chemical Material of Military Organization
Rule of Management of the Reservists	Rule of Assistance in Servicemen's Rendering Meritorious Service and Getting Married
Implementation Rule of the Military Service	Rule for MND to Request to Award Medal of Honor to Foreigners and to Accept Medal of Honor from Foreign Countries
Regulation on the Bereavement Fund for Self-defense Members of Kinmen and Matsu	Rule of Management and Punishment of Military Vehicles of the Armed Forces
Detail Rule of Rebuilding Deteriorated Military Dependents Quarters	Assessment Standards for Sick, Wounded and Disabled Soldiers Retiring from or Out of Commission
Detail Rule for the Enforcement of Act for Settlement of Bestowal of Farmland to Warfighters	Regulation of Armed Forces Medical Service
Detail Rule of the Enforcement of Commissioning Officers and NCOs of the Army, Navy and Air Force	Rule of Emergent Transfer and Transportation by Railways and Highways
Provision for Constructing Deteriorated Military Dependents Quarters by Private Construction Companies	Implementation Rule of the Selection, Training and Service of ROTC
Rule of Merit of Professional Performance and Rewards for Commissioning Officers and NCOs of the Army, Navy and Air Force	Implementation Rule of the Selection, Training and Service of College Reserve Officers
Regulation of the Service of Officers and NCOs of the Army, Navy and Air Force	Court-Martial Jurisdiction Law
Rule for Adopting Voluntary Remain in Service of the Armed Forces	Implementation Rule of Court-Martial Jurisdiction Law
Regulation of Controlling Poisonous Chemical Material of Military Organization	Rule of Payment & Treatment for the Dependents Due to the Soldiers Missing or Captured in War
Detail Rule of the Service of Officers and NCOs of the Army, Navy and Air Force	The Organic Law of MND
Regulation of R&R for Members of the Armed Forces	The Military Service Law
Standards of Physical Condition Classification of Eligible Recruits	Implementation Rule of the Military Service
Rule of Physical Condition Classification of the Servicemen	Rule of Control and Application of Disbursement of the Rebuilding Fund of Deteriorated Military Dependents Quarters
The Requirement for Personal Data	Rule of Muster Call
Regulation of Getting Married of the Armed Forces	Detail Rule of Rebuilding Deteriorated Military Dependents Quarters
The Criminal Law of the Armed Forces	Regulation of Controlling Poisonous Chemical Material of Military Organization
Rule of Management and Punishment of Military Vehicles of the Armed Forces	Provision of Reserved Officer Reelection Committee
Rule of Disposing Obsolescent and Unusable Materials of the Armed Forces	Regulation on the Bereavement Fund for Self-defense Members of Kinmen and Matsu
Detail Rule of Rebuilding Deteriorated Military Dependents Quarters	Regulation of Paying Bereavement or Consolation Fund to Those Families Whose Members Had Been Killed Fighting the Communists on the China Mainland in Late 1940s or Those Who Came Back to Taiwan From That War
Compensation Rule of Discontinuing Schooling for Military Academy (Schools) Students	Rule for Control and Application of Manufacturing and Service Operation Fund of the Armed Forces
Rule for Management of Appointed and Hired Military Personnel	Compensation Rule of Discontinuing Schooling for Military Academy (Schools) Students
Rule for Outsourcing Military Items	Detail Rule of Rebuilding Deteriorated Military Dependents Quarters
Rule of Emergent Transfer and Transportation by Railways and Highways	Rule of Physical Condition Classification
Regulation for Inspection the Stereotyped Fishing Boat in Taiwan Area	

Source of duration: Jan. 1, 1998-Jun.30, 2000

and defense responsibilities related to other government agencies but also the rights for the people as a whole, it is essential that the law be made based on the Constitution and Constitutional Amendments, along with the factors such as the political situation, geographical environments and external threats. Therefore, the "Organic Law of MND" made in 1970, which stipulated the organization, functions and personnel quotas, was subject to modification in conjunction with the making of the "National Defense Law."

To build a modern defense system, MND revised the draft bills of the "National Defense Law" and the "Organic Law of MND" based on the requirement of "shared responsibility" and "unification of MND policy-making and command system." The bills have been approved by the Legislative Yuan and became effective on Jan. 29, 2000 by the signing of the President (the Executive Yuan is authorized to determine the implementation date within three years upon approval).

2. The Completion of Making the "Law of Coast Guard"

To maintain maritime security, curb illegal activities on the sea, and protect fishing resources, MND, under guidance from the Executive Yuan, formulated five drafted bills related to coastal patrol, such as the "Law of Coast Guard", the "Organic Law of the Coast Guard Administration of the Executive Yuan", the "Organic Statue of the Ocean Guard Headquarters of the Coast Guard Administration of the Executive Yuan", the "Organic Statue of the Ocean Guard Headquarters of the Coast Guard Administration of the Executive Yuan" and the "Organic Rule of Area Coast Guard Agency of the Coast Guard Headquarters of the Coast Guard Administration of the Executive Yuan" together with other departments. The five bills had been reread by the Legislative Yuan and were promulgated by the President on Jan. 26, 2000. Apart from providing the legal basis for the activation of the "Coast Guard Administration of the Executive Yuan", it also stipulates the possession of various craft, weapon, vehicle

and monitoring systems by units under the Administration. "The Coast Guard Administration of the Executive Yuan" was activated on Jan. 28, 2000.

3. The Completion of Revising the "Military Service Law"

Because of the "Armed Forces Refining Program" implemented by the Armed Forces, the need for personnel replacement is on the decrease. The overflow of eligible draftees will increase as the years go by. To solve this problem, MND developed the "Military Service Law" based on the principles of equality and protection of draftees' rights. The law was passed by the Legislative Yuan and became effective by the signing of the President on Feb. 2, 2000.

4. The Completion of Making the "Regulation of Military Education"

To acquire the legal basis for education among military schools and to integrate military education into the field of the educational system, MND developed the draft bill of "Regulation of Military Education." The bill was approved by the Legislative Yuan and became effective by the signing of the President on Jul. 14, 1999.

5. The Completion of Making the "Regulation of Compensation to Civilian Casualty Due to Military Actions"

To show the sincerity of government's care for civilian casualties due to military actions, MND formulated the draft bill of compensation to civilian casualty due to military actions to compensate civilians who died or were wounded. The bill was approved by the Legislative Yuan and was promulgated by the President on Feb. 3, 1999. It became effective on Dec. 1, 1999.

6. The Completion of Revising the "Court-Martial Jurisdiction Law" & Its Implementation

To catch up with the vein of our times, and to be combined with the country's legal system, MND revised the draft of "Implementation Rule of Court-Martial Jurisdiction Law" and it was approved by the Legislative Yuan. The bill was promulgated by the President on Oct. 2, 1999 and became effective on Oct. 3 of the same year.

Force Management

I. Protecting Legal Rights and Privileges among Officers and Men

To protect the legal rights and privileges among military personnel, and to promote unity in the units, all units of the Armed Forces, on Aug. 31, 1998, set up "080" toll free call, to handle properly the complaints and grievances filed by officers and men inside the units. (As Table 5-3) MND, together with the three services' headquarters, established the "Council for Protection of Legal Rights and Privileges among Military Personnel," which is responsible for handling complaints, grievances, accusation and legal rights among military personnel and its dependents, on Mar. 16, 1999. At the same time, to beef up the Council's functions, on Aug. 1 of the same year it was enlarged to encompass public opinion leaders, women rights groups, medical and legal experts as counselors, who provide suggestions on complaints, grievances, petitions and the investigation of heavy casualties and sexual abuses. Through their assistance, the investigative results will be credible and trustworthy.

According to the 19th article of the "National Defense Law," which stipulates that MND should establish the "Council for Protection of Legal Rights and Privileges among Military Personnel." MND convened the preliminary meeting for the activation of the Council on Jan. 18, 2000, in which it was decided that the Council would be a permanent body.

II. Psychological Counseling

The purpose of psychological counseling is to relieve the pressures and emotion for making military personnel adapt to the military environment. Substantial efforts are classified as three categories: initial preventive stage is conducted by political warfare officers in the company level; soldiers

Table 5-3**The List of "080" Toll Free Numbers of MND and Various Units for Consulting and Appealing**

Unit	Phone No.	Unit	Phone No.
Disciplinary Surveillance Division of MND	080-231681 080-231011	The Marine Corps Force	080-756013
General Headquarters, Army	080-321454	The Chinese Naval Academy	080-756999
The Sixth Army Corps	080-090752	Naval Education & Doctrine Command	080-098440
The Eighth Army Corps	080-008095	Navy Technology School	080-095951
The Tenth Army Corps	080-015995	General Headquarters, Air Force	080-212253
Army Logistics Command	080-096995	Operational Headquarters of the Air Force	080-028052
Kinmen Defense Command	080-023600	Logistics Command of the Air Force	080-094580
Matsu Defense Command	080-085945	Anti-Aircraft Artillery & Garrison Command	080-023253
Penghu Defense Command	080-099500	Education & Doctrine Command of the Air Force	080-087071
Hualian Defense Command	080-381020	The Chinese Air Force Academy	080-007072
Aviation and Special Warfare Command	080-055666	Air Force Aviation and Technology School	080-009585
The Chinese Military Academy	080-008997	General Headquarters, Combined Services Command	080-251090
Army NCOs School	080-070895	Armed Forces Reserved Command	080-231882
Infantry Training Command	080-050065	Armed Forces Police Command	080-221507
Artillery Training Command	080-000225	Armed Forces Police Academy	080-000580
Armor Training Command	080-010095	The National Defense University	080-025566
The Logistics School of the Army	080-099012	The National Defense Medical College	080-017111
The Engineer School of the Army	080-090210	The Chung-Cheng Institute of Science & Technology	080-311996
The Communications, Electronics and Information School of the Army	080-321021	The National Defense Management College	080-008221
The Chemical School of the Army	080-079795	Fu Hsing Kang College	080-291216
General Headquarters, Navy	080-221760	The Chung-Cheng Armed Forces Preparatory School	080-004456
Fleet Command	080-035835	Military Integrated Communications Command	080-002005
Naval Logistics Command	080-756010	The Chungshan Institute of Science and Technology	080-321350

who have emotional troubles are treated by psychological counselors inside their units; personnel who show no progress after being treated by counselors are sent to the "Area Psychological Counseling Center" for further treatment.

MND has set up "Psychological Counseling Center" above joint-branch brigade level in the Army, wing level in the Air Force and fleet level in the Navy, and "Area Psychological Counseling Center" were set up island wide. Psychological counselors, who were increased from 133 to 238, were hired among specialists in the civilian sector. Operating budget was increased from NT\$ 6.41 million in 1999 to NT\$ 15.7 million in 2000, an increase of 144.7%. Since Jan. 1999, 108,984 servicemen have been assisted by psychological counseling, which shows substantial results.

To enhance perception among cadres in the field, courses of psychological counseling have been incorporated into officer's courses as a required subject. Various psychological counseling centers hold seminars on psychological counseling on a yearly basis in the company and battalion level, inviting scholars and specialists to give lectures on this subject.

To reduce self-infliction among officers and men, MND has asked experts and specialists to institute the study of prevention of self-infliction, and compiled the "Mental Condition Checklist for Officers and Men" in 1998, which helps basic units to identify and assist those who have the tendency to self-infliction. Furthermore, in Apr. 2000, "Rules for the Prevention of Self-infliction by Military Personnel" was promulgated in the hope of attaining the objective of "zero self-infliction."

During the period of disaster relief for "921 Devastating Earthquake," to help avoid the post-disaster syndrome among personnel who took part in the relief-efforts, MND entrusted psychological experts with holding psychological counseling seminars. 24,945 people were assisted to relieve their pressures; 3,254 people were praised for performing excellent psychological counseling.

III. The Prevention of Casualty among Military Personnel

Due to the fact that military personnel were killed or wounded in maneuvers, drills and car accidents, MND developed the "Concrete Steps for the Prevention of Casualties and Discipline Violation," which puts the emphasis on internal management, unit training and cadre trainings with the prospect of "zero casualty."

To strengthen the prevention of casualty, MND also formulated the rating system for the "Prevention of Casualties Outside the Barracks and Self-infliction," to reduce the possibilities of accidents by quick rewarding. At the same time, focusing on the cause of casualty, MND requested leaders, while giving orders, must stress security measures to alert soldiers. Commanders have to visit units that lack discipline to identify factors related to securities. The violation cases in 1999 were less 624 cases than in 1998, reducing 31.8%; the casualties were less 14 persons than in 1998, reducing 4.93%.

IV. Enhancing Life Quality in the Military

1. Promoting Welfare among Military Personnel

(1)Commodity Supply

There are 31 Area Commodity Supply Centers and 173 post exchanges available now for providing personnel and their dependents with 4,612 items of essential commodities to meet their basic consuming needs.

(2)The Supply of Accessory Food

There are 32 supply points for distributing 1,566 items of accessory food. Accessory food is also shipped toward offshore islands. The quality and sanitary condition of food supplied in offshore islands is thus assured.

(3)Starting Jul. 1, 1999, welfare activities are included in the special fund system—the "Armed Forces Production and Operating Fund." All operations are handled by budget process.



The "Carnival of Military Bands & Honor Guards" held by MND was deeply welcomed by the general public.

2. Promoting Arts in the Military

To promote art activities in the military, on Aug. 29, 1999, MND sponsored a band concert and display by the honor guards with the participation of many civilian groups. On Mar. 31, 2000, MND again held a concert of "Glory Singing" at the National Music Hall with the attendance of government officials, public opinion leaders, schools and groups. MND, on a yearly basis, holds Armed Forces Academy Rewards for literature and arts to encourage soldiers, dependents and the reservists to engage in art activities.

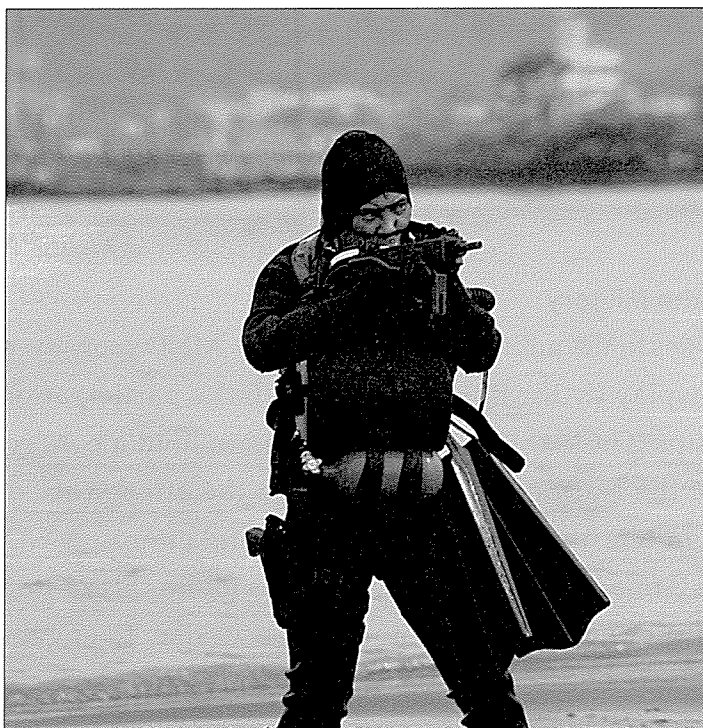
V. Equal Rights for Both Sexes

1. Origin

Since 1992, the number of female officers and NCOs has increased to more than 8,500, which contributed to manpower and combat capability. Facing with the increase of females in the military, MND has developed a policy to protect their job security, promotion, education and management on the basis of equal rights and the avoidance of discrimination or inequality. Judging the fact that more and more females are trying to join the military, it is fair to say that the above-mentioned efforts show results.

2. Results

(1)The Enactment of “Management of Female Military Personnel” and the “Policy for Guiding Relationship between Both Sexes”



ROC Armed Forces has brought up the first female special operation NCO.

(a) Anticipated Results

MND is to establish a modern, rational force management system with the anticipation of a fair and safe environment in which females are free from sexual harassment.

(b) Concrete Results

i. It is requested that various units of the Armed Forces should take their physical characteristics into consideration while employing female officers and NCOs. The daily life requirements and service demands should be rational on the basis of equal rights and the avoidance of discrimination or inequality. The remains rate of female officers and NCOs is over 82% for years.

ii. The chiefs of division level (brigade) and above are demanded to hold "meeting for female officers and NCOs to share their daily life" on a regular basis to review the policy. Recently self-inflicted, violating and fleeing cases done by female members was less than 1% (0.058%)

iii. MND made conducting rules between both sexes to safeguard females free from threats and sexual harassment.

iv. A "Hot Line" for reporting cases related to sexual harassment is set up. Cases are investigated by female inspectors to protect the victims from secondary harm. "Sexual Harassment Investigative Board" is established in units above divisional level for handling complaints.

v. MND made penalties for sexual harassment: violators are to be court-martialed. Those violators who do not infringe the laws will receive a demerit or be judged to retire from the military service.

(2) Job Equality**(a) Anticipated Results**

There are 3,290 female officers in the Armed Forces, including 50 or some colonels. Under the principle of equality, female general officers will be from those colonels.

(b) Concrete Results

i. It takes at least 25 years for an officer to become a general. Except a few female colonels who have served 25 years in the military and who are qualified to be promoted, most of them still need to be developed in correspondence to job experiences.

ii. Female officers and NCOs have been assigned to combat support units and technical units. Female platoon leaders are limited in combat support units. In the future, they would be assigned to all units. Female officers and NCOs in the Navy have served on board. A female NCO even serves in the Underwater Demolition Battalion. Some female officers and NCOs in the Air Force are taking flying missions, while others undertake weapon maintenance as their male counterparts do.



Female officers and NCOs both perform well in their jobs

iii. Both female and male military personnel's service, promotion and transfer are treated according to the "Regulation for the Service of Officers and NCOs of the Army, Navy and Air Force and Its Detail Rule," the "Regulation of the Enforcement of Commissioning Officers and NCOs of the Army, Navy and Air Force and Its Detail Rule", etc. without discrimination.

(2) Equality of Education

(a) Anticipated Results

ROC Armed Forces began recruiting female officers and NCOs in 1992, and the recruit was enlarged in 1994. The number of female participation increases as the years go by. It is expected that the objective of recruiting 3,000 female officers and 10,000 NCOs will be achieved.

(b) Concretete Results

i. From 1995 to 1998, the number of female cadets who are receiving training in the military academies is: 41 in the Chinese Military Academy; 70 in the Chinese Naval Academy; 8 in the Chinese Air Force Academy; 85 in the Fu Hsing Kang College; 19 in the Chung-Cheng Institute of Science & Technology; 224 in the National Defense Medical College; and 10 in the Medical Defense Management School. The total is 457.

ii. 102 female officers graduated from military schools in 1999. Graduates from the three service academies have been assigned to units below divisional level in the Army, wing in the Air Force and naval ships. Graduates from the National Defense Medical College and the Chung-Cheng Institute of Science & Technology are sent to relevant units based on their specialties.

Chapter 3

Management of Defense Funds

I. Strengthening the Management of Military Budget

To strengthen budget management and the useful utilization of defense resources, MND has added and revised 17 regulations related to the establishment of a sound budget system. (As Table 5-4)

II. Enhancing Budget Program for Funds

The objective of consolidating the operations of budget, accounting and special funds is to obtain the effective use of financial resources.

Table 5-4 The List of Added and Revised Rules for Defense Budget System

Category	Item	Contents
Added	1	Implementation Rule for MND Conducting Cash Spot Checks to Various Echelons
	2	Rule of Hand-over Operation for Cashiers and Accountants of the Armed Forces
	3	Matters Concerning Accounting and Finance Issues for Various Units of the Armed Forces to Appropriate Labor Retirement Reserves
Revised	1	Accounting Operation Rule for Servicemen Insurance
	2	Operation Rule of Cash Accounting for Various Units of the Armed Forces
	3	Rule of Controlling the Deposit Accounts in Charge of Items by Various Units of the Armed Forces
	4	Operation Rule for Disbursement Evidences
	5	Accounting Operation Rule for Navy Shipbuilding (Combat System) Factories
	6	Reference Manual of the Armed Forces' Personal Pays
	7	Methods for Transacting Settlement of Exchange of the Orders of the First Chinese-U.S. Supplies Support Agreement
	8	Executive Points for Approval of Foreign Exchange Cases of the Armed Forces Settled up in Original Documents
	9	Operation Rule for Transacting Settlement of Exchange of the Armed Forces
	10	Operation Rule for Submitting Annual Revenue Anticipated
	11	Rule for Transacting the Items Collected by the Armed Forces
	12	Rule for the Uniform Receipts of Receiving Items Employed and Kept by the Armed Forces
	13	Operation Procedure for the Armed Forces' Receiving and Paying the Antecedent Money as Collateral for Bidding and Military Confidential Maps
	14	Operation Procedure for Guarantee Deposits Received and Paid by the Armed Forces

Source of duration: Jan.1, 1998-Jun.30, 2000

1. The Consolidation of Funds

According to the law that was passed by the Legislative Yuan and by orders from the Executive Yuan, MND consolidated special funds for clinical fees, prisons, production and dual use technology into the "Armed Forces Production and Service Operating Fund," which became effective in 1999. On the other hand, "Rule for Control and Application of Disbursement of the Armed Forces Production and Service Operating Fund" was approved by the Executive Yuan. The original regulation was abolished.

2. The Completion of MND Non-operating Funds Budget Programming

Based on the budget programming for the central government's total budget, MND has completed the programming of "Military Personnel Saving Operating Fund," "Military Production and Service Operating Fund," etc.

3. The Completion of Cost Accounting Assistance for "Military Production and Service Operating Fund"

To promote effective management of military production facilities, MND provided cost accounting assistance to all production facilities in 1999. The results and shortages were reflected in the special report, and orders for improving cost and management were given to the concerned facilities. With self-sufficiency, it is hoped that production facilities not only increase operating effectiveness but decrease the reliance on defense budget.

4. The Completion of Submitting Budget of the "Youth Daily" and "Military Welfare General Agency" to the Executive Yuan for Approval

Beginning FY2000, budget for the Youth Daily and Military Welfare General Administration would be included in the "Military Production and Service Operating Fund."

5. The Completion of Submitting "Budget System for Military Production and Service Operating Fund" to the Executive Yuan for Approval

6. The Conception of Integrating Military Operating Funds

(1) Strengthening Informational Management Operation

To save effort and manpower and the facilitation of information management, information systems are being planned in place of manual operation to facilitate cost information gathering and accounting procedures.

(2) Integrating Available Operating Funds to Enlarge Its Utilization

Beginning FY2001, operating funds for military personnel saving will be incorporated into "Military Production and Service Operating Fund," and it will be enlarged to encompass operating funds related to purchase, maintenance and repair, warehousing, ship maintenance and military engineering with the objective of effective integration of financial resources.

(3) Operating funds will be integrated by phases to achieve the objective of assisting defense financial resources by enterprise management.

III. Raising Military Pays Reasonably

1. Considering military characteristics and defense needs, MND is now adjusting salaries and raising pays for its personnel comparing with the pay level for government employees and the police. To boost morale, MND is trying to raise the pay 15% to 20% higher than the average government employees.

2. MND completed 33 regulations related to salary and pays, such as the "Military Personnel Area Pay" and the "Volunteering Service Pay."

3. In conjunction with the implementation of the "National Defense Law," "Regulation Concerning Salaries and Pays for Military Personnel" was made to safeguard the benefits for members of the Armed Forces.

IV. Strengthening Internal Auditing

The purpose of internal auditing is to strength internal control, to follow

the procedures and to remove financial waste and irregularities.

1. Internal auditing in FY1998 by MND has been held in three phases. Spot checks and year-end spot checks were also been initiated. 86 units have been randomly checked. Funds of \$NT31.8 billion were audited. 17 pieces of suggestion were given to promote improvement.
2. The first, second and third internal auditing in FY1999 have completed its check on quartermaster supplies, accessory parts and special pays. Cash spot checks and year-end mobile checks were also completed by plans. All deficiencies and suggestions were given to the concerned authorities for their information and improvement.
3. According to auditing laws and the "Rule for Governing Internal Control" issued by the Executive Yuan, MND has been checking all available funds to maximize the functions of internal auditing.
4. Based on the principle of shared responsibility, all financial centers and units are given the power of initiating spot checks on cash to ensure the security of funds

Military-controlled Land and Construction Management

I. Settlement of Land Disputes between the Military and the People

To utilize public properties legally and settle the disputes derived from using civilians' land and the occupation of military lands by the civilians, the Armed Forces, in conjunction with personnel cut-down and force adjustment, are incorporating small compounds into large-size ones to minimize the need for available lands. Public properties out of military need and lands belonging to the civilians have been given back. The total area is 179.8117 hectares. Lands belonging to the civilians but still have military needs are purchased by programming the budget on a yearly basis, the total area is 16.8968 hectares, while public properties are acquired according to laws, the total area is 17.5851 hectares. On the other hand, lands occupied by the civilians but without military purpose are turned over to the government, the total area is 9.5092 hectares, while those with military needs are taken back by MND, the total area is 11.9354 hectares.

II. Enhancing the Quality of Building Construction

To coordinate with the "Armed Forces Refining Program," the Armed Forces are pushing for the improvement of living conditions for its personnel and the specialization of military building construction. By issuing regulations and operating procedures, the various phases of building construction in bidding, execution, completion, acceptance, use and maintenance are included in an all-out quality control program with an anticipation of removing irregularities and enhancing construction qualities.

1. Improving the Current Organization for Building Construction

In concert with the "Armed Forces Refining Program" and combined logistics, MND has directed the Engineering Service of the Combined Service Forces as the sole agency responsible for planning and supervising all military construction efforts. The function of engineering bidding in the Engineering Service was transferred to the Defense Procurement Bureau to avoid the over-centralization in a single unit in Jul. 1998. Except small-budget projects, other construction projects (including planning, design and supervision) are undertaken by civilian contractors. In Aug. 1998, the "MND Construction Engineering Advisory Board" was set up to facilitate the efforts by consulting with scholars, experts and officials from other departments.

2. Strengthening the Cultivation of Qualified Engineers

Aided by universities and governmental agencies, engineers, comptrollers and supervisors from the Armed Forces attend seminars and training to gain expertise and know-how. Other special courses related to military construction, such as engineering management, engineering cost and construction supervision, are opened in the Engineer School of the Army. Training quotas are increased to accommodate more engineering officers so that quality on engineering can be enhanced.

3. Tightening the Efficiency Rating of the Responsible Officers

It is requested that officers or staff responsible for construction engineering must be evaluated based on their efficiency and character. The assignment of commanders responsible for construction projects must be reviewed by their superiors in order to eliminate the inferiors. Internal control measures, such as engineering planning, bidding, supervision and acceptance, are also to be tightened. It is also requested that comptrollers and inspectors from higher headquarters do their duty in screening any loophole against irregularities.

4. Fully Implementing the Avoidance of Interests and Enlarging Personal Properties Declaration

According to the 24th article of the "Service Law for Government Employees," personnel who undertake construction projects, upon their retirement, are barred from engaging in any business that relates to their previous activities. On the other hand, MND has revised the "Procedures for Properties Declaration by Military Personnel" to implement the regulations and scrutinize the said personnel.

5. Abiding the "Procurement Law" and Promoting Construction Bidding on Computer Net

In conjunction with the completion of the "Procurement Law," all construction projects, in the future, will be handled by regulations. MND has issued orders to the effect that all projects, no matter how large the monetary amount is, have to be published on the "Government Procurement Bulletin."

Management of Defense Information

I. Communications & Information Policy

The information policy for the Armed Forces is, in keeping with the national information infrastructure (NII) and the vision of information sharing which meets the combat readiness, to fully develop the construction of defense information infrastructure (DII), while at the same time to integrate all available defense management information systems to support the establishment of C4ISR system. Furthermore, in response to enemy's information warfare, it is essential that the capability in this field must be established as soon as possible. At current stage, emphasis of information policy is put on.

1. The Integration of Sources of Communications and Information

Utilizing far-reaching communication systems in combination of flexible management of computer nets and the design of virtual personal nets (VPN), MND could provide voice, video, data and images that are free from interferences. Combined with combat needs, MND would also supply the units with C4ISR networks and various operating platforms. Considering the effective integration of information and communication resources, the General Staff is planning the basic frame and construction for the three services. Inclusive communication and information networks are built by various services based on MND's policies.

2. Developing Defense Information Infrastructure

The practical objective of defense information infrastructure is to be mutually supportive to the use of information by civilian sectors. That is, to expand the participation of the people as a whole in peacetime and easily mobilized in wartime. The development of defense information infrastructure has to take the advantages of national information infrastructure together

with the unique defense thinking to meet the management and application of defense information. The defense information infrastructure should follow the standard of electronic environment in national information infrastructure to achieve the quality assurance essential to the interaction of information between the military and the civilian sectors.

3. The Development of C4ISR

The establishment of C4ISR system is to integrate all independently-operated defense information systems, combat control automation systems and intelligence automation systems to provide the military with decision-making tools. The primary mission of C4ISR is to upgrade the combined operation systems and to actively plan the defense systems capable of accurate, high-speed and three-dimensional command and communications. C4ISR system has to be kept with the new surveillance systems, the establishment of datalink and the modification of doctrines to gain information advantage and in response to combat needs.

4. Developing Information Warfare Capability and a Communications & Information Security Mechanism

The primary mission of information warfare (IW) is to be on the defensive. In addition to establishing a cross-net communications & information system security mechanism which provides the Armed Forces with a reliable operating environment, information warfare can collect wisdom and resources to build the protective wall guarding the national economic success. It is the best media for all-out defense.

5. Promoting Information Activities Undertaken by Civilian Contractors

MND is promoting non-nucleus information activities to be undertaken by contractors according to the "Rule Concerning Information Activities to Be Undertaken by Contractors" issued by the Executive Yuan. MND



To develop a modern information system is a current priority of ROC Armed Forces.

also made rules regulating software development and the criterion for the evaluation of contractors to ensure all software could be developed as scheduled.

II. Information Systems

To meet the rapid advance in information technology and its' far-flung application, the development of information systems of combat situation, personnel, finance, budget and logistics in the Armed Forces have turned to open working environment instead of exclusive mainframe computers. Using new information frame combined with the vision of enterprise management, the information systems in the Armed Forces have been decentralized. Furthermore, the original independent systems in the Armed Forces have been integrated as the combined combat information. Besides,

MND has been implementing various hardware & software and the data base tests to iron out the risk involved with the advent of the millennium.

The information systems in the Armed Forces are designed from top to toe. The development of each system, whether it's centralized or decentralized, has to take the compatibility and design mode into account to form a complete information system. The system's application modes are embedded to basic units to beef up their efficiency and accuracy in information process.

In addition to planning, building and managing of information infrastructure in keeping with the layout of high-speed networks, MND is now actively planning the environment for data warehousing to facilitate the decision-making in defense affairs.

III. Emphasis Put on Information

1. Speeding Defense Information Infrastructure

Emphasis on defense information infrastructure is to set up voluminous and high-speed transmission systems. Using ATM technique, MND plans to build a virtual network suited for broadband, high-speed multimedia transmission to achieve the integration of communication and information. In keeping with resources in the civilian sector, multi-route networks will be connected with all communication modes to enhance the systems' survivability. Based on the various standards and regulations in national information infrastructure, information protection compatible with the civilian sectors is one of the main efforts.

2. The Promotion of Activities Going Information

MND is making and reviewing various strategies and doctrines for information category. Applying the Enterprise Resource Planning (ERP), manpower efficiency would be enhanced greatly by remaking the processes. Combined with the security identification system, efficiency in administration

would be enhanced by promoting electronic document. Information systems are integrating with defense management information system and the design of cross-network database to support the C4ISR system.

3. Building the Capability of Information Warfare in the Armed Forces

The “Consultative Committee for Information Warfare” was established to guide the efforts in information warfare. Experts from the civilian sector are entrusted with the task of promoting information warfare with the formation of the “Advisory Board for Information Warfare.” Besides the planning of IW by MND, the three service headquarters also set up relevant agencies and contingency teams responsible for security protection, counter-strike and contingency measures of information systems, combat systems and weapon systems in the hope that enemy’s IW attack could be countered and the capability of the destroyed systems recovered.

4. Strengthening Information Education among Cadres

According to various ranks and military occupational specialties among cadres, courses related to information science are designed in various military schools. Also, seminars and on-the job training (OJT) are conducted in basic units. Cadres in all ranks are imbued with information knowledge and know-how by these measures.

Management of Arms and Ammunitions

I. Strengthening Warehousing Security

1. The Prevention of the Leakage of Arms and Ammunitions

All units in the Armed Forces put a high premium on the management of tightening security of arms and ammunitions. For this end, MND reviewed and revised the “Guiding Outlines for the Management of Arms and Explosives” in 1999, and the various headquarters made the “Regulation for the Management of Arms and Explosives” based on the above-mentioned outlines. In addition to periodical inventory check which reviews the concrete measures such as warehouse storage safety and precautions, MND initiates the check on a yearly basis to ensure the three services implement those measures thoroughly.

To carry out the measures effectively, MND stipulated that the check of arms and ammunitions will be conducted by imputation system. Disciplinary action will be meted out to those who fail to do their jobs.

The management of arms and ammunitions is a long term and continuous effort. Besides periodical inventory inspection, all units actively enhance their precaution measures, warehouse security, and guard-on-duty training to tighten the management of arms and ammunitions and to prevent the leak of deadly weapons.

2. The Improvement of Warehousing Storage

To strengthen the safety of the warehouse for ammunitions, MND has reviewed all current storage facilities and torn down warehouse that became unserviceable. Ill-equipped warehouses are scheduled to rebuild by programming budget on priority. At the same time, security measures and lighting systems are improved to ensure the safety of these warehouses.

3. The Handling of Wasted Ordnance

To dispose the wasted ordnance effectively and ensure the safety of military personnel and the public, MND not only introduces state of the art disposal techniques and equipment but also entrusts the Industrial Research Institute and other industrial companies with the task of building and researching disposal facilities to minimize the risk involved with the explosive ordnance disposal. The wasted bombs and missiles will be handled by outsourcing private sectors in line with international regulations related.

II. The Disposal of Unexploded Ordnance

1. The Definition of Duds

Unexploded ammunition which has not been armed as intended, or which has failed to explode after being armed.

2. Operating Procedures

Whenever duds are found in shooting ranges or maneuvering area, sentry is sent immediately and warning is set up. After barring the entry of personnel who are not involved with ordnance disposal, the task is left with the Explosive Ordnance Disposal Team. (EODT)

3. Disposal Methods

- (1) on-site destruction
- (2) unarmed disposal
- (3) removal disposal

4. Protection Equipment and Precautionary Measures

- (1) To maintain the safety of military personnel, MND purchased high performance protection gears for EODT per year starting Jul. 1997 and will procure anti-explosion trailers and robots in 2001.



The personnel of EODT are dealing with unexploded ordnance.

(2) To ensure the rights and benefits for members of EODT, MND has raised the insured amount of the "Group Casualty Insurance for Explosive Ordnance Disposal Personnel" since Oct. 1, 1998. The maximum sum of adjustment was increased to NT\$ 5 million.

5. Rules Related to the Leakage of Duds

In order to keep the duds from theft, MND has restated the requirements concerning the management of ammunitions and stipulated the control and clearance of shooting ranges. The disposal of the explosives must be carried out according to operating procedures.

III. The Disposal of Invalid Mines in Kinmen

Due to the fact that defense in Kinmen has been relieved and the island is open to tourism, military authority on the island, in considering public's safety, decided to remove all minefields which have been rated ineffective tactically or dismissed military control. The operation was carried out by contractors and completed in Jun. 1999.



ROC Armed Forces dispose invalid mines to protect the civilian.

PART SIX
MAJOR DEFENSE REFORMS AND PROGRAMS

Summary

1. The 3rd stage (fixing the organization) of ROC Armed Forces' "Armed Forces Refining Program" has been carried out as planned since July 1, 1999. A total of 62,000 ROC Armed Forces members will be cut off, including more than 100 general officers, 5,000 field officers and 8,000 company officers.
2. MND sets up "Defense Organization & Planning Committee" to fulfill the reengineering of national defense system, to unify military policy-making and command system, to put ROC Armed Forces under civil leadership, as well as to construct a modern, professional ROC Armed Forces. Accordingly, it will positively carry out the organization plans for military policy, command and armament, and the study of related laws and regulations in order to meet the requirements of both the Constitution and the two National Defense Laws, and further to suit future defense needs.
3. MND has fully reviewed and revised the Court-Martial Jurisdiction Law to minimize the differences between military and judiciary laws, and to incorporate with national comprehensive legality. Precinct administration system has been introduced to military judgement departments. The military law system is now in accordance with the requirements of independent judgement, human rights protection while giving attentions to the leadership of military commanders.
4. Substitution conscription is now one way of entering military services. It can be put into practice only when there is no national military emergency and this practice will not affect the recruitment, degrade the quality of soldiers, and not against the fair practice of military service.
5. MND will set up manpower recruitment units in all areas, shooting for hi-quality personnel. Officially establish National Defense University, plan military continue education and encourage life-long study, so as to improve the overall quality of military officers.
6. MND insures all the active soldiers with Group Casualty Insurance to

enhance the care for officers, soldiers and their dependents. ROC Armed Forces' & Dependents' Support Fund has also been set up, and beginning from FY 2001, all ROC Armed Forces are expected to be incorporated into the system of national health insurance.

7. Group training for the new generation of ROC Armed Forces will take the following steps: seeding instructors receiving training abroad, enlarging the effect of self-training, accurate mastering of training instrument, setting up training classes, striving for technical cooperation, setting up guidance for self-learning. Training will be put into practice according to these procedures: "transition training," "combination training," "basic tactics training," "comprehensive training" and "combat readiness exercises and training." By now, we have finished group training at small unit level and the combat capability of ROC Armed Forces has been improved significantly.
8. The implementation of ROC Armed Forces' political education is based on the aspects of soldier's national identification, constitution, steadfastness to the Five Beliefs, fulfillment of the common understanding of soldier nationalization. We hope these can enhance soldier unity, boost morale, cultivate the spirit of forces and achieve the missions of ROC Armed Forces.

Chapter 1

“Armed Forces Refining Program”

I. General Situation

1. From July 1, 1997 to June 30, 2000, every step of “Armed Forces Refining Program” has been carrying out smoothly with results as follows:

(1) The total number of ROC Armed Forces has been reduced from more than 450,000 before carrying out the “Armed Forces Refining Program” down to about 380,000 with a cut of 62,000, including more than 100 general officers, 5,000 field officers and 8,000 company officers.

(2) MND, general headquarters and commands of all services have greatly reorganized their staff units of all levels and changed their designation according to unit “functions” since July 1, 1998. Statistics show that 31



The Composition of Army armored joint brigade

1st grade staff units have been cut with a 27.9% down, 124 2nd grade staff units have been cut with a 27.9% down.

(3)The Army has adjusted its force structure according to the plan. Till now, several divisions and independent brigades have been cut to form division-level commands and more than ten joint-branch brigades, and organization experiment has been carried out.

(4)ROC Navy has realized its fleet as new-generation ships being activated. By now, ROC Navy has been equipped with Lafayette-Class, Chengkung-Class, Knox-Class, Chinchiang-Class and other new vessels. The Yang-Class destroyer and the Shan-Class frigate have been replaced. "Aviation Command" has been set up in accordance with the reassignment of "anti-submarine group;" and one division level unit has been cut from the marine corps to form marine brigade and base garrison brigade.

(5)The Air Force has gradually adjusted the structure of its combat wings



Line-up of the Naval "Xuhai" Vessel

according to the acquisition schedule of the new-generation combat aircraft. By now the various types of aircraft that the Air Force has acquired include F-16, IDF and Mirage 2000-5. Besides, the "Eastern Command" has been transformed into "Education, Training and Doctrine Development Command."

(6)The Combined Services Headquarter has finished the mission of reorganizing ROC Armed Forces' common logistic units by July 1, 1999. It is coordinated and carried out according to the regulation of "joint logistics."

(7)The Military Police has finished adjustment on its organization structure.

2. The 3rd stage (fixing the organization) of "Armed Forces Refining Program" has been carried out as planned since July 1, 1999. Together with the establishment of Coast Guard Administration, it is estimated that by 2001, the



Mirage fighter squadron of the Air Force

total of ROC Armed Forces will be down to 380,000.

II. Future Planning

After the "Armed Forces Refining Program" is finished, the function and responsibility of units in levels will be adjusted in accordance with the effect of "reorganization." The National Defense Law and the Organic Law of MND will also be implemented by vertical integration and parallel amalgamation. Together with the "reproduction of procedures" and the efficiency of "information technology," MND will also simplify organizations and reduce administration levels. Based on the rationales of "fighting doctrine, equipment, organization and training," the shapes and requirements of strategy and tactic basic units will be reviewed and revised. It is expected that the follow-up organization adjustment could be finished without influencing the combat capability while improving efficiency.

Organization Reengineering of MND

1. Origin

Complying with the National Defense Laws and the supplementary of the “Organic Law of MND” approved by the 2nd Session, 4th Conference of the Legislative Yuan, MND sets up the “Organization & Planning Committee.” This committee is in charge of fulfilling the requirements of reengineering the national defense system, unifying military policy and command, putting ROC Armed Forces under civil leadership, and constructing a modern and professional ROC Armed Forces. Organization and Planning Committee will positively carry out organization plans of military policy, command and armament, and study related laws and regulations in order to meet the requirements of both the Constitution and the two National Defense Laws, and further to suit future defense policy requirements.

2. Planning Guidance:

(1) Planning Concept

The planning of our policies and direction takes top-down guidance while the planning and setting requirements of institutions and units are to the opposite, so as to achieve the goal of having a defense organization combined with the constitutional system. Group forming method of assigning special person to specific responsibility together with concurrent post is adopted in favor of mutual association and schedule control. The whole project is expected to report to the Executive Yuan for ratifying of “National Defense Law” and amending the effective date of the “Organic Law of MND” before Feb. 1, 2001. The purposes are to accomplish a national defense system with unified military policy-making and command system and to accomplish structure reorganizing.

(2) Planning Group

MND, interrelated staff departments, and staff units of each general headquarters and commands are included in the "Defense Organization and Planning Committee," subordinated by "Review and Coordination Conference," and more than 20 other operation groups according to their different functions of defense: "Strategic Planning Department," "Manpower Department," "Resources Department," "Judge Advocate Department," "Reserve Affairs Department," "Office of the Minister of National Defense," "Military History and Translation Office," "Alignment and Assessment Office," "Supervision and Inspection Office," "Armament Bureau," "General Politics Warfare Bureau," "Bureau of Comptroller," "Appeal and Petition Committee," "General Headquarters, Commands, General Staffs Headquarter" and "National Defense Information." Three steps, which are planning, examination and review, group organizing and adjusting, will be taken according to the theory and procedures of the reengineering. They will be responsible for the planning and examination of the new or adjusted departments and the drafting or revising of regulations.

3. Planning Schedule

(1) The New or Adjusted Offices to be Legalized or Ratified:

Drafts of new or adjusted offices and formulation or revision of relative organization laws or regulations are to be finished and reported to the Executive Yuan for ratification before Oct. 31, 2000. Offices will be set up after the Organization Law or Regulation has passed their legislative procedures.

(2) The New or Adjusted Offices Already Ratified:

Each planning group is to finish planning before Sep. 30, 2000 and complete composition or adjustment from Oct. 1, 2000 to Jan. 31, 2001. Offices will be formally set up after the effective dates of the two National

Defense Laws have been reported to and ratified by the Executive Yuan.

4. General Situation

In order to carry out the "defense organization project," MND has promulgated relative guidelines and plans on Apr. 19 and May 29, 2000, elaborating the planning work and the study of related law package for all units. From May 2000, each planning group has officially begun their work according to related guidance and principles. At present, the principles of the distribution of important defense organization planning issues (draft), and the package of employing one-third of civilian employees will be completed gradually. Until the end of June, 2000, the practice plans and planning reports of the military policy system have almost done and entered the stage of coordination. It will be reviewed by the procedure of organic planning tasks. The whole planning job is expected to be finished by Feb., 1, 2003. The following goals are expected by then: "nationalizing ROC Armed Forces, unifying military policy and command system, placing ROC Armed Forces under civil leadership, developing the effectiveness of differentiated specialities, setting up flattened national defense organizations, and cooperating with the government structure reengineering."

Improving the Quality of Decision-Making

I. Setting up the “Defense Affairs Advisory Committee”

1. Origin

“Defense Affairs Advisory Committee” consists of experts appointed by MND from industries, government, and academe to actually synchronize the transactions on major defense affairs with both national security and social pulsation. This committee will provide professional consultation and suggestions on current national defense policy, system, regulations and working procedures to effectively promote the development of defense affairs.

2. Organization and Job Focus

“Defense Affairs Advisory Committee” is composed of one chief coordinator (shouldered by Vice Minister of MND), six consultative groups (on science & technology, procurement, construction maintenance, human resources, assets management and finance affairs). Each group has one coordinator (shouldered respectively by three Deputy Ministers of National Defense of the Army, Navy and Air Force), and the secretariat and workgroup dealing with related affairs. After their establishment, the consultative groups will convene and define different kinds of consultation, and according to the needs of the units, provide different suggestions for MND as policy reference through four ways: “ordinary consultation,” “consultation meeting on special cases,” “important investment case consultation” and “special research project.” The work focus of each consultative group is as follows:

(1) National Defense Science and Technology Consultation Group:

It reviews and evaluates the research and development units of ROC Armed Forces by the specialists in the group with the hope of finding

and solving potential problems. The evaluation will take 3 successive steps (Chungshan Institute of Science and Technology, General Headquarters of the Combined Service Forces, Headquarters of the Army, Navy and Air Force). General comments and suggestions will be adopted in each step for drafting reform plans and administration policies so as to promote their research and development efficiency.

(2)National Defense Engineering Consultation Group:

It mainly provides consultative suggestions on construction practice, laws and regulations, disposal of disputes and general construction conventions to make the Armed Forces' engineering meet the requirements of both combat readiness and economic development. Additionally, it also cooperates with MND in executing special project, appointing consultants to appraise the construction management of the "Po-Ai Program" and examining its construction plan, appraising the damages of Neihu barracks, surveying the impact of typhoon on Jiashang Base of Hualian, studying on the affairs of "rebuilding deteriorated quarters for military dependents" and the "improvement of the procurement system."

(3)National Defense Procurement Consultation Group:

The consultative suggestions are mainly on some important issues like policy making process of military procurement, research on innovations, and major procurement cases. The purpose is that ROC Armed Forces could adopt an economical and effective way in military procurement to get military supplies of proper quality and quantity in support of combat readiness. This group also assists cultivating professionals of international, promoting the rating system on procurement personnel affairs, planning the combined employment of both servicemen and civilian employees, and passing on the experiences. Besides, establishing frequent contact channel with other government departments, setting up a comprehensive procurement system, laying a sound foundation for defense industry through the combination of military research and development,

civil production and private enterprises, and analyzing the affordability of establishing "Armament Bureau" is also the mission of this group.

(4) National Defense Human Resources Consultation Group:

It holds conferences on "current conscription system", does research on the "officer's rank and its relation to the service years" and analyzes and compares the advantages and disadvantages of the current system to make the necessary improvements towards a more perfect system of human resources accordingly.

(5) ROC Armed Forces' Assets Consultation Group:

To properly assist in solving the current difficulties confronting ROC Armed Forces in assets and land management, this group provides consultative suggestions on revising the "Management Rules of Military Real Estate," drawing the "Regulation for ROC Armed Forces' Let Land," and drafting "Main Points for the Compensation of the Occupied Barracks." It is hoped that the difficult management problems of barracks and properties can be solved through professional suggestions and consummate the application of the ROC Armed Forces' real estate and the barrack management system. It also provides suggestions on the recovery of the occupied land to solve the disputes between ROC Armed Forces and the public as well as the related social problems.

(6) National Defense Finance Group:

This group provides professional suggestions on the estimation of national defense budget, proper disposition of the financial resources of national defense, and establishment and application of statistical data; and it consummates the "internal control and audit system." The purpose is that ROC Armed Forces could have a more perfect policy planning, resources management, financial policy, fiscal system and statistical work. It is also hoped to establish consultation system to strengthen the financial management and the internal control so as to improve ROC Armed Forces' financial policy and development by

using the financial resources effectively.

II. Setting up “Office of National Defense and Strategic Research”

1. Origin

Considering the fact that the military decision making department of every country is recruiting professionals to improve their strategic plan and grasp the development of international politics and economy, MND set up “Office of National Defense and Strategic Research” on July 1, 1998. This office studies international politics and military development and makes suggestions with its neutral position and professional knowledge.

2. Objectives

- (1) Study and judge international environment and future development trends of the relation across the Straits as the reference for future military strategy.
- (2) Evaluate the threatening degree of PLA, prepare concrete practical program as the reference for military readiness and force structure planning.
- (3) Receive suggestions on national defense affairs from all parties to promote the exchange of views between departments of national defense and civilian academia.

3. Results

Since its funding on November, 1998, “Office of National Defense & Strategic Research” has established cooperation relationship with some famous domestic think tanks such as Institute of International Relations of National Cheng-Chih University. It also positively takes part in domestic forums on national security and strategy; frequently invites experts to MND to deliver series reports and discussions on national security. It also invites experts to make draft and research on some special subjects and receives visitors from foreign think tanks and experts abroad to study some

specific topics like security of the Taiwan Straits and military development of PRC. The results of every research, analysis, study or forums will be systematically arranged and reported to policy makers as reference of decision-making.

III. Strengthening the Financial Management System

1. Origin

In order to improve the function of financial management system in the entire national defense organization and to exert its positive role in decision-making, MND invites experts and professionals from all parties to jointly plan for the reconstruction of a hi-efficient financial management system. The purpose is to exert the professional function of its financial management.

2. Planning Concept

(1) Legalized Organizing:

According to amendments of the Organic Law of MND, Bureau of Comptroller, Finance Center and Account Center will be merged as "Bureau of Comptroller, MND." This bureau, with its organization specified by the law, will effectively exploit the professional functions of financial management.

(2) Institutionalized Management:

The financial management of future defense will professionally and systematically adhere to the spirit of "PPBS" to utilize the resources of national defense effectively. "Strategic Planning Department" and "Alignment and Assessment Office" will be responsible for the "long-term force construction requirements." "Resources Department" will be responsible for the "midterm financial planning," and "Bureau of Comptroller" will be responsible for "short-term annual budget management."

(3) Computerized Operations:

The main purpose of the merger between comptroller and finance is to integrate the information systems and reproduce the operation procedures. The information manpower of Bureau of Comptroller, Finance Center, Account Center and Communications and Electronical Information Bureau will be integrated as "Information Office" under Bureau of Comptroller. This office will be responsible for the establishment and maintenance of a integrated information system that meets the requirements of the financial management of national defense.

(4) Unification of Personnel Offices:

To be in tune with the reproduction of organizations, "Personnel Office" will be set up under Bureau of Comptroller to take the responsibilities for financial personnel affairs of MND and ROC Armed Forces, so that everyone can fully develop their potentials.

(5) Integration of Financial Resources:

"Unit budget" (annual national defense budget) and "subsidiary unit budget" (special funds) are the two pillars of national defense budget. In recent years, ROC Armed Forces' enterprise units have gradually set up funds in accordance with the law. In order to fully develop the "national defense resources," MND plans to set up "Section of Special Funds" to hold responsibilities of finance integration. Except the current production, research and development, services and military personnel saving affairs, it is expected to incorporate the works of supplies, maintenance and procurement. We hope that, within the authorization of the Budget Law "future debt promises," the national defense budget will be incorporated to exploit the advantages of independent operation and financial elasticity and enhance the implementation efficiency of the national defense budget.

IV. Analysis and Application of Accounting Data

In order to effectively grasp the results of both national defense policies and resources, MND drafts accounting reports according to the principles and analysis methods of cost accounting to improve the quality of policy decision.

1. Prepared "Analysis Reports on Cost of O&S and Cost of Recruit Training," "Analysis Reports on Maintenance Cost." Examine and analyze the "ROC Armed Forces Warfare Units Accounting Report," "Foodstuff Stocks Accounting Report," and "Military Personnel Savings Accounting Report." These reports show the operation situation and their advantages and disadvantages for policy reference so that the utilization of national defense budget could be fully developed.
2. Submitted final reports of FY 1997 and 1998 for policy reference on the following eight funds: "Credit Fund for House Purchase of ROC Armed Forces," "Fund for the Military Personnel Savings," "Fund for Civil Medical Service in Military Hospitals," "Manufacturing Operation Fund of the Military Prisons," "Military / Commercial Dual Technology Development Fund," "Manufacturing Operation Fund of the Armed Forces," "Rebuilding Fund of Deteriorated Military Dependents Quarters," "Rebuilding Fund of Deteriorated Military Barracks."

V. Specific Research Project on National Defense Affairs

According to "Operating Procedures for Research and Plan Entrusted by Departments of the Executive Yuan," MND invites civil experts and professionals to make specific researches about national defense affairs. The results of these researches will provide suggestions as references on national defense policy and administration. Seven reports, including "Studies on the Career Planning of Military Officers," have been submitted in FY 1998 and 1999. Three reports, including "Principle and Methods of Establishing

Military Interaction across the Straits," are under compiling in FY 2000 (See Table 6-1).

Table6-1 List of Authorized Research Programs, FY 1998-2000

FY	Item	Title
1998	1	Studies on the Career Planning of Military Officers
	2	The Execution of Plan Budget System: A Review
	3	Study on the Privatalization of Defense Industries
	4	Development and Planning of the Framework of the Logistic Information System
1999	1	Study of ROC Armed Forces' Electronical Combat Capability in 2010
	2	Ways of Realizing National Defense in the Public
	3	Ways of Introducing Enterprising Management in the Reproducing Process of MND
2000	1	Principles and Methods of Establishing Military Interaction Across the Straits
	2	Cost Analysis System of Important Equipment of the ROC Armed Forces
	3	The Influence of Military Modernization of PRC on ROC's Defense Posture

Innovating Military Law System

I. Origin

Based on principles of the Criminal Law and the actual needs of combat readiness, Court-Martial Jurisdiction Law has been drafted and been effective for more than 40 years since 1956. Because of the changes of the social environment, people are eagerly looking for innovations of the law system. The Criminal Law, from which the Court-Martial Jurisdiction Law was originated, has been revised for several times. MND has observed this trend. In order to minimize the differences between military and civil laws and synchronize with the building of a comprehensive national legal system, MND has been fully reviewing and revising the Court-Martial Jurisdiction Law since 1994. Many litigious rights as possible are kept for military servicemen to ensure they can enjoy the same legal rights as civilians unless required by military purposes. The revised Court-Martial Jurisdiction Law and its enforcement regulations came into effect on Oct. 3, 1999; therefore, the military law system has been innovated.

II. Reformation of Military Justice System

1. Carrying Out Justice Independence

- (1) Precinct administration system has been introduced to military law organizations.
- (2) Abolishing the rights of military superiors to ratify or reconsider the verdict as well as the right to decide the composition of military court.
- (3) Strictly enforcing the separation of judgement and prosecution.

2. Implementation of Human Rights Protection

- (1) Military cases can be appealed to superior court or supreme court.
- (2) Defender must be nominated during investigation.
- (3) Expanding the scope of required avoidance of judge to avoid the jurisdictional discrepancies.

- (4) Direct commanding officers may declare as facilitator.
- (5) The right of detainment is transferred to military court with relevant measures added.
- (6) Revising and enlarging a special chapter for "evidence."

3. Compromise to the Military Leadership

- (1) Anybody, "if being regarded as a threat to military security and remaining a threat unless being detained," will be detained.
- (2) Reserve the rights of the direct commanding officer to appeal, counter-appeal, or apply for a retrial to protect the interests of his inferior.
- (3) Superior of the defendant should be notified about the verdict so that he can appeal to military procurator.

4. Establish the Military Court and Prosecution Bureau

Since Oct. 3, 1999, MND has established the supreme, superior and district court and prosecution bureau, with four district military courts and prosecution bureaus in North, Central, South and East. Subsidiary courts and prosecution bureaus are also be established in Taoyuan, Matsu, Kinmen, Penghu, accepting criminal cases concerning company officers, NCOs, enlisted men and other servicemen. Superior Military Court in Taipei and Kaohsiung and subsidiary superior court and prosecution bureau in Kaohsiung are also established. These courts accept the following cases: criminal cases concerning general officers, field officers and other serviceman, appealing cases against the verdict of district military courts or its subsidiaries, application for retrial of the nol-pros decision made by district military courts or its subsidiary prosecution bureau. Supreme court and prosecution bureau will be established in Taipei to accept respectively appealing cases against the verdict of superior military courts or its subsidiaries and applications for retrial of the nol-pros decision made by superior military courts or its subsidiary prosecution bureau. We hope all the above-mentioned works can bring military justice operations towards a judicial administration and meet the requirements of being fair and independent for a standard legal procedure.

Innovation of Conscription System

I. Revising “Military Service Law”

In accordance with the “Armed Forces Refining Program,” the need for enlisted men decreases, MND has been working on the amended draft of “Military Service Law” to meet the requirements of both combat readiness and social changes. This amendment was promulgated by the President and came into effect on Feb. 2, 2000 with key points as follows:

1. Substitution conscription is now one way of military services which consists of officers, NCOs, enlisted men and substitution conscription.
2. Substitution conscription can be put into practice only when there is no national military emergencies. And this practice can not affect the recruitment, degrade the qualities of soldiers, and be against the fair practice of military service. The military authority has the priority to recruit specialists of any kind. The Executive Yuan should stop one or all kinds of the recruitment of substitution conscription upon military requirements.
3. Substitution draftee must receive basic military training. The total active substitution service period, including that for receiving basic military training, should be no less than that of regular service. During the period of the substitution, the substitution draftee doesn't identify as a military serviceman.
4. Any male citizen of ROC should be enlisted from the next Jan. 1 when he is 18-year-old to Dec. 31 of the year when he is 40. The regular services include active and reserve services. The active service is 22 months long, while the reserve service will last to 40. Eight military training class hours in the school can be regarded as one-day regular service.
5. Anyone who is sentenced to more than 5 years imprisonment or has a total imprisonment period of 3 years should not be enlisted. Anyone whose service has been suspended due to illness, criminal cases, missing or cap-

tivity should resume his service when the suspending reason disappears unless otherwise approved.

6. One can be discharged ahead of schedule if he has to shoulder his family because of fatal accident.

7. Based on the equality between men and women, it is clearly stated that female can enjoy the same rights and obligations if she voluntarily joins the Armed Forces to serve as an officer or NCO.

The amendment of "Military Service Law" has redistributed the administration of military service between MND and Ministry of the Interior. From now on, MND will be responsible for the quantity, education, training and recall. Ministry of the Interior will be responsible for enlistment and substitution conscription. MND and Ministry of the Interior will be respectively responsible for the rights of military servicemen.

II. Synchronizing with the Executive Yuan on the Promotion of "Substitution Conscription"

According to current conscriptive system, officers and NCOs are recruited mainly from volunteers with the supplement of compulsory servicemen. Soldiers are all conscripted as compulsory servicemen. Since the application of "Armed Forces Refining Program" on July, 1997, there has been a surplus of military servicemen. The Executive Yuan has been actively promoting the "substitution conscription" in order to make good use of the manpower and to protect the justice. On Feb. 2, 2000, the President promulgated the "Implementation Regulation for Substitution Conscription" and entered effective from July 1, 2000. The categories of substitution conscription contain social security (police and fire fighter), social service (social, environmental protection, medical service and education) and other categories designated by the Executive Yuan. At the beginning, amount served will be limited to 10, 000 (5, 000 for the period of July to Dec., 2000) a year. These substitution servicemen will be assigned to government agencies without

being regarded as military servicemen after finishing the basic military training. Considering national security, MND will promote conscriptive system and relevant issues under principles of "recruiting mainly by military conscription with the supplement of substitution conscription," "not affecting the replenishment," "not reducing the quality" and "not against fairness."

III. Selected Defense Technology Reserved Officers (NCOs)

In order to recruit science talents, to develop independent defense industries and to strengthen national power and combat readiness, MND drafted "Operation Instruction of Voluntarily Enlisted as Selected Defense Technology Reserved Officers (NCOs) for Graduate Students." Since its enforcement in 1980, 3,678 draftees have been chosen and employed by 13 government agencies by 1998.

In 1999, according to the instructions of the Executive Yuan, MND revised "Operation Instruction of Voluntarily Enlisted as Selected Defense Technology Reserved Officers (NCOs) for Graduate Students." It changes the service period from 6 years to 4 years, chooses reserve officers and NCOs through examination, and accepts applications from private enterprises to enlarge the manpower for technology research and development.

In 1999, there are 1,051 draftees, including 609 selected reserve officers and 442 selected reserve NCOs, employed by 38 military, government and private organizations. Selected reserve officers and reserve officers will be enrolled in two batches (July 16 and Oct. 15). Selected reserve NCOs will be enrolled only on Oct. 15 to accept 12-week-long training before discharged as reserves, and then they will work for the selected organizations for 4 years without being regarded as military servicemen.

In 2000, 1,569 draftees for 211 military, government, private organizations, corporations and schools have been verified, and the amount will rise steadily in the coming years. Now it is planned to rise the amount by 500

annually to reach 3,000 in 2003, so that the goal set by the Executive Yuan of enlarging the training and application of science and technology talents can be reached.

IV. Rules of Physical Condition Classification and Reexamination

1. Rules of Physical Condition Classification:

The 33rd article of the "Military Service Law" effective on Feb. 2, 2000 revised "Standards of Physical Condition Classification of Eligible Recruits" as "Rules of Physical Condition Classification." The original grade of 1st, 2nd, 3rd, 4th, and 5th is cancelled and changed into regular service, substitution conscription, free of military service. The hard judged ones needs to be re-examed.

On June 26, 2000, MND and Minister of the Interior co-released "Rules of Physical Condition Classification" according to the 33rd article of the "Military Service Law." Some items and contents of the "Standard Sheet of Rules of Physical Condition Classification" have been revised at the same time. The criteria for regular service were sub-divided into 1st and 2nd grade. The revised parts of the "Standard Sheet of Rules of Physical Condition Classification" are as follows:

(1) Principle of Revision:

The guidance of this revision is whether the draftee is invalid to the extent that leads to dysfunctional. For example, the ambiguous criteria of height and weight, originally under the 2nd and 3rd grade, are placed as substitution conscription. As for the disputed 3rd grade and minor dysfunction, they are replaced in the category of free of military service.

(2) The Standard Sheet:

(a) New Item:

Item 140th "spondylololthesis" is included to utilize judgement

(b) Excluded Items:

- i. Combine item 19th "dermatitis herpetiformis" into Item 23rd "pemphigus or pemphigoid," for unification.
- ii. Combine Item 93rd "Hodgkin's disease" and Item 97th "leukocythemia" into Item 5th "malignant tumor" for unification.
- iii. Combine Item 117th "chancre", Item 119th "lymphogranuloma venerum," and Item 120th "syphilis" into Item 115th "gonococcal or syphilis arthritis" to tally the current situation.

(c) 62 criteria included in Item 3rd have been partially erased.

(d) 65 criteria included in Item 3rd have been revised for clarification of function.

(e) 28 criteria included in Item 4th have been revised for practical requirements and working convenience.

(f) 102 criteria included in Item 11th have been included.

(g) 40 criteria included in Item 24th have literally revised.

(h) 200 items have been excluded, added and revised into 196 items.

(3) Appendix:

Revise the criteria for the junctures of elbows, knees, fingers, toes in the appendix "Criteria of Movement Limitation for the Important Junctures of Human Body" for clarification of their move scope to facilitate judgement.

2. Reexamination:

ROC Armed Forces set up "Physical Reexamination Center for Enlistees" to enhance the physical reexamination of regular services. "Operation Guidance for Physical Reexamination Center for Enlistees" was promulgated on Mar. 17, 1999, giving clearly operating procedures for physical reexamination of enlistees to prevent the spread of chronic. The procedures will also ensure the implementation of the military service system by taking strict precautions against any healthy slacker while highlighting principles of

equality and fairness. The distribution of Physical Reexamination Center for Enlistees and their responsible areas are as follows:

(1)North Physical Reexamination Center for Enlistees, presided by Armed Forces Taoyuan General Hospital and Armed Forces Sungshan Hospital, is responsible for areas lying to the north of Hsinchu, Ilam County and Matsu Area.

(2)Central Physical Reexamination Center for Enlistees, presided by Armed Forces Taichung General Hospital, is responsible for areas lying to the south of Miaoli and north of Chiayi.

(3)South Physical Reexamination Center for Enlistees, presided by Armed Forces Kaohsiung General Hospital and Armed Forces Tsoying Hospital, is responsible for areas lying to the south of Tainan and Kinmen Area.

(4)East Physical Reexamination Center for Enlistees, presided by Armed Forces Hualian General Hospital and Armed Forces Kaohsiung General Hospital, is responsible for Hualian and Taitung Area.

ROC Armed Forces Manpower Recruitment

I. Origin

By looking forward to the military requirements of the 21st century, and in accordance with enemy threats and the development of the new-generation ROC Armed Forces, an important issue of military readiness is to build a small but capable armed force and to strive for high quality manpower. The Forum of Military Education of FY 1998 decided to build a "dedicated recruitment organization" responsible for unifying all resources, taking active marketing strategy, enlarging access, promoting, and combining private and public organizations. In doing so, young men can acquire all the information they need to join the Armed Forces and the sources of officers and NCOs can be expanded and the quality of military cadres can be enhanced.

II. General Situation

1. Establishing Recruitment System

MND sets up "Manpower Recruitment Center," four "Area Manpower Recruitment Center" in the North, Middle, Chiayi and Tainan, Kaohsiung and Pingtung, and six "Area Service Posts" of Hualien and Taitung, Penghu, Kinmen, Tainan, Chiayi, Kaohsiung. Also, recruitment sections under the general headquarters of the Army, Navy, Air Force, and Combined Service Forces, Police Command and Armed Forces Reserve Command are established. (See Table 6-2.) Contact spots of transportation offices in every train station and Military Police regiments of all areas are established. It is expected to build 26 service posts and over 100 contact spots.

The service posts, first and second-degree contact spots of all recruitment levels will unify all local military and private organizations, along with

Table 6-2 List of All Organizations in Charge of Recruitment

Title of the Recruitment Organization	Address	Note
Manpower Recruitment Center	#207, Keelung Rd., Sec. 2, 2nd FL, Taipei	Phone: 02-27325693 Fax: 02-27324411
Manpower Recruitment Center in North	#53, Kulung St., Taipei	Phone: 02-25941018 Fax: 02-25988812
Manpower Recruitment Center in Middle	#124, Chinhai Rd, Sec. 2, Taichung	Phone: 04-3121345 Fax: 04-3121255
Manpower Recruitment Center in Chiayi and Tainan	#1, Liuchiao W. Rd., Kanshan Town, Kaoshiung	Phone: 07-6259434-5 Fax: 07-6259429
Manpower Recruitment Center in Kaohsiung and Pingtung	#201, Tzuli New Village, Tsoying County, Kaohsiung	Phone: 07-5830097, 5830076 Fax: 07-5830354
Service Post in Hualien and Taitung	#34, Mingchuan 4th St., Hualien	Phone: 03-8323799 Fax: 03-8323447
Service Post in Penghu	#381, Chuanhua St, Makung City, Penghu	Phone: 06-9267420 Fax: 06-9261022
Service Post in Kinmen	#27, Linshan Rd., Kinghu Town, Kinmen	Phone: 0823-30519 Fax: 0823-30519
Service Post in Matsu	P.O. Box 90663-4, Matsu	Phone: 0836-25257 Fax: 0836-25257
Service Post in Tainan	#55, Chenkung Rd., Tainan	Phone: 06-2214040 Fax: 06-2252508
Service Post in Chiayi	#117, Konyuan St., Chiayi City	Phone: 05-2712739 Fax: 05-2718775
Service Post in Kaohsiung	#436, Chenjung 1st Rd., 5th Fl, Kaohsiung	Phone: 07-2135266 Fax: 07-2712435
Manpower Recruitment Section of Army General Headquarters	P.O. Box 91004, Lungtan	Phone: 03-4809048 Fax: 03-4809094
Manpower Recruitment Section of Navy General Headquarters	P.O. Box 90151-3, Taichi	Phone: 02-25321373 Fax: 02-25325414
Manpower Recruitment Section of Air Force General Headquarters	P.O. Box 90251, Taipei	Phone: 02-27734518 Fax: 02-27785346
Manpower Recruitment Section of Combined Service Forces General Headquarters	P.O. Box 90485, Nankan	Phone: 02-27882513 Fax: 02-27882477
Manpower Recruitment Section of Armed Forces Police Command	P.O. Box 90091-3 Taipei	Phone: 02-25865123 Fax: 02-25865121
Manpower Recruitment Section of Taiwan Corps Control Area Command	P.O. Box 90411-3 Taipei	Phone: 02-23146337 Fax: 02-23146337
website: http://www.mnd.gov.tw/rdr/index.html E-mail: rdr@mnd.gov.tw Toll-Free Number: 080-000050		



Members of the recruitment group expound to the guests.

military education instructors, teachers, volunteers, advisors, opinion representatives, school principals and local government leaders in all areas. This concrete network will depend on marketing to boost up recruiting. It will also support all recruiting activities under “the directions of tasks and requirements.”

2. Screening Recruiters and Educational Training

Recruitment personnels from all levels join the “Recruitment Policy Symposium” in Nov. 1998. 150 recruiters were selected mainly according to the principle of “open selection” and “recommendation” as a plus. They took intensive marketing courses and studied modern marketing strategies in the “Training Center of Middle and Small Business Association.”

“Special recruitment groups” are founded in military academies to characterize their own “products” (classes). Meanwhile, they provide “comparative” projects designed to manifest the characteristics of each school’s individual and different classes, and enforce the recruitment effects. They also provide the chance of visiting and comparing in virtue of “products” (classes) symposium of all military academies. As for the “regular NCOs,” “military academy and college” and “self-designated officers (NCOs),” general headquarters of tri-services hold the recruitment classes instruction in the hope of providing correct information and unifying promotional methods, and breaking the bottle neck of recruitment.



Diversified recruitments can obtain more high-quality personnel for ROC Armed Forces.

3. Expanding the Plural Channels of Recruitment Actively

MND authorizes the Military News Agency to make short TV advertisement films and cooperates with the non-profit programs of television stations to play them. By taking part in "National Information Area Exhibition," "National Area Employment Exposition for Women," "Aborigine's Athletic Meet" and "Aborigine's Culture Festivals," the early phases of recruitment activities are practiced. In accordance with the reserve officer selection exam, recruitment activities and surveys have been held, so the "recruitment information network--database," is established. Additionally, military education instructors in high schools will be utilized to assist the recruitment program. MND will also make full use of the present military broadcast means and vehicles, with the advertisements on the military vehicles as "flowing" propaganda, to enlarge the effects. We will provide military publications as a way of "civilian job hunting," so the base of "military-civilian interaction" can be built. Meanwhile, we will assort with civilian media, such as Times Weekly, Employment Information Magazine, Chinese Broadcasting Company, China Television Ltd. and Taiwan Television Ltd., to extend the recruitment broadcast circuit.

4. Planning Comprehensive Recruitment Strategy to Promote the Effects

In the future, MND will keep track of the employment market through the recruitment website. We will continue to adjust all recruitment strategies and practices, so the current recruitment situations can be improved and the recruitment effects can be achieved. Therefore, we can acquire the dual aims of both "quantity" and "quality" to meet the demands of high quality personnel in the new generation of ROC Armed Forces.

III. Results

Under the aim of "quality over quantity," "target marketing strategy" is adopted to fully convey the message of "career planning" in the ROC Armed

Forces. The efforts are beginning to show results reflected on quality (entrance scores increase 20 points). As for the "quantity," the admission rate has risen to be 83.4% in 1999, compared to the rate of 76.7% in 1998.

**Table 6-3
Recruitment Statistics of Career Officer Classes of Military Academies in Academic Year of 1998-1999**

Title of the Academy	Academic Year 1998			Academic Year 1999		
	Required Amount	Acquired Amount	Percentage (%)	Required Amount	Acquired Amount	Percentage (%)
The Chinese Military Academy	398(10)	276(6)	69.3	380(10)	341(10)	89.7
The Naval Academy	131(10)	103(6)	78.6	145(10)	102(7)	70.3
The Air Academy	297	137	46.1	210	123	58.6
Fu Hsing Kang College	198(20)	174(20)	87.9	195(20)	172(19)	88.2
Chung-cheng Institute of Science and Technology	253(3)	221(1)	87.4	245	214	87.3
National Defense Management School	154(1)	146(1)	94.8	142(3)	135(3)	95.1
National Defense Medical Institute	255(64)	238(60)	93.3	159(35)	144(31)	90.6
Total	1,686(108)	1,295(94)	76.8	1,476(78)	1,231(70)	83.4

Note: The number in the parentheses is the amount of female recruits.

Enforcing Military Education

I. Establishing National Defense University (NDU)

National Defense University is to be established for the purposes of establishing a macroscopic, forward-looking, and innovative military university. Its main tasks are to cultivate excellent military officers to be the think tanks of ROC Armed Forces to promote its quality. According to the "Regulation of Military Education," MND maps out a comprehensive planning for the establishment of National Defense University, and carries it out through three phases: near-term, mid-term and long-term.

1. Near-term (one year):

It focuses on the early preparation and planning of NDU establishment. The strategy of finishing legal procedures and corresponding issues is to combine first and then simplify.

2. Mid-term (four and half years):

Setting up military colleges and diverse education functions are the goals.

3. Long-term (and on):

The goals are to build up defense think tanks research mechanism and capacity, and establish the developing basis of military science.

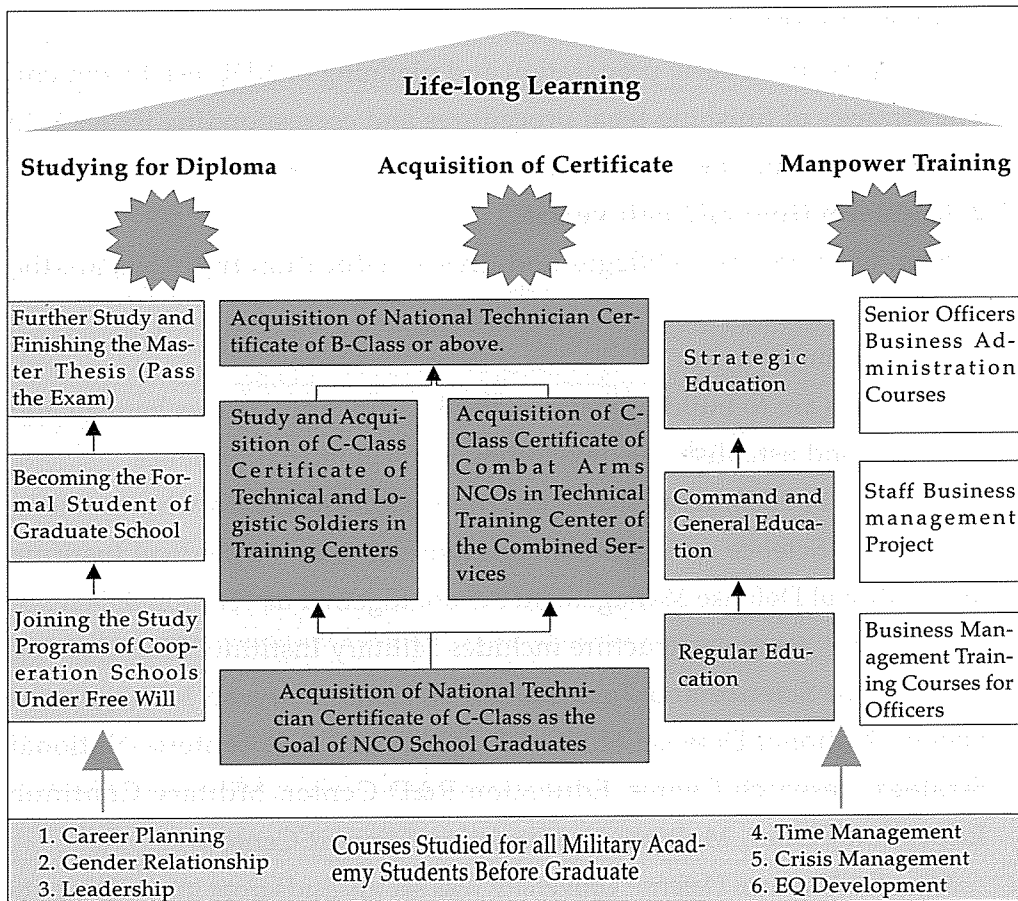
On May 8, 2000, Armed Forces University integrated Chung-cheng Institute of Science and Technology, National Defense Medical Institute and National Defense Management School together as "National Defense University." Its main structure includes Military Institute, Chung-cheng Institute of Science and Technology, National Defense Management School, National Defense Medical Institute and four centers--National Strategy Research Center, Education R&D Center, Military Continue Education Center, Multimedia Education Support Center.

After the National Defense University was set up, asides from intensifying its

original research bases of science and technology, management, and medicine, it also integrated military professional teaching and research resources in favor of military science development, and cultivating important cadres and "think tanks," so as to establish the research basis of national security and military science and make it a synthesizing university with military characteristics.

II. Planning of Continue Education and Encouraging Life-long Learning

Figure 6-1 Life-long Learning System of Military Cadres



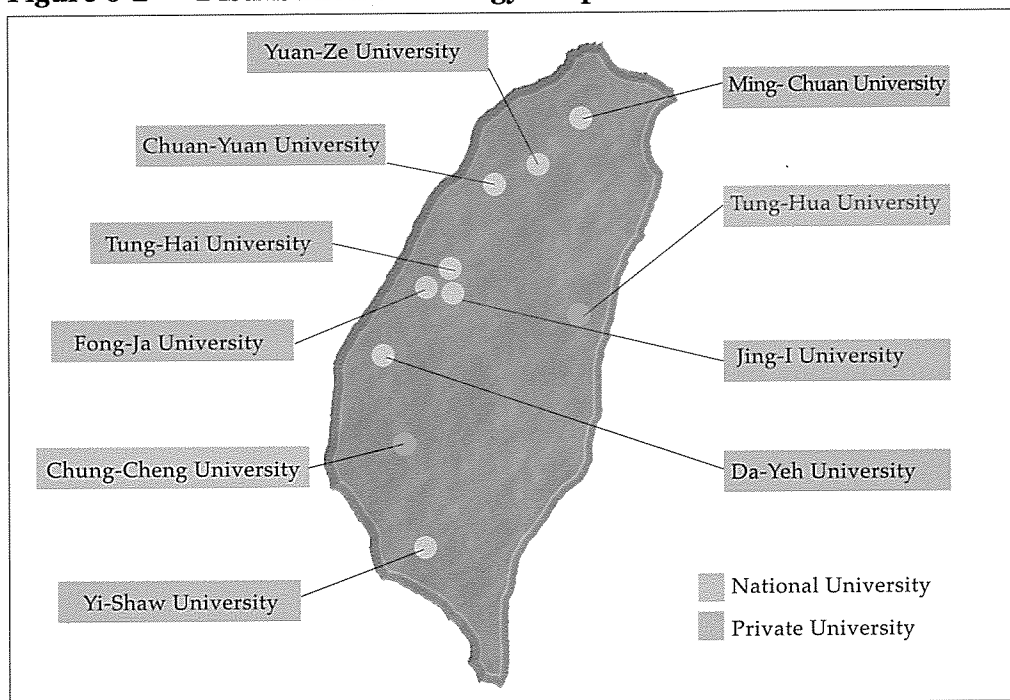
In order to set up the environment of life-long learning for military cadres, MND encourages officers and enlistees to continue their study in their “free-time” and “at their own expenses.” It would improve the quality of military cadres, exert the maximum effects of new generation forces, and head into the information-oriented 21st century. This project refers to the “life-long learning” and “national certificate policy” promoted by Ministry of Education and the Council of Labor Affairs of the Executive Yuan. It aims at “acquiring degree” and “certificate.” Thus, the military cadres can enrich themselves constantly, inspire individual potential and avoid the learning being interrupted by position transfers after graduate. Therefore, it is expected that the military cadres can combine the duty requirements and the social trends to obtain the degree and develop professional skills. For the comprehensive life-long learning structure, see Figure 6-1.

1. Study for Diploma

MND has set up “strategy cooperation” with ten more domestic colleges located in northern, central, southern and eastern Taiwan. (Figure 6-2.) Based on “credits mutual-accepted and substitutive” and “education resources sharing,” Military cadres are encouraged to attend school near the bases “at their free time” and “at their own expenses.” In virtue of three phases of “refresher education,” “credits education” and “diploma education,” military cadres can obtain a higher degree during the service period. This project has been formally launched since May 5, 2000.

2. Acquisition of Certificate

In order to help the military servicemen who want to obtain the national technician certificate, and also to improve the technique level of ROC Armed Forces, MND combines its current technique exam units with the professional training institutes of the Council of Labor Affairs of the Executive Yuan to intensify the training of sub-specialty for the military cadres. In virtue of the “Technical Training Center of the Combined

Figure 6-2 Distribution of Strategy Cooperation Universities

Services," NCOs of combat arms are trained to develop the sub-specialty. After being verified by the Council of Labor Affairs, the national technician certificate will be issued. Thereafter, it will be applied to all military units and all officers and NCOs. By these means, military cadres are encouraged to put effort on taking the sbu-specialty. And at the same time, the comprehensive manpower competitiveness can be promoted.

3. Manpower Training

In order to get excellent management concepts of private enterprises for ROC Armed Forces, MND introduces all kinds of management courses into current advanced MOS classes. These courses include senior officers business administration training, MND staffs' business management project, and business management training courses for officers. 38 curriculums have been held and over 2,900 trainees attended up to now.

Welfare and Insurance

I. Group Casualty Insurance

Since July 1, 1998, MND has effected group casualty insurance for active duty personnel, to enhance the care for the military servicemen as well as their dependents. After this insurance launched, active duty personnel subordinated to MND and students of military academies can receive the maximum compensation of NT\$ 2,000,000 for death or NT\$ 100,000 to 2,000,000 for the invalid and maimed during the effective period of the insurance. Since July 1, 1999, the compensation of accidental death on duty has been increased to NT\$ 3,000,000 and one half extra for the invalid on duty.

II. Set up Family Support Fund

In 1996 and 1997, pension for the casualty of ROC Armed Forces on duty is much less than that of policemen. In order to “increase the pension, stabilize the morale in the military, and consolidate their dependents,” “Consortium Corporation of ROC Armed Forces and Dependents’ Support Foundation” was funded on April 17, 1998. MND is in charge of this foundation. The target amount is NT\$ 6 billion, with the interest to assist those who are dead or disabled and their dependents.

Ever since its establishment, positive reinforcement comes from all parties and the fund collected is over NT\$390 million . For the benefits of those who are dead or disabled on duty and their dependents, the directorate passed the pension distribution method in the 3rd meeting of the first board. It decided to start with the interest of current fund, providing NT\$ 500,000 for those died on duty and NT\$ 30,000-100,000 for the disabled. Thereafter, it was decided in the 4th meeting of the board to “enlarge the scope of clients, and benefit the disabled officers, soldiers, and their dependents.” The standard of issuing the pension was revised. Those who are dead or injured during

regular service tasks are included with the dead of NT\$ 100,000 and the disabled of NT\$ 10,000-50,000. Besides, it increases the pension to NT\$ 50,000-200,000 for those dead or disabled due to dangerous duty. The pension will be amended to NT\$ 2,000,000 gradually according to the increased amount of the fund.

III. Strengthen Medical Treatment Services

At the beginning phase of the National Health Insurance initiated on March 1, 1995, because of the servicemen's job characteristics, national defense budget, medical resources and the operation of medical system, only the dependents of military servicemen and the dependents of the civilian employees are insured under the 4th category of the insurance. After the amendment of National Health Insurance Law on July 15, 1999, over 11,000 civilian employees were insured as the first category. However, military servicemen and military academy cadres are kept from the insurance due to the many factors involved. It is planned to put them under the coverage of national health insurance in FY 2001 after the Legislative Yuan finishes the revision procedure. This measure will improve the military servicemen's rights of medical treatment, and take care of those servicemen whose stations are short of military hospitals. Military servicemen will share the civil medical treatment resources in the near future.

For the interests and rights of military personnel, medical expenses for service-connected emergency cases will be fully paid, 75% for cases not related to duty. Since July 1, 1998, 925 have received the subsidy, and the dollar amount of the subsidy is NT\$ 30,620,000. Before the military servicemen are cared by the National Health Insurance, MND entrusted the Central Health Insurance Bureau to admit servicemen who need medical treatment in civilian hospitals with the "card" issued by MND. Since July 1, 1988, 1,066,039 have received medical care with NT\$ 508,137,977.

Chapter 9

Sustaining Combat Readiness and Improving Mobilization

I. Sustaining Combat Readiness Exercises and Training

1. Sustaining Combat Exercises

Combat exercise and training aims at validating adaptability and feasibility of the combat plans; that is, to familiarize with the combat skills of joint operations, and to solidify troop training. It must be implemented normally despite difficulties. Especially, it should not decrease the frequency of exercises or lower the training standard due to outside interference. Therefore, the Armed Forces have carried out more than 106 times of counter-landing, counter-airborne, counter-infiltration and joint exercises in FY 1998 and 1999. All exercise critiques have been included in

Table 6-4
Main Exercises and Training of ROC Armed Forces in FY 2000

Title of the Exercise	Characteristics of the Exercise	Time
Line-up Presence of the New-Generation R.O.C Armed Forces	Combat Capability Presence	Not Scheduled
Chihchang Exercise	Material Mobilization	Jan. to April
Shanjian Drill	Projecting Air-Defense Missiles	April to May
Hailien Drill	Combined Anti-Submarine Training of the Navy and Air Force	April
Lienshin Drill	Combined Combat Training of the Vessels and Coastal Artillery in Outlying Islands	Once for a Season
Wan-an Exercise	Air Defense Exercise of the Area of Taiwan and Penghu	July to Aug.
Hankuang Exercise	Armed Forces Joint Defense Combat Exercise	Aug.
Tungshin Exercise	Manpower Mobilization Exercise	Aug.
Lienyun Drill	Training Efficiency Review of Parachutes Forces	June and Aug.
Lienyuan Drill	Armed Forces Joint Training	Once a Month
Lienhsing Drill	Training Efficiency Review of the Amphibious Forces	April, Aug., and Nov.

the training directions of FY 2000's as an important reference for future improvement. (See Table 6-4)

2. Enhancing Training Security

It is strictly requested that military cadres of all levels and troops to stick their training to schedule, abide by training disciplines, follow the doctrines and sequences. Training procedures should not be violated despite any reasons. Additionally, troops of all levels should pay more attention to training security while executing the training tasks. Security measures must be planned in detail before, during and after the training. Units must observe training security rules and strengthen the inspection to minimize accidents.

3. Building Training Grounds

The planning of training grounds is oriented toward the goal of "comparability" and "standardization" in each combat zone. After the Armed Forces Refining Program, factors such as station tasks, characteristics and efficiency of organic weapon, local development and environment protection must be included. We plan to build medium or large training grounds while abolishing the small ones.

4. Tighten Mission Control

Troop training must be planned in detail and fully prepared so as to achieve the training goals desired. To make basic troop units conduct training as planned, MND decided, from Jan., 1998, to review and cut all kinds of exercise tasks and supervising items, and bring important works into course controlled. It is expected that the burden of basic troop units can decrease by this way. Concrete practices of task control are as follows:

- (1) Tasks are controlled from top down. Once they are brought into schedule, they should not be changed arbitrarily.
- (2) Military annual conferences, exercises or other important missions involving the three services will be scheduled by MND. Task control

lists will be issued before the fiscal year starts as the guidance for the Armed Forces to act.

(3) All service headquarters and higher commands should schedule the task control list on a bi-yearly basis, corps quarterly and division monthly and submit it to the higher echelon for supervision.

5. Training of the New-Generation Force

Building the strength of the new-generation is the foremost task confronting the Armed Forces. Its success or failure is the key to combat capability. To strengthen the training effectiveness of the new generation force, all services should practice the following instructions: seeding instructors trained abroad, extending self-training effect, handling training equipment properly, setting up instruction classes, striving for technique cooperation, establishing the capability of self-maintenance. Besides, it should be practiced according to the following procedures: "transition training," "combination training," "basic tactics training," "comprehensive training" and "combat readiness exercise and training." The line-up training of small units can be completed as predicted, and these units can shoulder combat tasks gradually. Combat capability of ROC Armed Forces has been improved remarkably.

II. Improving Mobilization Practice

1. Activation of Special Organ to Consolidate Military and Civil Mobilization

Plan is studied to set up a specialized organ to consolidate military mobilization and all-out defense mobilization in the hope of central control and the realization of all-out defense.

2. Planning Corps as a Comprehensive Unit for Separating "Regular and Reserved Forces," and Intensify the Preparation for War and Peace.

Bases on the requirements of "training for fighting," and "unified fighting and training," corps (parallel to the Navy and Air Force) are planned as

the units to integrate the reserve forces. The purpose is to make peacetime administration and training of the war area together with the practices during the war time and an integrated mobilization system.

3. “Battalion” as the Unit of Educational Recall and Improving the Combat Capability of the Reserve Forces

Since 2000, MND has begun to adopt “battalion” as the basis for educational recall to practice fixed educational recall grouping. On the fifth day of the recall, inspection units of the general headquarters of all services will practice combat capability inspection. And it will use two years as a cycle, calling for training every other year, to unify and exert team spirit, and to accumulate combat capability of ROC Armed Forces.

4. Strengthening All-Out Defense Power to Meet Combat Requirements

Commanders in the combat zone have to investigate and manage manpower and material resources, especially beachfront area’s garages and machine shops. The purpose of combining civilian manpower, troops and material resources is to increase total combat capability.

5. Developing Mobilization Information System to Intensify Manpower and Material Management

Applying the datalink between the local governments and all levels of Regiment Control Area Command set up in July, 1999, MND has developed material control subsystem to enlarge its functions. Additionally, in keeping with the optic-fiber network set up by the Armed Forces, information system between Regimental Control Area Command and brigade units is developed to intensify the management of manpower and material.

Cohering the Common Understanding with Political Education

The application of the military political education has been based on the responsibilities bestowed by the Constitution of ROC, under the consideration of cross-straits relationship development, national political condition, the norm of the “National Defense Law” and the “Organic Law of MND,” as well as the requirements of force-construction and military readiness in the hope of establishing all services a common understanding of their country, realizing the Constitution, affirming the Five Basic beliefs, and reaching the objective of military nationalization. Furthermore, it can consolidate the cohesion of military individuals, promote the morale, raise the spiritual power, and eventually accomplish the mission of ROC Armed Forces. The military political education is channeled in four areas: unit, military schools, recruits and reservists. Its functions are to extend the civil education, foster the military character marshaling, discipline, promote units’ cohesion so as the national security can be ensured, the Constitutional system can be maintained, the Armed Forces can be nationalized, and the effectiveness can be achieved.

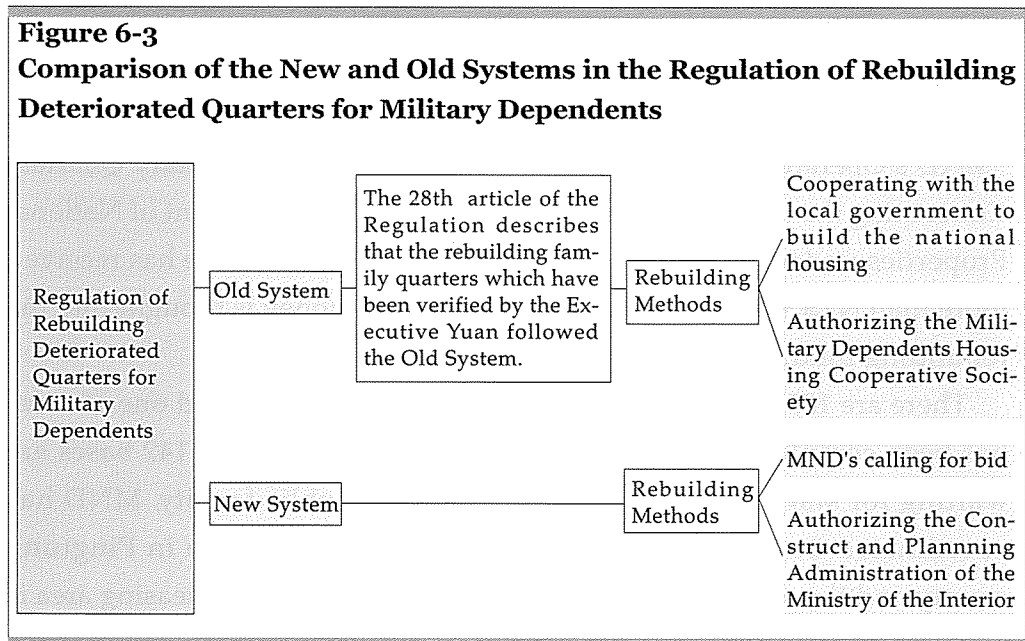
The contents of political education cover the subjects of the nation’s spirit, liberal arts, loyalty, philosophy, ethics, and Confucius’ teachings. Its focuses are national security, Five Basic beliefs, constitutional democracy, national environment, military discipline and security, and individual emotional (EQ) management. Through the military political TV programs, course instruction, speeches, case studies, and auxiliary measures as video programs, political educational activities, selected publications, and military political education shape soldiers with full-grown characters, and become sound citizens, as well as good service men and women.

Rebuild Dependent Quarters

I. Rebuilding Policy

At present, there are two systems of rebuilding the military dependent quarters: the “new system” and the “old system.” The old system indicates to rebuild community according to the “Operation Guidance During the Period of Rebuilding Deteriorated Quarters for Military Dependents”; and the new system indicates to “Regulation of Rebuilding Deteriorated Quarters for Family Dependents.” Please refer to Figure 6-3 for comparison.

Currently, all deteriorated quarters that have not been rebuilt have been approved by the Executive Yuan to adopt the means of cooperating with local governments and entrusting Military Dependents Housing Cooperative Society. The rebuilding efforts continue according to the regulations imposed by the Executive Yuan. In order to accelerate the efforts and to enlarge the policy of “Build, Operation, Transfer, (BOT)”, MND amended the “Provision



for Constructing Deteriorated Military Dependents Quarters by Private Construction Companies," which was approved by the Executive Yuan on Sep. 21, 1998. By using civilian capital and manpower, MND will create a new opportunity of accelerating the rebuilding works. There are four related rebuilding methods: package, co-building, united bid, and comprehensive bid. Figure 6-4 indicates the rebuilding policy, goals and methods.

II. Results

1. Rebuilding by Old System

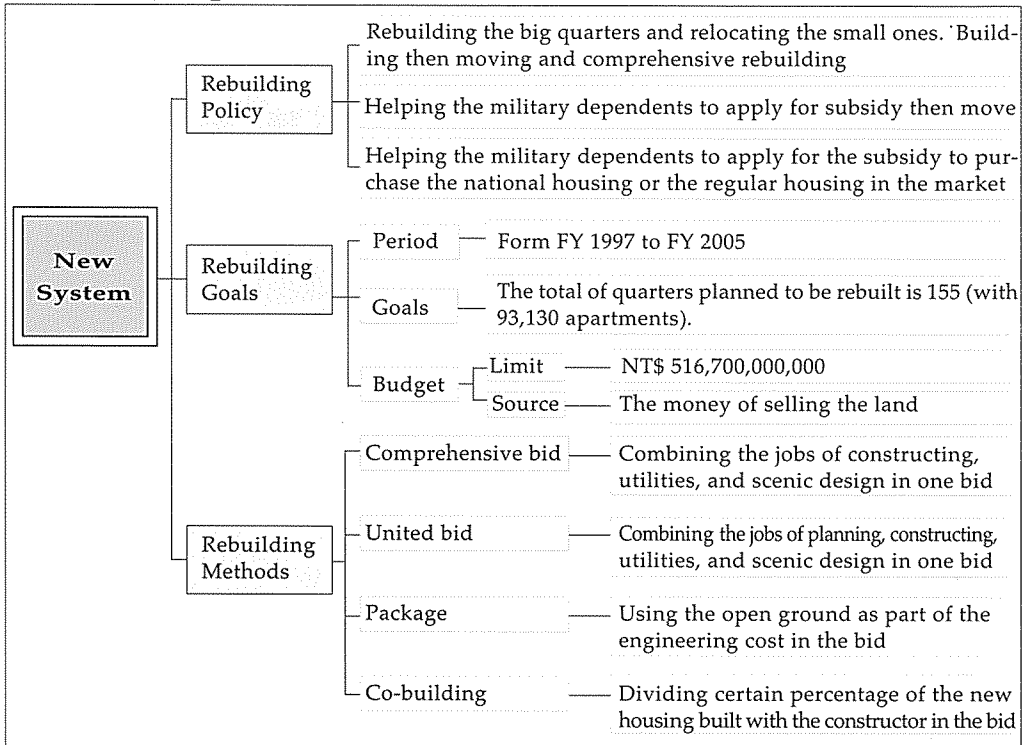
17 quarters, including 6,819 apartments have been rebuilt. In addition to settling the original 2,173 families, the remaining 4,646 are distributed to servicemen who have dependents but do not own houses. Additionally, 35 deteriorated quarters including 1,385 suits have been rebuilt.

2. Reconstructed Dependent Residence Abided By New System

The Executive Yuan founded "Rebuilding Supervising Group of the Deteriorated Quarters for Military Dependents" on Feb. 25, 1998 to fulfill the rebuilding plan. It also entrusted Department of National Properties to hold the call for bid of the empty quarters and barracks according to the "MND's Operation Guidance of Rebuilding Deteriorated Military Quarters Concerning the National Assets Valued and Bid by Department of National Properties under the Department of Finance." This measure has received more than NT\$ 34,321,790,000 successfully. The money is brought into the rebuilding fund.

There are 155 rebuilding bases by the rebuilding plan, and one of them has been completed, 12 bases are under constructing, and 142 bases are waiting for starting. As for releasing land as public facility, MND has coordinated developing plan of Da Peng Bay Scenic Area in Pingtung county and the art museum in Taichung county. The total releasing area is more than 17 hectares. This can dramatically improve regional prosperity.

Figure 6-4
List of Policy, Objectives and Methods of Rebuilding Deteriorated Quarters for Military Dependents



III. Subsidizing Military Dependents to Buy Commercial Houses

The "Operation Instructions of Subsidizing Deteriorated Quarters for Military Dependents to Purchase Civilian Commerce House by Housing Subsidy" was issued on Jan. 5, 1999. And those dependents whose quarters are rebuilt according to the "Regulation of Rebuilding Deteriorated Quarters for Military Dependents" can buy their own houses after receiving the subsidy and moving away.

As for the national housing, MND plans to assist 40 quarters including 5,233 families. 2,176 families of 16 quarters such as "Taimao 9th Quarter" of



Original appearance of Chang Feng 3rd Quarter before rebuilding



New appearance of Chang Feng 3rd Quarter after rebuilding (Chung Hua New City)

Taipei county have moved in their new houses. 651 families of 5 quarters such as “Qianguo 9th Quarter” of the Taoyuan county have been approved to rebuild. 2,406 families of 19 quarters such as “Hsin Sheng New Quarter” of Taipei county are still under planning.

As for purchasing civilian commercial houses, military families will receive assistant housing grant according to the “Project of Subsidizing Military Dependents in Military Quarters to Purchase Commercial House”. In the first step, MND plans to collect NT\$ 4 billion and subsidize 1,500 families; so far, 99 families have been subsidized with the amount of NT\$ 160,061,328. As for the subsidy for active officers and NCOs to purchase houses on loan, MND plans to subsidize 5,000 families; and so far, we have verified 4,220 families with the budget of NT\$ 7,357,380,000.

PART SEVEN |
THE ARMED FORCES AND
THE PEOPLE |

Summary

1. In order to achieve further transparency of defense issues, MND has established "The Global Information Network of the Ministry of National Defense, Republic of China". Besides routine military news briefing, the Ministry arranges spokesmen for every unit above army corps level to deal with military issues openly. The Minister has convoked news briefings to explain and elaborate on major issues and measures concerning national defense.
2. In compliance with the principle of meeting the demand of national defense while taking people's interests into consideration, MND has amended the "Law of the Fort Zone" to remove part of the restriction on the local people.
3. In order to enhance the justice, objectivity and stringency of the suit proceeding, half of the members of MND's "Appeal & Petition Committee" are scholars, experts and social celebrities from outside of MND. MND has enacted "Proceedings for National Compensation Issues" to standardize the procedure of the compensation committees of various echelons and therefore to protect people's interests.
4. It is ROC Armed Forces' tradition to care for and assist people. The Armed Forces should take the initiative in dealing with the emergency, disasters and the post-disaster reconstruction.
5. The devastating earthquake on Sep. 21, 1999 caused the most ever serious disaster to Taiwan in the century. ROC Armed Forces were fully engaged in fighting against the calamity and post-disaster reconstruction with the principle of "disaster relief operations as military operations". From Sep. 21 to Dec. 31, the Armed Forces employed 521,761 person times, accommodated 327,187 victims, pulled down 28,616 dangerous buildings and provided medical treatment to 97,364 persons, making great contribution to the

disaster relief.

6. MND holds military fairs on major festivals to strengthen the general public's consensus of national defense. Besides, various echelons of military units open their barracks to the public on important national holidays and festivals. ROC Armed Forces holds sodalities to improve the understanding of the military life, work, training and safety and thus to assure the military dependents.

Improvement of the Transparency of Defense Issues

I. Establishment of the Global Information Network

In compliance with the Executive Yuan's policy of implementation of computerization and network, MND has established the "Global Information Network of the Ministry of National Defense, Republic of China" and changed its layout from Jul. 1, 1998, which can further meet people's demand of searching for non-classified military information. The major items of the web have been up to ninety-eight, covering national defense reports, medical treatment and insurance, human resource service, military unit introduction, weapon exhibition, global defense information, military news, military stocking, military service introduction, recruitment and information services. The website has had 1,006,000 visitors from its establishment with a daily average of about 2,300 persons.

The website address of the "Global Information Network of the Ministry of National Defense, Republic of China" is <http://www.mnd.gov.tw>. We welcome the general public to visit it, use the information on it and leave advice in the mailbox. The efforts may contribute to the construction of the national defense.

II. Taking Initiatives in Policy Explanation

MND holds routine news briefing on every Tuesday morning to inform the public of defense issues. A military spokesman presides over the meeting and answers questions of public attention together with related units of MND and General Headquarters of three services under the premise of doing no harm to the national interests and security. All of the explanatory material of the news briefing and the news report released by MND are available on MND's website.

MND arranges “spokesmen” for every unit above army corps level to deal with the military news issues openly. From 1998 till now, MND has convoked news briefing for 239 times, press conferences for 100 times, temporary press conferences for 12 times and 1,607 pieces of military news received press coverage, covering national defense policy, military stocking, military rehearsal, members’ right and interior management.

III. Implementation of Intercommunication

In order to inform the public of the decision-making process of defense issues, MND encourages every echelon to participate in the discussion of issues concerned. Besides, MND takes the initiative in offering explanation



The Minister takes the initiative in holding press conferences to illustrate important policies implemented by MND.

Table 7-1 The Profile of the Press Conferences Presided by the Minister

Time	Place	The Profile of the Press Conferences	Remarks
Feb. 9, 1999	Press Conference Room of MND	To openly answer the questions raised by the press concerning subjects like "Future defense policy concept implemented by MND", "The person cultivation direction after the reconstruction of the new generation military forces", "The response ways to defense budget reduction", "The establishment of a cross-strait military pre-warning mechanism", "The unification of MND policy-making and command system" and "Evolution of future national defense mechanism"	
Jun. 15, 1999	Armed Forces Officers' Club	To explain the implementation of defense policy, covering "Armed Forces Re-refining Program", "Whether the service time for conscripts should be shortened", "The safeguard of the coastal areas of offshore islands and the establishment of Coastal Guard Administration", "Reconstruction of old dependents quarters", "The Organic Law of MND" and "The privatization of defense logistics system".	
Dec. 9, 1999	Press Conference Room of MND	To offer detail explanation on "ROC Armed Forces withdraw from the Pratas and the Spratley Islands" inquired by legislators.	Impromptu Press Conference
Feb. 1, 2000	Press Conference Room of MND	To explain the concept of "All-out National Defense" and give a speech in response to the press on the Minister's first inaugural anniversary day.	
May 30, 2000	Armed Forces Officers' Club	To offer explanation on future defense policy implemented by MND, and answer each question raised by the press.	

Source of duration: Jan. 1, 1999-Jun. 30, 2000

to the issues of general public's concern. MND hopes to take advice from all circles through direct communication as reference to the improvement of ROC Armed Forces.

Since 1998 till now, the ranking officers of MND have received broadcast and TV interviews and call-ins for over 100 times. The Minister of National Defense has received interviews and convoked press conferences to explain major issues and measures. (As Table 7-1)

Also, various echelons and members of ROC Armed Forces discuss and

study the theory and practice of defense strategy, management, logistics, technology and medical science with native and foreign experts by holding or participating in academic seminars. Since 1998, the Armed Forces have volunteered to participate in over 50 seminars.

Respecting People's Rights and Interests

I. Amendment of the Fort and Important Military Zone Law

Since the enactment of the "Fort and Important Military Zone Law", some of the restrictions have become out-of-date because weapon equipment has been improved and the situation and environment has changed. In order to meet people's demand and the necessity of local development, under instructions of the Executive Yuan, MND studied together with the Council for Economic Planning & Development, Ministry of the Interior, Ministry of Transportation & Communication and Ministry of Finance along with the Provincial Government of Taiwan, the Provincial Government of Fujian, Taipei City Government and Kaohsiung City Government. Upholding the principle of meeting the demand of defense while taking people's interests into consideration, the draft of the amendment has been completed and has been presented to the Executive Yuan for examination and approval. It was sent to the Legislative Yuan for examination on Feb. 16, 2000 and will be enacted immediately after its approval. The amended laws should be renamed as "the Law of the Fort Zone", the main points of which are:

1. to give a clear definition of the area of fortress;
2. to reduce the fortress area under restriction;
3. to adjust to the contemporary situation, lift the restriction on the first and second land and sea area, and shift the flight area restriction authority to the aviation flight control & ATC units;
4. to amend the restriction items of the fortress area according to the practical requirement and lift the ban on inhabitancy and the traffic restriction;
5. to reduce and exempt the legacy tax, donation tax and land value added tax of the private-owned land in the fortress area;
6. to add that the area may apply for overall development under the premise if it does no harm to the municipal plan and military defense.

II. Amendment of Restriction on the Fortress and Major Military Establishment

1. Fortress Restriction Area

The Taiwan and Penghu area tried to achieve balance among operational requirement, local development and people's demand while upholding the principle of legal justice and strict prohibition of the cooperation between the government and the merchants. From 1998 to this day, fourteen fortresses have been removed; another five have been deflated; still another six have been transformed into major military establishment restriction area and eased the restriction scale. The deflated space in all has been up to 2, 869 hectares.

2. Major Military Establishment Restriction Area

The definition of the major military establishment restriction area is based on the requirement of defense security. However, MND realizes the negative impact of the restriction on the local government and the people due to the increasing population and the demand of accelerating local development. Therefore, after prudently reviewing military requirement and tasks, MND has lifted the restriction on thirteen areas and has deflated the space of forty-nine areas, the total area of which adds up to 7, 818 hectares since 1998. The rest of the restriction-removal cases will be under procedure soon by MND according to the principle of "achieving balance between national defense and domestic development."

III. People's Appeals

MND's "Appeal & Petition Committee" is specifically responsible for dealing with appeals which might be made by people due to administrative negligence or inappropriate administrative penalties. Those who regard that their legal rights have been encroached on by inappropriate or illegal deeds by the organizations attached to MND may appeal to the Committee.

Since 1998, the Committee has dealt with 446 cases. Among them, 338 cases were rejected, 87 cases were retried, and another 21 cases were either transferred, withdrawn, or concluded. (As Table 7-2) In order to enhance the justice, objectivity and stringency of the suit procedure, half of the members of MND's "Appeal & Petition Committee" are scholars, experts and social celebrities from outside of MND.

IV. National Compensation

In order to uphold the principle of protecting people's interests of the "National Compensation Law," MND and General Headquarters of Each Service (including Army, Navy, Air Force, the Combined Service Forces General Headquarters, Armed Forces Reserve Command and Military Police Command) have established "National Compensation Deliberative Committee"

Table 7-2 People's Appeal Cases from 1998 to 2000

Category	Rejected	Cancellation of Penalties	Concluded, Transferred and Withdrawn	Total
Pension and Allowances	99	19		118
Seniority Counting and Retirement Request	69	29		98
Military Dependents Quarters	30	5	5	40
Military Service	28	1	3	32
Bereavement Fund and Insurance Fund Request	18	7		25
Special Rewards	4	10		14
Land Compensation Fund	13			13
For Farmland-Giving Certificate	8			8
Promotion	4	4		8
Incentives Request and Framing-up Sentence	6			6
Others	59	12	13	84
Sub-total	338	87	21	446

Source of duration: Jan. 1, 1998-Jun. 30, 2000

to deal with national compensation cases. MND has also enacted Procedure for National Compensation Issues to standardize the procedure of the compensation committees of various echelons and therefore to protect people's interests. From 1998 till now, MND has received 120 cases of requesting national compensation, of which 86 cases were concluded and 34 cases are in the process of deliberation.

V. Retirement Pension and Subsidiary Pays

Since the pension to those who retired before Jun. 30, 1970 was relatively low, it is decided that they should be granted subsidiary pension according to the pension standard after Jul. 1, 1970. "The Regulation on the Service of Officers and NCOs of the Army, Navy and Air Force" was amended by adding Item 6 to Article 39. Item 6 says that "the pension of the soldiers who retired from Jan. 1, 1949 to Jun. 30, 1970 is relatively low and should be duly subsidized." The qualifications for eligibly subsidized soldiers and measures concerned will be set in the following two fiscal years. The legislation procedure was accomplished on Oct. 13, 1998 and publicized by the President on Oct. 29, 1998 as the principle for granting.

According to the Amendment of "the Regulation on the Service of Officers and NCOs of the Army, Navy and Air Force" Article 39, added Item 6, MND made the "Measures for Granting Subsidiary Pension" that were approved by the Executive Yuan on Jun. 29, 1999. It became effective on Jul. 1, 1999. From Jul. 1 to 3, MND made related announcements on major domestic and overseas newspapers and accepted application and registration. The objects of the granted subsidy and the standards are as following:

1. Objects

(1)The officers and NCOs in Taiwan Area retired from the military under the laws and regulations concerned during Jan. 1, 1949 to Jun. 30, 1970.

And the bereaved of those who died in service during the above-mentioned

period of time have received bereavement fund. (The retired generals who have received the pension are excluded.)

(2)The above-mentioned Taiwan Area refers to Taiwan, Penghu, Kinmen, Matsu and other regions under the dominion of ROC government.

2. Standards

The total amount of the subsidy should be the product of 15% of the original monthly pay of the counterpart who retired on Jul. 1, 1995 and the accumulated retirement years.

Chapter 3

Providing Service to the People

I. Calamity Rescue

It is ROC Armed Force's tradition to care for and assist people. Before the "National SAR Organization" is established, the Armed Forces are responsible for conducting disaster relief and assisting post-disaster reconstruction.

At present, the Rescue Coordination Center of the Armed Forces is in charge of the sea and air rescue task within the Taipei Flight Information Region(FIR). It also maintains contact with the rescue coordination centers of the nearby countries and regions to conduct international relief work.

Since 1998, ROC Armed Forces have participated in rescue missions and emergent calamity salvation such as Zeb Typhoon, Babs Typhoon and the floods in the central part of Taiwan Island. About 30, 000 person times, 2, 000



ROC Armed Forces assist in rescue tasks—assisting flood-proofing.

sorties and approximate 200 ships have been involved.(As Table 7-3 and Table 7-4)

II. Supporting Epidemic Prevention

As regards to the epidemic prevention, ROC Armed Forces pay primary attention to self-protection and to maintain the environment sanitation of the barracks. The Armed Forces also assist local governments in cleaning up the environment to prevent epidemics.

When natural disasters occur (such as typhoons, floods, earthquakes, etc.), in order to protect the rescue forces and the victims from epidemics, ROC Armed Forces will always organize sanitation inspection groups and send them to the disaster area to prevent epidemics. The groups will also inspect the accommodation and the food, give advice for further improvement, assist in disinfectant spraying and provide the victims with other sanitary equipment to enhance their immunity against epidemics.

If an epidemic outbreaks in a certain region, ROC Armed Forces should

Table 7-3
Statistics of Calamity Rescue by ROC Armed Forces from 1998 to 2000

Category		Maritime SAR	Air Crash SAR	Mountain Disaster	Patients Evacuation	Disaster Rescue	Rescue Drill	Total
Number		141	12	22	255	18	3	451
Assigned Strength	Aircraft (Sorties)	113	188	25	255	1,561	6	2,148
	Ships	61	117				1	179
People Rescued (Body Found)		133	2	20		1,999		2,154
Civilian Evacuated				5	782	137		924
Material Shipped (Ton.)				540			155,333	155,873

Source of duration: Jan. 1, 1998-Jun. 30, 2000

Table 7-4
Statistics of Emergent Rescue by ROC Armed Forces from 1998 to 2000

Category		Zeb Typhoon	Babs Typhoon	Floods in Central Taiwan	Total
Assigned Strength	Aircraft (Sorties)	2		69	71
	Ships	12			12
	Vehicles	486	144	741	1,371
	Personnel	13,688	6,833	12,069	32,590
Sterilizing Area (Square Meter)		33,861	44,215	10,300	88,376
Civilians Evacuated		4			4
Sand Parcel Stacked (Number)			10,450		10,450
Garbage Disposed (Vehicles)		434	330	148	912
Civil Residence Cleaned (Household)		68	15	340	423
Road and Ditch Cleared (Meter)		78,380	102,080	122,900	303,360

Source of duration: Jan. 1, 1998-Jun. 30, 2000

work together with the medical organizations to prevent the further prevalence in the area and report the latest information to the military medical department of MND and the local sanitary organizations. Meanwhile, the Armed Forces execute the mission of sterilization including cleaning up the environment, dealing with the waste and accumulated water, and spraying disinfectant.

Since 1998, ROC Armed Forces have assisted in the "Mouth and Foot Disease" plague in Hualian, "Zeb" Typhoon, "921 Devastating Earthquake" and Nantou floods. The Armed Forces have employed 13, 015 person times, accomplished disinfectant spraying for 1, 009 times with an area of 143, 582 hectares.

III. Assisting People in Emergent Harvesting

In accordance with the policy of accelerating national economic construction, ROC Armed Forces have assisted farmers in harvesting twice a year since 1972. According to the statistics, 222 soldiers were engaged in harvesting assistance with machines; the total area of harvested rice fields was 975.63 hectares; and 1,117 farmer's families were benefited in 1999.

After the implementation of "Armed Forces Refining Program", ROC Armed Forces stopped harvesting assistance on Jul. 1, 2000. If any emergent harvesting is required in disaster areas or some special regions, the Armed Forces may offer assistance according to "the Rule of Application for Military Assistance in National Disasters in Taiwan Area". However, the assistance project should not hinder national defense and should be beyond the capability of the local government.



ROC Armed Forces carry out epidemic prevention and sterilization work.

“921 Devastating Earthquake” Rescue Mission

The Jiji (921) Devastating Earthquake on Sep. 21, 1999 has caused the most ever serious disaster to Taiwan in the century. In order to reduce the loss to the lowest level, ROC Armed Forces were fully engaged in fighting against the calamity and post-disaster reconstruction with the principle of “disaster relief operations as military operations”. To save people’s lives is always given the first priority.

1. Saving People’s Lives

Upon “921 Devastating Earthquake” breaking out in the early morning, ROC Armed Forces comprehensively participated in the rescue mission



ROC Armed Forces assist in “921 Devastating Earthquake” Rescue —to search and rescue victims.

before receiving the order and gave the first priority to save people's lives. At six o'clock in the morning, "ROC Armed Forces' Rescue Command Center" was established to command Armed Forces' rescue mission and to coordinate with the Ministries related as well. The Army General Headquarters immediately set up "Disaster Relief Forward Command Posts" respectively in Nantou, Hsinshu, Songshang, Hsinchuang serious disaster regions and eight other branch command posts to assist the Army's rescue mission. The Operational Centers of General Headquarters of each service were also in charge of commanding the rescue with the principle of stan-





ROC Armed Forces assist in “921 Devastating Earthquake” Rescue—to dismantle dangerous buildings.

dard operating procedure. From Sep. 21, 1999 to 6 pm. Sep. 24, the Armed Forces have rescued 453 persons and accommodated 11, 887 persons.

2. Restoring the Traffic Lines

Because Taichung and Nantou areas in the epicenter of “921 Devastating Earthquake” are mountainous, most of traffic was cut off during the earthquake. In order to accelerate the rescue, the SAR Squadron of the Air Force participated in disaster relief and transportation tasks. The helicopters of the Army Aviation Corps closely cooperated with the tasks of medical evacuation and air transportation in the disaster areas. The transporters of the Air Force conducted the transportation of the rescue



ROC Armed Forces assist in “921 Devastating Earthquake” Rescue—to construct temporary combination houses.

manpower and relief material to the disaster areas. All echelons of the Armed Forces were actively engaged in repairing and restoring severely destroyed roads and bridges to ensure that unblocked traffic could enhance the effectiveness.

3. Post-disaster Reconstruction

On Sep. 25, the President announced an emergency decree that the rescue mission entered into “the post-disaster reconstruction”. MND rearranged the rescue tasks and reorganized the rescue command accordingly. On Sep. 28, the Executive Yuan set up “the Post-disaster Reconstruction Promotion Committee”. Under the guidance of the Committee, MND set up “the Post-disaster Reconstruction Coordination and Support Group” to be

charged with the Armed Forces' manpower deployment and assist the local governments of disaster areas for post-disaster reconstruction.

Under "the Post-disaster Reconstruction Coordination and Support Group", there were four subordinate command centers in Taipei City, Taipei County, Nantou and Taichung regions responsible for directing the 20 branch command posts, such as Songshan, Hsinchuang, Nantou and Tungshi, to conduct disaster relief and post-disaster reconstruction. The major tasks were to accommodate the victims, to dismantle the endangered buildings, to repair and restore the roads and bridges, to dispose the waste, to conduct medical care and epidemic prevention, to maintain public security, to maintain the communication and to construct temporary housing facilities.

From Sep. 21 to Dec. 31, ROC Armed Forces have employed 521,761 person times, accommodated 327,187 victims, dismantled 28,616 endangered buildings and given medical treatment to 97, 364 person times, making great contribution to the disaster relief. (As Table 7-5)

Table7-5**Statistics of Disaster Relief by ROC Armed Forces during "921 Devastating Earthquake"**

Category	Taipei City	Taipei County	Miao-li County	Taichung County	Nantou County	Changhua County	Yunlin and Chiayi Area	Kaohsiung and Huatung Area	Total
Mobilized Manpower (People)	8,628	18,254	41,062	189,587	178,227	45,823	36,540	3,640	521,761
Dangerous Building Dismantled (Houses)	0	0	651	6,818	19,813	532	802	0	28,616
Combination House Constructed (Household)	0	0	48	251	702	0	0	0	1,001
Victims Acceptance (People)	0	3,287	0	302,678	21,222	0	0	0	327,187
Wasted Materials Clearance (Ton)	61,252	60,967	89,019	2,178,754	3,653,815	119,446	317,465	0	6,480,718
Hygiene and Medical Treatment (People)	280	2,200	3,000	44,550	21,998	24,800	536	0	97,364
Area Sterilization (Hectare)	23	163	258	975	837	356	200	0	2,812
Bath Support (People)	0	12,001	20,638	51,624	58,625	23,568	6,338	0	172,794
Public Security Maintenance (People)	1,500	2,000	2,820	17,764	3,684	3,980	6,020	1,000	38,768
Traffic Control (People)	727	1,000	750	3,100	2,000	423	1,647	500	10,147

Source of duration: Sep. 21, 1999 - Dec. 31, 1999

Chapter 5

Promotion of the Association between the Armed Forces and the People

1. Major Fairs Activities

In order to enhance the people's consensus of defense and to unite the people better, MND holds several fairs a year to display military force on major festivals and holidays. On Oct. 2, 1998, ROC Armed Forces displayed their military capability of the new generation forces from the Army, Navy and Air Force at Hengchun Joint-training Base as well as its nearby sea area and airspace. The display was conducted in an order of "integrated air-land maneuver" and "Navy and Air Force Exercises" (including naval-air force formation, to demonstrate the functions of the new generation fighters and air-surface live fire shooting). The new generation weapon display involved 5, 859 officers and soldiers, 76 aircraft, 27 naval ships, 128 MBTs and 38 cannons. The Armed Forces invited local governors, people's representatives, reserves, the press, overseas Chinese and excellent



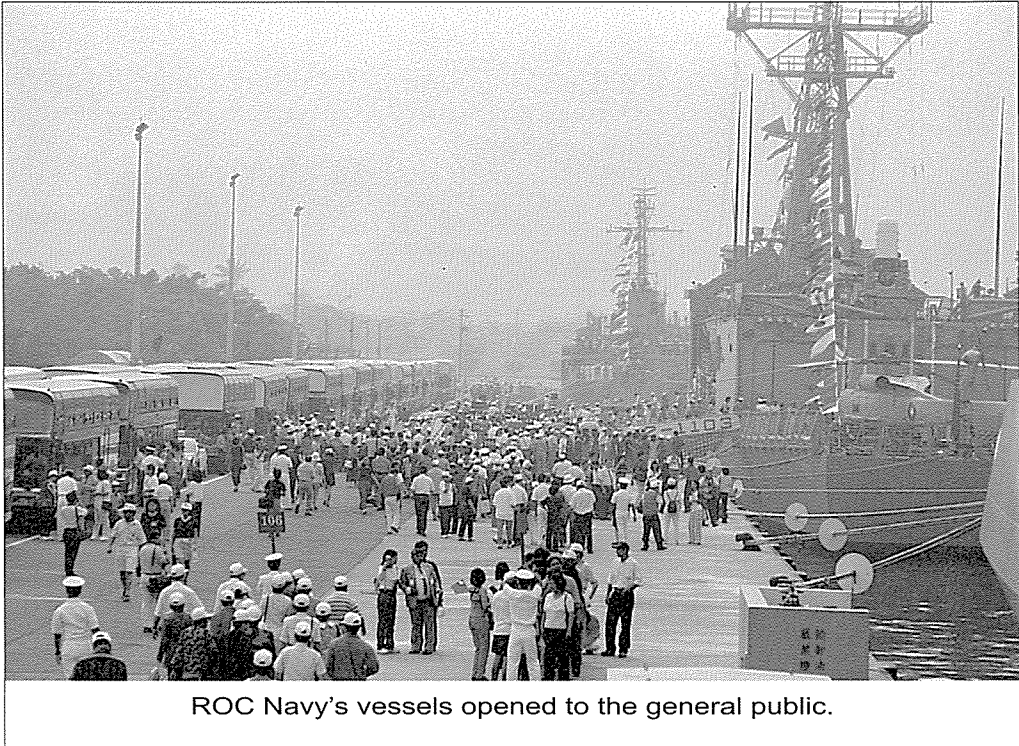
Cheng-kung Exercise by ROC Army

soldiers and officers to the scene. The display was also opened to the public.

On May 18, 1989, MND examined the fully equipped armor joint-branch brigade after the implementation of "Armed Forces Refining Program" at Wude Barrack in Penghu. Subsequently, the armor brigade conducted an anti-landing counterattack at the seashore in Sha-shui to display the firepower of infantry, tanks and artillery. This war game demonstrated the strong anti-landing capability of Army's new generation "armor joint-branch brigade". The war game involved 2,332 soldiers and officers,

Table 7-6
The Profile of the Museums of ROC Armed Forces Open to the Public

Name	Address	Phone Number	Open Hours	Open Way
Armed Forces Museum	243, Kuei Yang St., Section 1, Taipei	(02)2331-5730	10:00 ~15:00 on Mon. Wed. and Fri.	Groups or individuals
Museum of The Chinese Military Academy	1, Wei Wu Rd., Feng Shan City, Kaohsiung County	(07)743-2861	As the time reserved	Only open to the groups reserving in advance
Navy Armed Forces Museum	669, Chun Chiao Rd., Tso Ying, Kaohsiung County	(07) 582-9690	As the time reserved	Only open to the group reserving in advance
Air Force Armed Forces Museum	1 His-shou, Chien Shou West Rd., Kang Shan Town, Kaohsiung County	(07) 625-5600	As the time reserved	Only open to the groups reserving in advance
Materiel Exhibition of General Headquarters, CSC	165, Kun Yang St., Nankang, Taipei	(02) 2783-4400	As the time reserved	Only open to the groups reserving in advance
Weaponry and Relics Museum of General Headquarters, CSC	165, Kun Yang St., Nankang, Taipei	(02) 2783-4400	As the time reserved	Only open to the groups reserving in advance
Remarks	1. The above museums welcome groups to make a reservation for visiting 2. The museums of various services do not open to individuals due to being located within the barracks			



ROC Navy's vessels opened to the general public.

145 various types of MBTs, 54 cannons, 8 TOW missile vehicles, 247 wheeled vehicles and 149 pieces of light weaponry. The effectiveness of the build-up of ROC Armed Forces' capability was thus proven.

To make the general public better understand ROC Armed Forces, Armed Forces Museums of MND and various services are opened to the public for visiting. The profile of these museums is as Table 7-6.

2. Opening of the Barracks and Being a Good Neighbor

In order to make the general public better understand MND's efforts in military build-up and combat readiness and to maintain good relationships between the military and the civilian, various echelons of the Armed Forces hold sodalities in their barracks on festivals and ceremonies. Military



ROC Air Force base opened to the general public.

dependents, local conscription agencies, local governors, people's representatives and the press are all invited to the scene. Through direct communication, MND hopes to improve military dependents' understanding of the military life, work and training. According to the statistics, since 1998 till now, the Armed Forces have held 2,958 family meetings with 465, 386 visitors. Such activities were fully affirmed by soldiers and military dependents.

In order to improve the relationships and meet practical demands, MND integrate the capability of the Armed Forces and social resources through the "military-civilian service conference" to closely cooperate with every walk of people on public issues, public welfare, environment protection, land, ban of construction, training exercises, accidents, dissention, etc.

MND hopes that a better relationship and mutual understanding can be achieved through this way and distrust and conflict can be prevented, to contribute to further implementation of defense policy. On the other hand, the Armed Forces may acquire a better understanding of the local status and requirement through disaster rescue, emergency assistance and festival ceremonies. Besides, through integrating local all-out defense mobilization organizations, the Armed Forces may enhance overall combat capability and ensure the accomplishment of military missions.

3. Promotion of Friendship

In order to achieve military-civilian exchange and promote foreign relationships, "Fleet of Friendship" of the Navy has sailed for around-the-island and overseas voyage training during 1999 and 2000. The activities were divided into two parts: the first part was domestic around-the-island navigation training and harbored at the ports in Kaohsiung, Hualian, Suao, Keelung, Magong and Taichung; the second part is to sail overseas to visit foreign countries, such as Singapore. During the port berth period, the Navy has held 33 activities with more than 13, 000 visitors involved. Also, the Navy opened the ships to the general public and received over 230, 000 person times. It has made a great contribution both to promote military-civilian relationships and to make foreign friends as well as overseas Chinese to better understand ROC Armed Forces.

