TAIWAN

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Political Taiwanization and Pragmatic Diplomacy

The Eras of Chiang Ching-kuo and Lee Teng-hui, 1971–1994

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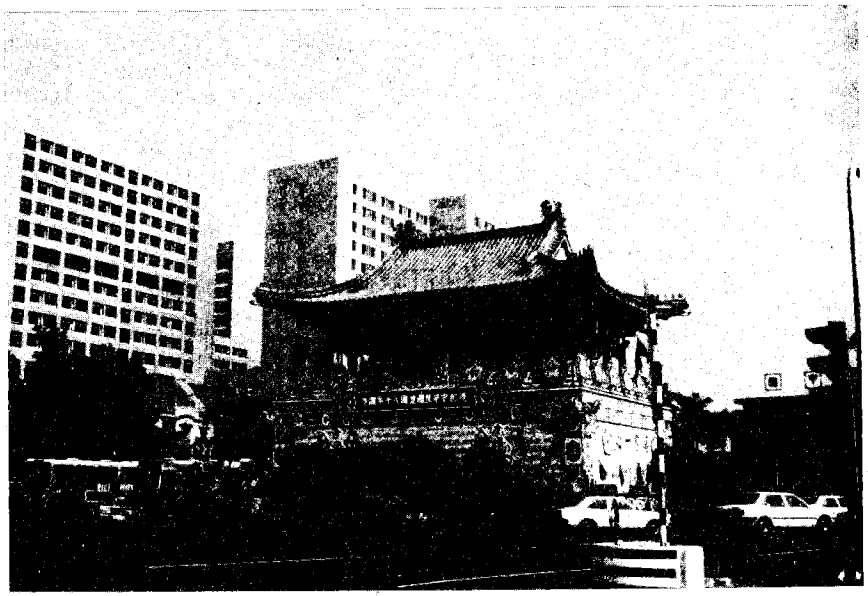

The East Gate in Taipei decorated for the Double Ten Holiday.

Taiwan's political transition from hard totalitarianism to soft totalitarianism to quasi-democracy was made possible, in large measure, by rapid, substantial, economic change and by a set of many-faceted changes in Taiwan's society. This chapter focuses on Taiwan's political evolution and the diplomatic death and rebirth that paralleled the evolving political transformation.[1]

I. The Presidency of Chiang Ching-kuo

In 1971 the government of Taiwan took the first steps on a path that would lead, eighteen years later, to the existence of two political parties competing for power on local, county, provincial, and national levels. This path toward broadened political participation ran parallel to another evolutionary path, one that led to a more open civil society that possessed a greater degree of freedom of the press and freedom of expression.

The dominant figure during this period was Chiang Ching-kuo, the son and heir of Chiang Kai-shek, the president of the Republic of China. The younger Chiang had served as the head of the government of Shanghai during the civil war of the late 1940s and had proven himself to be an effective leader. During the early 1950s he was given the difficult task of cleansing the KMT of corruption, which he did with ruthless efficiency. By 1971 he had become not only his father's right-hand man, but the key figure in the regime; his ascension to the premiership in 1972 formalized his status. His philosophy and style were quite different from his father's. He was more the civilian leader than the quasi-warlord that his father had been, though one of the foundations of his power was the garrison command, and he knew how to create coalitions of bureaucrats who shared his views on socioeconomic modernization. He also recognized that his nation could be torn apart by long suppressed ethnic tensions and worked to defuse this tension by "Taiwanizing" his party and his government, bringing more and more well-trained Taiwanese into the political system. Furthermore, as one who saw himself as a populist, he recognized the need to further democratize the political system, at least at its local levels.

Diplomatic Crisis and Political Activism, 1971–1976

The precipitating events in this period were a linked series of foreign crises that led, in turn to challenges to the authority of the KMT-dominated regime within Taiwan. And in the background, acting to underline the critical nature of each event or set of events was the evolving relationship between Taiwan's strongest ally, the United States, and the People's Republic of China.

As we now know from Henry Kissinger's memoirs and other sources, the roots of the problems for Taiwan began during the late 1960s when Richard Nixon became president of the United States. Faced with the possibility of direct armed conflict with the PRC over the war in Indochina, Kissinger opened secret contacts with the mainland regime.

One result of these talks was that by 1971 the Nixon administration began to take steps to end its policy of isolating the PRC. The all important first step was the U.S. decision to support the PRC in its annual bid for a seat on the United Nations' Security Council. In 1971 the United States supported the PRC and the ROC lost its position. Only in the early 1990s did some Taiwanese, led by Lu Hsiu-lien, attempt to clear the way for the ROC to re-enter the UN, but now as Taiwan.

In 1972 Kissinger made his famous secret trip that paved the way for Nixon's visit to China. That unprecedented event ended with the announcement of the Shanghai Communique. This document defined a series of steps that would lead, in time to the normalization of US-PRC relations and thus to the isolation of Taiwan.[2]

The third diplomatic setback was the dispute over control of a small group of islands claimed by Taiwan, Tiao Yu Tai. While seemingly of little value, it was thought that oil might be found the in the surrounding seabed. Thus the Japanese took steps to occupy these tiny islands. As the dispute escalated, Taiwan's once staunch ally, the United States, backed the Japanese. Taiwan had lost once again in the international arena, this time to a close friend that had invested heavily in its economy. The Tiao Yu Tai dispute was the harbinger of what came next, the Japanese decision to normalize relations with mainland China.[3] Though Taiwan and Japan worked out what became a model for quasi-diplomatic relations in the years that followed, the Japanese action simply added to the impression that the KMT was losing its diplomatic skills and support in the international arena.[4]

In the early 1970s, in the wake of these diplomatic setbacks, Taiwan's growing middle class began to influence the shape of Taiwanese politics. Middle class intellectuals and students, enjoying new status and wealth, began to feel dissatisfied with the frozen political process and the many restrictions on freedom of expression. And the regime, once seemingly a respected member of the world community, was now increasingly losing face. The result was a brief period of political activism highlighted by challenges to the regime in its legislative organs and by actions taken in the street.

On the political front such newcomers as Kang Ning-hsiang and Huang Hsin-chieh began the loosely knit political faction that would come to be known as the *tang-wai.* In the streets a series of demonstrations and open demands for political change, led by college professors, were held. The government was not yet ready to allow such open dialogue, and by 1973 it began to arrest the leaders of the new political movement and fire those professors who openly criticized the regime.[5] Chiang Ching-kuo had become premier in 1971, and it was he who had to deal with this open challenge to the KMT. He was harsh but flexible, as he had been in postwar Shanghai. The iron fist had to be used to warn the opposition, but the velvet glove that hid it also had to be used to show the opposition and those members of the educated middle class still reserving judgment that he could learn the lessons that open dissent signaled.

As premier, Chiang began what can be seen as a process of Taiwanization.

There was precedent for his moves: In 1969 the KMT initiated a rapid turnover of party executives on the county and municipal level. Taiwanese in increasing numbers were appointed to these local committee posts. This process continued after early 1973, in the face of the student and faculty protests, proving that Chiang was willing to continue to push for higher levels of Taiwanese participation. T'ien Hung-ma suggests that even at the top levels such as central party headquarters, more Taiwanese loyalists were being rewarded with very visible posts.[6]

There were other reforms as well, reforms that opened the way for even higher levels of Taiwanese participation. Chiang Ching-kuo urged the government to expand its popular base by increasing the number of seats open to election by the Taiwanese in its major representative organs, the National Assembly and the Legislative Yuan.[7] The administration committed itself to being more accessible and open and there were new attempts to curb corruption. Next, the government provided career planning and sought closer ties with the younger generation. Finally, it addressed social welfare concerns of workers and farmers.[8]

The concessions were limited nevertheless. Seeing the regime attempt to reform itself and open its ranks to Taiwanese, the *tang-wai* thought that it could push things further and in 1975 and 1976 attempted to contest elections and demand even more changes in the basic political structure. This time Chiang responded to the challenge by taking off the velvet glove, making 1976 a year of return to the policy of arrests and repression. Now president (Chiang Kai-shek had died in 1975) Chiang Ching-kuo demonstrated once again that he was willing to play the role of good cop/bad cop, but now as the nation's formal leader and not just the man behind the throne.

Ethnicity, Diplomacy, and the Politics of Resistance, 1977–1979

The issue of Taiwanese identity and the Taiwanese struggle for a larger role in the government of their own country underlay the events of 1971–1976. From 1977 to 1979 the struggle that pitted pen-ti jen (native Taiwanese) against *wai-shen jen* (mainlanders) again was at the center of the conflicts in the political and religious arena. And in the diplomatic sphere, the question of identity—here meaning the formal name that the KMT-dominated state could take—became central and resonated with the issue of Taiwanese identity and Taiwanese power in the struggle between the ruling party and the *tang-wai* upstarts.

There were important questions: Who would control the state apparatus? Would it be the mainlander-dominated KMT or would it be the Taiwanese *tang-wai?* How would Taiwan be viewed in the eyes of the world? Would it be a quasi-fictional Republic of China on Taiwan or the nation that called itself the

Republic of Taiwan? The answer lay in the ballot box, in the streets, and in the hearts and minds of the people. And running through it all: What would Chiang Ching-kuo's response be?

Throughout this period the *tang-wai* and other challengers to KMT power had to face an overarching conundrum: The core basis of the regime's—and its president's—power lay not in titles as given by the constitution and as voted on by the rapidly aging membership of a National Assembly, elected in the mainland in the 1940s, but in its control of the key arm of Taiwan's military and security apparatus, the Garrison Command. This central reality continued to color the actions of all political actors and academic observers well after the events of the late 1970s, and during the freeze and then the dramatic thaw of the 1980s. Most observers felt that ultimately the state would win because it had a history of using force when challenged. Even in the late 1980s, as the regime opened itself up to sweeping change, one could find members of the educated elite expressing bleak assessments of the viability of their increasingly democratic political system.

The last three years of the 1970s found the Nationalist regime being challenged, often successfully, in those political arenas that it had so carefully been opened up in the late 1960s and early and mid-1970s. Members of the *tang-wai,* with a deep and an abiding sense of their Taiwanese heritage, were reluctant to identify with the mainland that the KMT said Taiwan was a province of. They were also reluctant to accept the Nationalist's authoritarian government, a government originally structured to control all of mainland China By the second half of the 1970s the *tang-wai* had been able to win impressive victories in contests for the Taiwan Provincial Assembly. In that legislative body located outside of the city of T'aichung the *tang-wai* candidates were able to win twenty-one out of seventy-seven seats. They also emerged victorious in four of twenty magistrate and mayoral races.[9]

Not all went well however; irregularities in voting and in counting the ballots occurred, as they so often did in Taiwanese elections.[10] Given the atmosphere of confrontation that had been building up, this time the voting public did not let the matter rest. In the northwestern coastal city of Chung-li voters took to the streets in a massive demonstration over discrepancies in the vote count. A clash between the police and the demonstrators ensued; the police station was stormed and burned, and there were casualties.[11]

Little news of that confrontation appeared in the media, but gradually the details leaked out. That resistance could take place and demonstrations held signaled to many that the struggle between the people and the government had now reached a new stage. There was no question now or later about revolution or coherent armed resistance. Everyone knew the power of the state's military apparatus and the general effectiveness of its security mechanisms, but now it was shown that public demonstrations, if carefully planned, might be an effective tactic in the political struggle.

Both the political victories and the lessons of Chung-li affected the choices made by one man who would soon proved to be a major actor in the anti-KMT struggle, Shih Ming-teh. Born into a Catholic family from Kao-hsiung, Shih was educated in a military school until implicated in a youthful and ill-conceived plot against the government. Sentenced to a long prison term and subjected to brutal treatment at the hands of the authorities, he became a self-taught jail house lawyer and scholar for whom confinement became the opportunity for a many faceted education.

Freed in 1977, Shih took the dangerous step of involving himself in one of the campaigns for a Provincial Assembly seat. It was a valuable experience and showed that he could play a role in the evolving political struggle. Shih Ming-teh would emerge less as an ideologue than as a strategist and tactician, a role that he played in the Mei-li-tao-KMT struggle of 1978–79.[12]

The victories of 1977 convinced the *tang-wai* leadership that better days lay ahead, and they were convinced that further gains would be made in the election upcoming in 1978. However, few among their leadership realized how diplomatic events would redefine this optimistic political scenario.[13] In the late fall of 1978, on December 15, President Jimmy Carter announced that his administration was going to formally recognize the PRC.[14] This meant the withdrawal of formal U.S. diplomatic recognition of the Republic of China, abrogation of the ROC/U.S. defense treaty, and withdrawal of military personnel as of January 1, 1979. The shock waves were not as powerful as they might have been. There were carefully staged protests and media criticism of the United States; within a few months, however, a new quasi-formal relationship, generally modeled in some fashion after that with Japan, was in place.[15]

The year from the Carter announcement to the December 10, 1979 Kao-hsiung Incident—a violent clash between *tang-wai* activists holding a demonstration and KMT-hired agent provacatuers and local police in front of the railroad station—was a difficult one for both sides.[16] The inner circle of the *tang-wai,* now publishers of *Mei-li-tao,* a political magazine that became the voice of the *tang-wai* leadership, planned a series of protests.The government tried to keep the Mei-li Tao leaders off balance, harassed them whenever possible, and leaked stories to the press about their personal lives that contained details of prurient interest. Nevertheless, ways were found to meet, convey information, and plan for new demonstrations.[17]

The Kao-hsiung Incident, marking the climax of a year of confrontations, is recognized as a pivotal event in modern Taiwanese history and is already legendary. The *tang-wai* leaders were planning a rally of thirty thousand people to be held in the south and another equally large one for Taipei a few days later, on December 16. As it turned out, that second demonstration was never held because of the violent clash in Kao-hsuing.

As the day for the rally drew closer, KMT pressure grew as well, with increased surveillance and constant harassment of core Mei-li-tao members.

Their phones were tapped and their movements followed and noted. This constant pressure concerned the Mei-li-tao leaders for they knew full well that the KMT held real power—and the legal system to justify the actions that the party cadre took. The KMT also controlled the media and was thus able to give its own spin on whatever took place. By the fall of 1979 it was clear to all that the *tang-wai* and the governmental authorities were ready for a large scale confrontation. As a warning of what was to come, a day before the rally in Kao-hsiung a Mei-li-tao staff member in Kao-hsiung was attacked. The core leaders also knew that thugs at the beck and call of the authorities were being mobilized to be used as shock troops and instigators once the rally began.

On the evening of December 10 in Kao-hsiung, when the leaders got word that the police had blocked the original march route, alternative routes were planned. *Tang-wai* activist Lu Hsiu-lien expressed how she felt that fateful night just as the rally got underway

> I sensed that something dangerous would happen that night. Things were out of control. If I were smart enough, I could have left right away, but of course I didn't. I met Chang Chun-nan outside the office and we went next door to get some dinner. He also agreed that something terrible was about to happen. But all we could do was wait and see.[18]

Lu and the other *tang-wai* leaders then got on the platform of a truck that was part of the parade. Events were now set in motion.While she and some of her compatriots expected the worst, no one really knew how far things would go. Their strong resolve to keep matters under control seemed to melt away when it became clear that the government was prepared to use violence in the name of maintaining its hegemony. They made inflammatory and provocative statements, giving the authorities the opportunity to take action.

While important steps had been taken to avoid further confrontation, it was clear that a critical mass had been reached: Those on the truck who saw that they and the marchers were indeed under attack by police with tear gas took microphones and rallied the assembled multitude to stand fast in the face of the challenge. They called on the people to join together but also warned them to avoid violence. Violence did occur, however. After further confrontations and invectives, the demonstrators dispersed and the leaders reassembled. Realizing that the area was swarming with secret police, they traveled north to the old city of Tainan and attempted to reassemble at the Tainan Hotel.[19]

Within a few days, authorities arrested those Mei-li-tao leaders they could apprehend. Among these were Yao Chia-wen, Chang Chun-hung, Lin Yi-hsiung, Lin Hung-hsuan, Ch'en Chu, and Lu Hsiu-lien. Shih Ming-teh, the Lenin of the movement, escaped capture for a few months and his American wife was deported. The government had made its intentions clear. The days of demonstrations by the *tang-wai* were over, as was the period of quasi-liberalism. The regime had to struggle for diplomatic survival and would not allow political activists to give the impression that the Nationalist government was unstable. Chiang Ching-kuo's iron fist put an end to dissent.[20]

Repression and Protest in an Ongoing Struggle, 1980–85

From 1980 to 1985 the Chiang regime attempted to turn the clock back on certain fronts while moving ahead on others. The *tang-wai's* challenge to the regime was suppressed in the most public manner possible, and the government tried to limit freedom of speech.

But these public actions were not the only story. Without fanfare, the KMT-ruled government was continuing to open itself up to Taiwanese and was taking steps to expand some freedoms even as it attempted to limit others.

The opposition went through a period of disorganization, bitter internal conflict, and considerable soul searching. It was able to develop new tactics, refining the use of street demonstrations, for example.[21] It was able to survive because it had leaders who even from prison were able to keep the faith alive by their very visible martyrdom. Scholars have also argued that he ongoing KMT-*tang-wai* conflict was in large measure made possible by a surge of demonstrations by the people against the state.

The new middle class and the working class were emboldened to confront the government and demand that the regime take their problems seriously. Farmers held demonstrations demanding that the government deal with the declining state of agriculture and with the problems that the ever diminishing number of small farmers, faced in an agrarian world increasingly dominated by large corporate farms.[22] Other groups were similarly emboldened. Environmentalists demonstrated on specific sites, for example Lukang, where a major factory was to be built by Dupont. In this battle the people prevailed and an environmental movement began to take shape.[23] Woman took to the public thoroughfares as well, demanding changes in the law and government action regarding the illicit sex industry. Labor groups became more militant and active, and the forced calm of earlier decades disappeared as workers demanded more rights.[24] Various factions within the opposition took this as their cue and used the tactic of the demonstration to publicize their cause.

During the he early 1980s, many grass-roots organizations and public foundations were created to deal with local issues or specific public policy issues. These were not as dramatic as the larger movements and the more controversial demonstrations, but they did serve to explore issues and raise consciousness even as they helped deal with problems the government had neglected.[25]

This activism suggests that the first half of the 1980s can be seen as a period of middle class activism on Taiwan. This, in turn, provided a context for the political struggles between the two major political players, the KMT and the as-yet-illegal *tang-wai*.[26]

At the heart of this many-faceted struggle were the key leaders of the Kao-hsiung Incident. Most had been arrested in the early weeks of 1980, but Shih Ming-teh managed to avoid capture. He remained on the run for the next few months with the help of administrative leaders and personnel of the Presbyterian Church on Taiwan (PCT), including General Secretary Kau Chih-min and Joyce Chen, a member of Kau's staff. When Shih was captured and arrested these Presbyterian officials were also arrested and put on trial in court proceedings that followed the public trial of the *Mei-li-tao* leadership.

From mid-December, when they were arrested, until the opening of their trial, the defendants went through periods of psychological and sometimes physical torture and seemingly endless periods of interrogation.[27] The authorities finally got what they wanted—a signed confession from Shih, Lu, and the other defendents.[28]

The trial took place in two phases. The first was a preliminary hearing that lasted about twenty-one days. The formal trial lasted from March 18 to March 28. During the trial, Lu Hsiu-lien and the others retracted their confessions, arguing that they were involuntary and made under great duress.

The trial was covered closely in the Western press and by human rights organizations. The Taiwanese public and foreign observers considered it to be a major event, one with moments of high drama. When all was said and done, the sentences handed out were harsh. Shih Min-teh was sentenced to life. Lu Hsiu-lien received twelve years. Others received similarly long sentences.[29]

Shih-Ming-teh, the convicted leader of the *Mei-li-tao* faction, was treated more harshly than most of the others and was sent to the infamous Green Island facility, as was the Secretary General Kau Chih-min.[30]

Lu Hsin-lien was released from prison in 1985; most of the others were released in 1987, and Shih Ming-teh was released in the late spring of 1990.

Kau Chih-min was not released until the summer of 1984. The government was warning the PCT to keep out of politics and to stop demanding human rights for the Taiwanese. The conflict between the PCT and the Chiang regime had been under way for almost a decade. In the seventies, the church attempted to publish works in Romanized Taiwanese, and when the government confiscated this material, church leaders appealed to the Carter administration then in the midst of its human rights offensive. During the Mei-li-tao period a number of key *tang-wai* members were linked to the church, and church leaders such as John Tin of the Tainan Theological Seminary had been consistent vociferous opponents of the regime. The trial of the church leader and the murder of the Lin family members[31] were evidence that the state would no longer tolerate the church's participation in the secular world of Taiwanese politics.[32]

The government's policy of repression took other forms as well. The small and highly radical New Testament Church had established a community on a mountain in Tainan county, about an hour's drive from the island's western coast. In early 1980 the church, led by a man named Elijah Hong, was driven from the mountain and in the years that followed the government authorities continued to harass it. The church leaders were often intemperate in their remarks and cult-like in their loyalty to their leader, but they posed no real danger to the state, which nevertheless decided to show that any voice of opposition, even one so marginal as this Pentecostal church, would be silenced.[33]

Oppression was not the only policy the state pursued during this period. It continued opening the system to those Taiwanese not committed to a radical course of action. We see this in the role played by Y.S. Tsiang. From 1977 to 1984 he recruited intellectuals to work with the party. On a more local level, Sung Shih-hsuan, who was then the chairman of the Provincial Party Committee, introduced a social service orientation to local-level party work. This may have been to counter *tang-wai* efforts as well as the social activism of the PCT and the equally pro-Taiwanese and socially conscious Maryknoll order.[34] These were important steps, coming as they did at a time when the state was attempting to keep grass-roots political forces in check. In effect it was beginning to set up a system that would pit the Taiwanese intellectuals against those sympathetic to the *tang-wai.* Given the quality of the people recruited, especially young Western-trained intellectuals and activists, it seemed to be an effective program.

The government also took steps in the religious arena to show flexibility and openess. The Yi-kuan-tao had been planted on the island in the 1940s and had remained as an underground shamanistic cult with a folk Buddhist and syncretistic belief system. The state believed it posed a danger but a number of key figures including Chou Lien-hua and Chu Hai-yuan of the Institute of Ethnology/Academia Sinica lobbied on its behalf and wrote articles advocating that the organization be legalized, which the state did in the mid-1980s.

The *tang-wai* continued to have internal problems during the early 1980s. The "non-party" seemed to have recovered from the actions the regime had taken in 1979 and 1980 when, in 1981, it fielded candidates under a united nonparty slate. However, by 1982 intra-party conflicts and frictions did surface as intellectuals and writers challenged the tactics of the *tang-wai* officeholders. These intellectuals felt that working within the system and thus supporting the state by participating in the political process was wrong. The office holders disagreed and further refined their stand arguing for fighting for votes and seats, developing working relationships with KMT legislators, and attempting to develop contacts with county and local elites, much as the KMT had done in the previous decade. The conflict hurt the party, and it lost ground in the 1983 election.

As a result of the conflict a permanent *tang-wai* office was set up to determine policy and define ideology. It would act as defacto party headquarters and would serve as the nucleus of a formal party center if and when the opposition was given legal status.[35]

The early 1980s was a period of repression and also of confrontation. In the view of contemporary observers, the state could not go too far. The key leaders of the *tang-wai* and Presbyterian Church had been put in prison but the social forces unleashed by Taiwan's economic transformation had led to a new sense of

activism outside of the proscribed political arena. This, in turn emboldened the *tang-wai* which readied itself to again challenge the state in a dramatic fashion. That challenge and the regime's response took place during President Chiang's final two years of power.

The Last Years of the Second President Chiang, 1986–1988

By early 1986 there were rumors about President Chiang's health. The questions asked often centered around questions of succession and continuity. Despite this, the president continued to demonstrate that he could still direct policy and transform Taiwan.[36]

In March 1986, Chiang Ching-kuo appointed a twelve man ad hoc committee of ranking officials, all of them members of the party's Central Standing Committee, to recommend reform measures. They were to study the termination of martial law, the lifting of the ban on rival political parties, the reorganization of the national parliamentary organs, the enlarging of the representation of native Taiwanese in these bodies, and the reform of the KMT.

However, some conservatives in the party felt things were going too far and opposed major sections of these proposals. In the summer, the government, perhaps as a means of placating these conservatives, jailed several opposition leaders, including Lin Cheng-Chieh and Chen Shui-Pien, a Taipei city councilman. The opposition responded by holding a number of demonstrations and rallies, which, though illegal under ROC law, were attended by thousands of people. The government took little action, perhaps because, Paris Chang suggests, the events in Korea and the Philippines demonstrated what could happen to regimes that did not respond to the demands of an educated and frustrated middle class.

The *tang-wai* made Chiang's task easier, in a sense, by forcing his hand and making him respond with major changes in policy to the challenge the opposition issued on September 28, 1986—135 leading members of the *tang-wai* "defied a long standing ban on new political parties and announced the establishment of the Democratic Progressive Party. Emboldened by the mood of the public and by their support for change, these leaders decided that they would attempt to dictate the pace and direction of political development. It was they who would pick the issues, choose the arenas, and set the rules, appealing to the masses to support these bold initiatives."[37]

Rather than suppress this step, Chiang held the hard-liners in his party in check and on October 8, 1986, pushed for the Central Standing Committee to face and adjust to the new realities. He was met by opposition, and days past as he pressured the leaders to take the steps he felt were necessary. He argued that he himself had called for major changes and that the CSC had discussed these initiatives and the ways they might be implemented. By October 15 he was able to push through a resolution that lifted the decades-old decree of martial law and

relaxed the ban on organizing opposition parties. By taking this step the government legalized the new party the *tang-wai* had established. The DPP could now organize and put up candidates for elections to the major legislative bodies. The KMT, on the other hand, was secure enough in its ability to build a grass-roots base and its quite sophisticated political structure to believe that it could deal with the challenges of the opposition. The KMT had become a very knowledgeable actor in the arena of local politics, and Taiwanese were the key KMT activists on the scene.[38]

On December 6, 1986, the first legal two-party election was held. The DPP fielded forty-four candidates and won twelve of the seventy-three open seats in the Legislative Yuan. More importantly, in key areas, the DPP candidates were top vote getters. The real balance of power was not affected, but the vote getting potential of the candidates of the new party was seen as a warning to President Chiang and the ruling KMT.[39]

In the summer of 1986 further steps were taken to implement other elements of Chiang's reforms. On October 15, 1986, the government lifted martial law. The system of extraordinary measures that provided the government and the ruling party with much of its real power was now taken away. A new, revised national security act replaced it, and although it contained its own restrictions on political rights and freedoms, it was clear that a page had been turned. The long overdue revamping of the constitutional framework of the state's power could take place in the framework of this new and less restrictive document.

The president also took steps as well, steps to transform Taiwan's relationship with China. One step was to allow the citizens of the ROC to convert the national currency (the New Taiwan Dollar or NTs), without limit into foreign currency. The government took another related and even more dramatic step—it lifted its restrictions on travel to the PRC.

These changes opened the mainland to those of mainlander background who still had family there as well as to those Taiwanese who traced their descent from ancestors who came from the Minnan counties and prefectures of Fukien. Mainlanders went home by the hundreds of thousands. Taiwanese took the opportunity to discover their roots and engage in religious pilgrimage.[40]

President Chiang died in January of 1988. He chose as his successor, a Taiwanese Presbyterian named Lee Teng-hui. The Taiwan Chiang passed on to Lee was a thriving economic entity that possessed a sophisticated and stable, but still evolving, political system.

II. Taiwan Under Lee Teng-hui, January 1988–December 1994

Lee Teng-hui was born on January 15, 1923, in the village of Sanchih near Tam-sui, northwest of Taipei He was such a good student that he became one of

the relatively few Taiwanese during the Japanese period to go on to university, studying at Kyoto University. When he returned to Taiwan at the end of the war he continued his education at T'ai-ta. Here he received a B.S. in agricultural economics in 1949, the year of the fateful Nationalist retreat to the island, and went on to teach at T'ai-ta and then to earn a masters in the United States. From 1955 to 1957, he taught at T'ai-ta and also served as research fellow at the Provincial Taiwan Cooperative Bank.

He entered public service in 1957 when he began what would be more than twenty year association with the U.S.-ROC Joint Commission on Rural Reconstruction. During the same period he also served as an adjunct professor of economics at T'ai-ta and taught at the Graduate School East Asian Studies at Cheng-chih University (Cheng-ta). During the 1960s he returned to the United States for further graduate studies. In 1968 Lee received a Ph.D. in agricultural economics from Cornell. His return to Cornell in 1995, as an alumni and as the president of the Republic of China, would stir up an international incident.

When Lee returned to Taiwan he resumed his career as a bureaucrat and academician. However, he was gaining a reputation as a skilled politician as well as a scholar-bureaucrat and rising in the ranks of a Taiwanizing KMT. In 1978 he left the JCRR and served as Mayor of Taipei until 1981. He then was appointed governor of Taiwan province, serving from 1981 until 1984. He assumed the vice presidency under Chiang Ching-kuo in 1984 and when Chiang died on January 13, 1988, Lee took over as his successor.[41]

First Steps in a New Domestic Policy, January 1988–December 1990

Lee first gained control of the KMT and then used his power to fight challenges to his programs and policies in both foreign and domestic affairs. This proved to be an ongoing challenge to an ethnic Taiwanese who was fighting to gain authority over a party still dominated by *wai-shen jen* who were, on the whole, more conservative than the Taiwanese technocrats brought in by Chiang Ching-kuo.

Over the course of his first half year in office, Lee demonstrated that he had the ability to build that all-important relationship with the party. He was able to consolidate his leadership authority and demonstrated this at the KMT Congress in July of 1988. At that meeting he received an overwhelming majority of votes from the 1,300 delegates, who endorsed his elevation to the post of chair of the KMT. He went even further in securing his position. He was able to reshuffle the party leadership, naming thirty-one party members to the Central Committee, sixteen of whom were Taiwanese. For the first time in its history, a majority of the party's key decision making body was now held by *pen-ti jen.*[42] As Parris Chang observed, the committee " . . . younger and reform minded, includes the first representative of labor, and includes a woman member for the first time."[43]

Lee was also able to reshape the Executive Yuan in the weeks following this crucial party meeting. He retained the premier, Yu Kuo-hua, a mainlander from Chekiang, who continued to serve as head of the cabinet, but reshuffled the rest of the members of this key administrative/policy making body. He appointed many younger men and chose other Taiwanese to serve as ministers. Key positions in this new cabinet were held by Taiwanese, including the minister of foreign affairs and the minister of finance. Lee's choice for finance minister was a woman, Shirley Kuo. In making this appointment Lee twice shattered precedent. The cabinet that Lee appointed also reflected his own class/educational background, for it included fourteen individuals with Ph.D.s from the United States.[44]

While this was an impressive start, Lee learned in the months that followed that there was more to cabinet and party politics than having one's people in place. He faced a very different KMT from the one his predecessor controlled. The complexion of KMT representatives in the Legislative Yuan had changed. Newly elected, second generation mainlanders formed their own faction, seen by some as "young Turks." They were openly hostile to KMT's hierarchical practices and to the way the party carried out its political affairs.[45] The era of strict party discipline within the KMT was drawing to a close.

That Taiwan had now entered an era of two-party politics was demonstrated by the both the campaign and the results of the of the 1989 elections. The elections were held on December 2, 1989, and were the first multi-party elections in forty years. Being contested were 101 seats in the Legislative Yuan, 77 seats in the Provincial Assembly and 94 seats on the Taipei and Kaohsiung city council, as well as the seats of mayors and county magistrates. The DPP and the KMT went head to head in these races and an estimated 70 percent of Taiwan's registered voters cast ballots. Each party held rallies during the formal campaign period, and the audiences at these rallies increased as the actual day of election neared.[46]

Although the KMT won the elections, the DPP made a solid showing for itself in this first major post-Chiang-era contest. DPP candidates captured 21 seats in the Legislative Yuan and as a result of winning these seats gained the right to introduce legislation. The DPP also won the battle for county magistrate in Taipei County when You Ching beat his KMT opponent[47] James Soong, who was then serving as the KMT's secretary general, and who would in 1997 become the embattled governor of Taiwan Province. The DPP managed to take 7 of the 21 county magistrate seats and altogether won a total of 65 seats. Some observers, mostly those from outside the nation, considered this a victory for democracy, but to the KMT officials, who were not used to an open and competitive system, the results were seen with foreboding: In the opinion of these conservative party members, Taiwan had entered a new and dangerous period, for it seemed to them that the time when the KMT's long-held power would slip from its grasp was approaching.[48]

The election was a clear and direct sign that substantive political change was under way. For the new president, striving to control his party, it meant more

worries. Those high in the party ranks who were unhappy with his liberalism and his Taiwanization were all too willing to see the party's loss as a sign of his weakness as leader. Lee recognized this and quickly took the offensive. He set up a party task force that was instructed to implement party reforms. He also ordered that a detailed review of KMT plans for recruiting and training young talent be initiated and that the party examine the results of its new policy of holding primaries as a way of choosing its candidates.[49]

He faced other inter party challenges as well during the late months of 1989. Major disagreements about Lee's foreign policy and initiatives concerning the PRC proved to be the starting point for a new wave of KMT factionalization.[50] These disputes over external policy resulted in the evolution of two different power blocs at the highest levels of the ROC's government.[51]

In early 1990 the process of factionalization and bloc building went even further. Now domestic issues forced the process of faction building. Lee created his own crisis and a new round of inter-party conflict when he announced that Lee Yuan-tsu would become his running mate as he went through the formal processes to become president. The more conservative mainlander faction within the KMT opposed Lee and threatened to run a challenger against him, which was unprecedented. Rather than face such an open challenge to his power at this moment in the late winter of 1990, Lee Teng-hui compromised. Once the election for president was over—an election conducted in the National Assembly, Lee made Hau Pei-tsun—a mainlander, a career military man, a strong supporter of the one ROC's (and the PRC's) one China policy, and a strong advocate of law and order—the new premier.[52]

Hau's ascension was seen by observers as marking the formal creation of two power blocs or factions. The "mainstream" faction, centered around the president and made up largely of Taiwanese, was pragmatic and reformist in nature. Premier Hau was nominal leader of the "non-mainstream" faction. It was made up of mainlanders and its members were more conservative and hard line in their views on both domestic and foreign policy. The struggle between these two factions was central to KMT life during the months from spring 1990 to the months after the dramatic elections for the Legislative Yuan in December 1992.

In March 1990 President Lee learned one of his most important lessons. It was that he needed to make large-scale compromises that would allow him to set the stage for even more dramatic and substantive changes in Taiwan's governmental and political system. The KMT's own factional conflicts helped to precipitate the dramatic and potentially chaotic event. The threat to the presidential election was seen by many people on the island, especially college students, as a bid on the part of some old party types to put a halt to Lee's reform movement. A group of students decided to take dramatic action to push their own sociopolitical agenda, one that was surprisingly in line with Lee's own program.

From March 16 to March 22 students from Tai-ta and other universities engaged in a dramatic act of political theater that reminded many on Taiwan

and elsewhere of the student movement in the People's Republic of the previous year.[53] Choosing the location well, the students occupied the area just inside the main gate of the Chiang Kung Memorial Park, taking over the steps of the major concert hall/national theater complex near the very heart of "official Taipei."[54]

The students, like those in Beijing a year before, began hunger strikes, and many wore headbands with political slogans written on them. The shadow of the events of the spring of 1989 in mainland China lay heavily on these students and on the members of the Nationalist government they were demonstrating against. However, they and the members of the KMT-dominated regime had learned much from the shattering events in China and their painful aftermath—the Taiwanese students made clear and realistic demands. They did not expect too much, but aimed for things the regime could and might be willing to do. They were also careful not to cause the government to see the actions they took as a direct threat to social stability and to the established political order.

Their demands centered around matters of political process and were moderate and quite pragmatic in tone. The students called for an end to the National Assembly, retirement of key mainlanders whose position in the legislature was frozen in time and place, a timetable for full democratization, and a general revamping of the constitution. These were demands that, for the most part, members of the government and members of the moderate faction within the DPP could agree to and thus they could be seen as pushing President Lee's government further along a road it was already taking.

But a formal negotiation process had to take place. Chu Hai-yuan, a prominent sociologist, was brought in. He was known by students and by the government as one who could serve in the role of honest broker. And as he had done in the past, he was able to talk to both sides and find common ground.[55]

Then, with his election secured, President Lee visited the students. He told them that he was committed to convening a high level and inclusive conference that would study the needs of the ROC. This was an important statement for it showed the students that he saw their point, agreed with their call for change and was now going to plan a conference that would deal with the specific demands they, the students had made. This settled the crisis in a way satisfactory to all concerned and paved the way for the National Affairs Conference—the Kuo-shih-hui.[56]

The National Affairs Conference took place from June 28 to July 4, 1990. It was a dramatic and highly publicized event that was covered closely by the island's now more open media. Many important figures participated in the conference.[57]

Those chosen as chairs were a diverse group, albeit all male, that demonstrated how wide a net Lee and his regime wanted to cast.[58] Deliberations went on as planned and formal and informal socializing went on as well, breaking the ice between long time political opponents and between the government and its

critics. The exchange of ideas was lively, and basic agreements were reached by all parties concerned before the final session was over.

Five large sets of issues provided a core of subjects for deliberation. (1) Substantive parliamentary reforms. The issues of the retirement of members of the National Assembly and the reconstruction of that legislative body were the first to be dealt with. The National Assembly was a hybrid body and can be thought of to Westerners unfamiliar with its role and its functions as the rough equivalent of a U.S. Senate that could act as an annual constitutional convention. (2) The nature of local governments on the island. Questions of the provincial government would be taken up at the Consultative Assembly—a National Affairs Council Part II held in late 1996. Just how these governments might be changed—whether by following the explicit text of the constitution in place in 1990, or by introducing new sets of amendments that dealt with local government as it existed in 1990 and not in 1947—was discussed. This seemingly small issue turned out to be crucial, for there were questions of institutional overlap and over-governance of a place that was both (or either) a small nation or a small Chinese province. (3) The structure of the central government. (4) The constitution. Whether it needed to be revised, amended, or fundamentally rewritten. (5) Relations between Taiwan and the mainland.[59]

The National Affairs Conference gave Lee Teng-hui the opening he needed. He was able use the symbol of the inclusive conference and, more importantly, the results of that conference as a much-needed mandate for reform. He convinced the citizens of Taiwan to see the conference as a clarion call to transform the structure and the role of the National Assembly. The members of the newly reconstructed legislative body would then use their institution's mandated powers to amend the ROC's constitution. These amendments would transform the very nature of presidential, cabinet level, and legislative operations and politics in the Republic of China. The end of the National Affairs Conference signaled an end to a period of relative accord between the two major parties. By the fall of 1990 the intra-party battles began once again with more than their usual fury.

Besides being a foreign policy issue, Taiwan's relations with the mainland were also closely connected with perhaps the most vexing of domestic issues—Taiwanese independence. To talk about reunification with the mainland was to wave a red flag in the face of the many DPP members who openly supported independence. In the fall of 1990, members of the DPP looking ahead to their attempt at securing the gains made at the National Affairs Conference, as well as to those political battles that would take place in 1991, brought the "reunification versus Independence" question to the foreground. The KMT was not simply an observer or a player that reacted to its opposition's tactics. Rather, its leaders forced the DPP to act and make its stance public. In previous months the KMT had developed agencies to deal with the expanding level of PRC-ROC relations and set up a National Reunification Council. Its information agency had also

begun to publicize the KMT's hopes for eventual PRC-ROC unification.[60] After a flurry of statements, the Government Information Office lowered the level of rhetoric.[61] However it also announced the results of public opinion polls that showed that the public was against independence and for talks on unification.[62]

The DPP responded to this campaign for unification by stepping up the level of its own rhetoric on the issue. A DPP legislator raised the issue in the Legislative Yuan, knowing what the regime's response would be.[63]

The escalation continued a few weeks later when the DPP announced that it planned to establish a committee to promote the independence movement, suggesting that by taking this dramatic step they were pressuring the government to take action on governmental reforms. The government responded with forceful words. Shaw Yu-ming, then the director general of the GIO, issued a statement condemning this DPP action, taking care to cite ROC laws that prohibited just such a step.[64] The stage was now set for the battle over the independence issue that would take place a year later during the election campaign for the new National Assembly.

Overview: Political Evolution, Political Conflict and Institutional Change, 1991–1994

Each of the four "political years" beginning with January 1991 was dramatic in its own way. Winter and spring were the times that the legislatures met to pass important legislation and the executive's budget. During the summer the legislatures would recess and parties would hold their primaries. With the primaries over, the candidates would plan their fall campaigns for reelection. In the fall the legislatures would reconvene and the election campaigns would gather steam until the day late in the fall when the elections were held. The struggles for institutional change, the infighting within the ranks of the KMT and the battles between the two and, after mid-1993, three major parties would take place in these legislative and executive arenas as well as in the streets, in the print and electronic media. In some years the political conflicts would even spill out into the streets of the capital or other major cities.

On Taiwan, during this dramatic period of four years, the constitutional changes of one year prepared the way for the transformation of the political/governmental process of the next.

Constitutional Reform and the Elections for the New National Assembly, 1991

During the early months of 1991, as the crisis in the Persian Gulf raged on—threatening the ROC's access to oil, Lee Teng-hui and his faction within the KMT pushed ahead to fulfill the promises he had made to reform the island's political system.[65] The first step was to transform the National Assembly. This

meant that the current Assembly would have to introduce legislation to dismantle the very legislative body they were members of. A new National Assembly would be elected at years end, an Assembly whose members truly represented the Taiwan of 1991 and not the China of 1947. It was this second incarnation of the National Assembly that would formally make many of the constitutional changes that had been decided on.[66]

By the time the National Assembly adjourned in late April, it had ended the "Temporary Provisions Effective During the Period of Mobilization for Suppression of the Communist Rebellion"—the formal statutes set up to deal with the civil war in China in the late 1940s and the legal foundation of the KMT dictatorship on Taiwan. It had also reduced the size of the National Assembly from 613 to 327 seats, cut the number of seats in the Legislative Yuan from 220 to 161, and reduced the terms of National Assembly members from six year terms to fours years. The newly elected and much smaller body was to be elected in the late fall and was to make further constitutional changes at its sessions in 1992.[67]

The Democratic Progressive Party, however, did not participate in all of the National Assembly's proceedings. DPP members did not like the way the KMT had engineered this special session of the National Assembly, and on April 16 they walked out, boycotting the remainder of the meeting.[68]

In mid-May, the Legislative Yuan rewrote the laws governing sedition. Under the new statutes, sedition was defined as criminal law to be dealt with through regular channels, and was no longer considered treasonous. The legislators, the press, and the public saw this action as a genuine step toward democracy.[69] Changes in the election law and in the way the members of the new National Assembly were to be elected created new inter-party conflicts. The KMT majority in the Legislative Assembly introduced a "one ballot" system of proportional representation. The DPP opposed the new system preferring, instead, a separate popular vote for the special seats. Its representatives argued that the KMT, as an older, larger, and more visible political entity, would get more votes from those voting a straight party ticket.[70]

By September, what had been a lull in the DPP/KMT conflict ended, as both sides looked ahead to the December elections. The government began cracking down on the U.S.-based "World United Formosans for Independence," and other pro-independence organizations.[71]

Matters escalated further in late September. The DPP, testing the new statute on sedition, came out publicly and called itself the party of independence. A few days later the government moved to resolve the conflict over the right to campaign on the issue of independence by setting up a task force to study the sedition statute that was at the heart of the evolving KMT-DPP struggle.[72]

This seeming compromise did not mean that the KMT had lost its taste for battle. On October 2 it announced its candidates, stating that it planned to win three fourths of the seats in the National Assembly with a party slate many saw as formidable.[73]

The DPP's fifth national convention platform called for the establishment of a Republic of Taiwan. In an almost unanimous vote the 350 delegates called for a plebiscite that would allow Taiwanese citizens to vote on the issue, thus making independence the central issue in the vote for the National Assembly.[74]

The battles between the KMT's calls for reform and the DPP's call for an independent Taiwan raged on until election day in December, when the public made it clear that it considered the DPP's campaign, centering as it did on the issue of Taiwanese independence, misguided. Nine million voters went to the polls and gave the KMT 71 percent of the vote and 254 seats in the Second National Assembly. The DPP received only 24 percent and 66 seats.[75]

The New National Assembly, the Process of Constitutional Reform, and the Elections for the Legislative Assembly (li-fa yuan), *1992*

The internal struggle between the two factions of the KMT became dramatically evident in the middle of March 1992 when party delegates convened for a meeting of the Central Committee. The topics discussed at this meeting concerned the terms of the president and the members of the National Assembly and the Legislative Assembly, and the way the president and the vice-president were to be elected.

The National Assembly soon began carrying out its mandate for constitutional change by moving ahead on the terms of the Legislative Yuan and the president and vice-president, but went no further: The issue of direct election remained a contentious one.

This lack of KMT action gave the opposition DPP the weapon it needed to attack its rivals. The DPP at first kept its fight in the halls of the National Assembly but then took its battle to the streets. Two days later, DPP leaders called on President Lee to talk to the demonstrators and the DPP leadership.[76]

The DPP dissent was making itself felt on the National Assembly, although the KMT was not yet willing to accept DPP demand for direct elections The assembly did move quickly, however, reducing the twenty-one proposed amendments to nine more workable amendments. Included in these were changes in the terms of office for the president and legislators. Also included were protections of aborigine rights and culture. Concessions had been made to the DPP but these were not deemed sufficient, and it continued its opposition to the KMT's railroading of legislation.[77]

By May 27 eight of the nine proposed amendments had been passed, and these amendments did change the structure of the government. The term changes were the most visible innovation, but other things had been changed as well. For example, the Control Yuan, once considered a branch of government equal to the other branches, was now reduced in power to the role of a semijudicial body. On the other hand, the National Assembly gave itself more power, for it now had the

right to nominate members to the Judicial Yuan, the Control Yuan, and the Examination Yuan. The provincial governor and the county magistrates were to be elected by the citizens. Finally a new fifteen member court was set up to review the actions of the political parties.[78]

Domestic politics was one dangerous minefield the president had to traverse. Another was the ethnic antagonism underlying Taiwanese politics. The February 28 Incident still divided Taiwanese from Mainlanders. As a Taiwanese who was head of the government responsible for February 28, Lee Teng-hui was in a good position to confront the ghosts of the past. He did so in the winter of 1992, when the official government report on the incident was issued amid a flurry of publicity and a series of high-profile events.[79]

The release of the February 28 report was part of a larger effort to lift censorship on the media and thus provide for the evolution of viable free press and free electronic media. The government took another important step in the spring by changing the nature of the sedition statute. This was considered a first step toward real freedom of expression in the Republic of China.[80]

That summer when KMT hopefuls announced their candidacy for the new 160–member Legislative Yuan and their decision to run in the party primaries,[81] the DPP responded by presenting a report produced by the party's strategy and policy center spelling out its policy initiatives on a variety of issues.[82]

Presented in the form of a policy "white paper," the DPP's platform dealt in detail with the party's mainland policy, calling for a peaceful settlement with the mainland and assurances from the PRC that no force would be used against Taiwan. It also called for negotiations leading to the creation of direct cross-the-strait transportation links. The foreign policy proposed was simple and powerful—that under the one China/one Taiwan formula, Taiwan should have formal diplomatic relations with major nations. The white paper also contained DPP ideas about domestic issues such as social policy—calling for social security and educational reform, improved labor relations, economic reform, and for selling-off of some of the government's and the KMT's extensive resources. The white paper was a gauntlet thrown at the feet of the KMT leadership.[83]

In the fall, the KMT unveiled its platform, the central tenet of which was the "one China policy"—that China must be unified under a free and democratic system. As a corollary to this, it stated that they opposed the DPP's "one China, one Taiwan" concept or any other form of what they considered to be separation. Their platform contained nineteen other guidelines—or planks—concerning foreign policy, domestic politics, and other major issues.[84]

Distinct styles of campaigning emerged during this election. One DPP candidate in Taipei staged various leisure activities such as chess competitions, softball games and Karaoke contests. Candidates belonging to one party banded together and held joint rallies to reach out to the public.[85] Other candidates realized they needed specialists to run their campaign, opening the door to individuals and firms in the field of public relations and advertising.[86]

The formal campaign that followed was heated, and included fierce attacks and exchanges. Premier Hau Pei-tsun proved to be a lightning rod for criticism and controversy and at times seemed at odds with his own party, defending the old guard, non-mainstream clique and taking a strong law and order stance. The DPP responded in kind, depicting him as a sinister mainlander, out of touch with Taiwan's political realities.[87]

This high visibility national campaign stood in contrast to the quieter but equally serious campaign that took place on the local level. Although here too candidates pulled out all the stops, even holding banquets for voters. One such event was attended by 15,000 people at an estimated cost of $U.S. 40,000.[88]

Taiwan's citizens went to the polls in record numbers. The DPP got the victory it wanted, winning 50 seats. The KMT won 102 seats and received 53 percent of the vote, somewhat less than the party leaders had hoped for.

Lee Teng-hui found that his party had lost some of its strength and that its divisions were clear. However, now politically sophisticated, he realized that his enemies within the party had also lost ground. He could now change the party and find people who reflected his views, furthering the process of Taiwanization his predecessor had begin in 1971.

Taiwan's New Political Environment Emerges, January 1993–December 1994

During the period from January 1993 to December 1994, the expected realignments in the Executive and Legislative branches took place with clear winners and losers. The biggest winner was the mainstream faction supporting President Lee Teng-hui. The biggest loser was his premier of almost three years, Hau Pei-tsun, and his non-mainstream faction.[89]

The year began with President Lee clearly assuming command. In one of his trademark public gestures, Lee laid out his agenda for the new legislature to the nation. On January 4, he gave a wide-ranging address which dealt with constitutional reforms, and mainland affairs—one the most important and vexing issues his government faced—economic development, national defense, and foreign policy.[90]

As the date for convening the new Legislative Yuan drew closer, discussion within the government grew more furious. Premier Hau, who had borne the brunt of the DPP attacks, wanted to leave, but also wanted his opinion heard as he left. Hau and President Lee discussed the issue and asked Hau's cabinet to tender its resignation. Combative to the end, Hau resigned the premiership while retaining positions within the party.[91]

The KMT legislators then acted on a number of key decisions. For the first time, they decided on who should be the president and the vice-president of the legislature. They then attempted to expand their legislative powers, taking on new powers of inquiry and investigation which traditionally belonged to the cabinet. Not surprisingly, the cabinet rejected the idea.[92]

Although the decision to chose a premier was in President Lee's hands, he made another public gesture by asking the legislators for their opinions, thus suggesting that the legislature was no longer merely a rubber stamp.[93] Lee already knew who he wanted—Lien Chan. Lien was a native Taiwanese, like Lee. He was originally an academician, and had risen through the governmental ranks assuming key posts over the years, including a position in the Ministry of Foreign Affairs.[94]

To forestall a fight in the Legislative Yuan over the approval of Lien's appointment, Lee hoped the DPP would play the role of the loyal and responsible opposition. Nevertheless, the DPP announced that it would work to defeat the nomination of Lien Chan. The struggle now began in earnest, and only after a prolonged struggle put up by the DPP and KMT dissidents from all over the island was Lien Chan finally approved by a sizable majority.[95]

One key issue that Lee, the premier, the new cabinet, and the Legislative Yuan all faced was the copyright conflict with the United States. Another issue was a DPP bill designed to ban political parties from running or investing in for-profit companies. This had been a long-standing practice, resulting in party coffers that were usually full. KMT legislators agreed that this bill was a useful step toward substantive reform.[96]

A third issue discussed was disclosure of the assets of high-level government officials and legislators. The DPP and the New KMT Alliance, a coalition of anti-Lee, reform-minded, and pro-reunification KMT legislators, called for the passage of the Sunshine Bill, a bill that would force the legislators and the bureaucrats to disclose their assets. The KMT was not willing to accept the bill as it was written and called for changes. The DPP's Shih Ming-teh continued to press for passage of the bill, threatening legislative deadlock. Finally a newly forged alliance between the DPP and the New KMT Alliance pushed forward. The KMT found it had to bend to the will of the public. Thus, on June 8 a second reading of the bill was held and it passed.[97] The passage of the bill was seen as a yet another major victory for democratization.

The vote on the Sunshine Law was an important victory, but the DPP and other enemies of an all-powerful state, such as the New KMT Alliance, also suffered a major defeat during this same period. The bill reestablishing two major security agencies, the National Security Council and the National Security Bureau, was passed by the legislature after a floor fight.[98]

The New KMT Alliance was now moving closer to breaking away from the KMT. The KMT met this challenge by appointing Hsu Shu-teh as its secretary-general. The government acted again to demonstrate its still potent political clout by appointing James Soong provincial governor.[99]

The DPP realized it had won a major victory when Huang Hsin-chieh was given his seat after a long and tortuous investigation of the election in Hualien. The party spent several months trying to broaden its role in the legislature and in

the political process in general. One step it took was arguing that it had a role to play in determining mainland policy. The heads of the Mainland Affairs Council and the Straits Exchange Foundation both responded positively to this new initiative.[100]

Not willing to let their rivals get the upper hand, Lee Teng-hui and his subordinates worked to give themselves and their party positive visibility during the following months. Lee's actions were a prelude to the announcement of the date for the 14th KMT Party Congress. For its part, the KMT Central Committee announced a new party charter which stressed building consensus through democracy and fighting harder for people's interests.[101]

The long awaited formal break of a rebellious KMT faction from the main body of the party took place in late July, when the members of the New KMT Alliance (Six KMT legislators and thirty others) announced that they were officially breaking away from the KMT and forming a party called, simply, the New Party (*Hsin tang*).[102]

The scene was now set for a smaller, besieged KMT to convene its 14th Party Congress. Lee Teng-hui was elected party chair for a four-year term, and. 138 new members of the Central Advisory Committee were also elected, joining the 131 existing members.

The KMT's democratization, as evidenced by the unruly style (name calling, fist fights, etc.) of the 14th Congress, was soon seen within the ranks of the government the party controlled as well. The cabinet, acutely aware of the strong public and bi-partisan support for the Sunshine Law, now introduced its own guidelines of disclosure of assets and set a date for officials to comply—October 31, 1993. Ranking officials were also mandated to place their major assets in trust for the duration of their period of service. The law defining the nature of the trusts had yet to be passed, however, and this had to be done within the year.[103]

By late October, the election campaign shifted into high gear. The KMT, feeling pressure from the other parties, attacked the DPP as radical and the New party as an organization too ready to negotiate immediate reunification with the PRC. The DPP ran a low key campaign, employing strategies that allowed it to undermine President Lee's great appeal to DPP voters. The New Party, calling itself the representative of the common people, attacked both major parties as liars and vote-buyers.[104]

With the election the KMT could see that things were not as bad as its leaders had feared. The party captured 15 of 23 mayoralities and county magistrate's seats in strongly contested campaigns. It did lose a number of key battles, however, most notably in Tainan and Miao-li. The New Party gained no seats and the DPP won six seats, not the eleven they had hoped for, but they did gain over 40 percent of the popular vote. Shih Ming-teh now became the new chairman of the DPP.[105]

The Legislative Assembly's session that had begun in the fall of 1993 finally came to an end in December. In the view of observers and participants, it had been a fruitful one.

Although 1993 ended on a high note, the early days of 1994 proved to be difficult and augured ill for the months to come. As winter unfolded, the government was faced with a series of scandals, including corruption in the Defense Ministry and vote buying in elections for speakers and deputies.[106]

Other branches of the government could not simply sit by as the investigations about the scandals went on and perpetrators were charged. In a new session of the Legislative Assembly, the KMT demonstrated its strength by using its numbers to seat KMT members in key committee chairmanships and on major committees.[107]

The Legislative Assembly began eliminating out-dated laws, and refining those already on the books. This new term was devoted to studying and fine-tuning the ROC's budget as submitted by the premier and cabinet and finding the revenues needed to pay for government expenditures.[108]

By April, the Central Standing Committee of the National Assembly was ready to introduce a series of eight amendments to the constitution. These included the direct election of the president, creation of the offices of a speaker and deputy speaker of the National Assembly, ending the premier's power to countersign presidential appointments, extending the legislators' terms to four years, and limiting parliamentary immunity of speech.[109]

By early July, after a great deal of infighting and violence on the assembly floor, the 112 amendments had been reduced to 22. It was not until July 29 that the National Assembly completed its work.[110]

By the end of July, after much delay and contentiousness, the Legislative Yuan had acted on and passed a series of laws that made possible among other things the direct election of the governor and the mayors of Taipei and Kaohsiung. These laws also determined the makeup of the provincial assembly and allowed the provincial government to levy new taxes.[111]

Other major issues dealt with by the The Legislative Yuan were health care and the funding of a new nuclear power plant. The residents of the fishing village of Kung-liao, 40 km east of Taipei, voted against the construction of the plant. However, representatives of both Taipower and the Economics Ministry stated that the vote was not legal and that they were therefore not bound by it.[112]

The battle over funding of the plant was brought up in the Legislative Yuan, and although there was strong opposition from the DPP and the New Party, anti-nuclear forces did not gain the final victory they wanted—the party-line vote approved funding for the plant.[113]

The Legislative Yuan passed a heath care bill that provided coverage for the 43 percent of Taiwan's population who did not have any health care. This was an important and dramatic and very costly step for the government to take. However, the lawmakers, recognizing the cost factor, made the health-care system voluntary, not mandatory.[114]

Leading up to the December elections, the parties were now preparing to hold their primaries. The New Party was working to separate itself fully from the KMT; it completed its nominations for the post of provincial governor, for mayor of Taipei, and for mayor of Kaohsiung.[115]

KMT leaders nominated Shih Chi-yang to head the Judicial Yuan. Shih's appointment was the first made under the new constitutional amendment giving the president power of appointment without the premier's countersignature. The DPP challenged the step by first issuing a long statement and then boycotting the Legislative Yuan's vote on the new appointee.[116]

The National Assembly took another step which had an impact on Taiwan's judicial system a few weeks later when its members appointed justices to serve in the Council of Grand Justices. This key organ had been increased in size by constitutional amendment and the positions were now all filled. When the vote was taken, only one nominee failed to win a position. This nominee was Lin Chi-shih the wife of Lin Yi-hsiung, a key *tang-wai* figure and a man called the godfather of the DPP. Mrs. Lin's failure to win an appointment was seen as a political act by DPP members.[117]

In mid-September, Premier Lien opened the Legislative Yuan with a speech warning Beijing to work towards better relations with the ROC, and presented the cabinet's list of items it wished the legislators to deliberate and pass. The new session did not begin smoothly, however, for the DPP was protesting a recent crackdown on underground radio.[118]

On September 12 the Central Election Commission ruled that debates between the candidates for provincial governor and for mayors of the key cities could take place, something the public had been calling for.[119]

While the first-time-ever television debates for Taipei mayoral candidates were a step toward greater democracy, the legislature also discussed bills that could be seen as a distinct backward step. The legislature debated ways to make the recall of candidates more difficult. KMT legislators introduced measures that called for more signatures and specified that recall votes take place on special election days, not on days when nationwide elections were held.[120]

As these steps were taken on the legislative and political fronts, the island was rocked by major scandals. The DPP found itself hardest hit by a scandal involving the stock market and another involving the sale of heroin. The KMT was also hit hard, as some of its members were caught up in the stock market scandal.[121]

By November 18 the campaign for governor heated up.[122] Politicians from all parties as well the general public recognized that this would be a historic event marking a new step in the ROC's ongoing process of democratization. The major parties used their extensive clout to gather vast sums of money for the campaign, and each candidate tried to out-advertise his rivals. The public

got into the act and Taipei taxi drivers carried on their own mini-campaigns and made Taipei a rather wild place as the election day drew closer.[123] The ROC leaders also decided they had to play their roles. President Lee and Premier Chien made stump speeches and spoke out at rallies, as did Shih Ming-teh, the DPP party leader.[124]

The electorate split the vote in December. Soong won the governor's post and the mayor's seat in Kaohsiung. However, Ch'en Shui-pien, the DPP candidate, was elected mayor of Taipei. The New Party and the DPP did well, gaining seats at the expense of the KMT in the provincial assembly and the city council seats in Taipei.[125]

In the weeks that followed, the KMT-dominated government went into action. The cabinet reshuffled twelve key post. The effort was made in the wake of what were seen as disappointing results in the December 3 election and the party's need to better define its policy toward the PRC. New Party gains probably had some effect on this facet of Lee and Lien's decision.[126]

Lee Teng-hui's Taiwan and the World: Foreign Policy and Cross-the-Strait Policy

By the late 1990s, the Republic of China had been diplomatically isolated for almost two decades and Lee and his foreign minister had to chart a policy to confront this isolation and maneuver around it, working on both the formal/governmental and informal/nongovernmental levels of international relations. When Lee Teng-hui took command of his party in July 1988, he made it clear that a vigorous, effective, and innovative foreign policy, "pragmatic diplomacy," would be central to his new administration.[127]

At the heart of this foreign policy was the realization of the simple truth that money "talked." Thus, an important aspect of the informal foreign policy that Lee and his foreign minister developed involved investment, membership in UN-related nongovernmental organizations (NGOs) and regional economic and trade groups, all areas where Taiwan's large capital reserve could be put to good use. The ROC was able maneuver around the traps and barriers that the regime on the mainland continued to set for them in its ongoing attempt to continue Taiwan's isolation.[128]

This new approach was evident in initiatives begun in 1988 that continued into the 1990s. Taiwan had maintained working relationships with states in various areas of the world and continued to build on them as it strove to take advantage of evolving regional and world-wide diplomatic and political-economic trends—and crises—to broaden its reach and increase its influence overseas.

The central target of ROC diplomacy was Central America, especially Costa Rica, Panama, and El Salvador. The regime worked to improve relations with the region, courting leaders and sending the president and other high ranking officials to visit, and inviting their representatives, to visit Taipei. They also provided large amounts of economic aid to each of these nations.[129]

ROC initiatives in Africa were also quite successful. In 1989, for example,

the West African state of Liberia decided to follow a dual recognition policy by maintaining formal diplomatic relations with the ROC while continuing its relationship with the PRC. This made Liberia the first nation to reestablish ties with the ROC since the latter's expulsion from the UN and its PRC-promoted isolation began. This was an important first step in the pursuit of "pragmatic diplomacy." The ROC also maintained ties with states it had long recognized. The visit of the young King of Swaziland, Maswati III, in late October of 1989 was one of those formal occasions that represented the kind of high profile diplomatic initiative the ROC was seeking.[130]

These initiatives continued with new approaches to Swaziland and South Africa, including a visit to Taipei by Nelson Mandela in 1993. Soon the Central African Republic resumed diplomatic relations with the ROC. This was followed a year later by the establishment of full diplomatic relations with Niger in the face of vigorous PRC opposition.[131]

Lee visited South Africa in 1994 to attend Nelson Mandela's inauguration, meeting privately with Mandela and former president Willem DeKlerk. This occasion also gave Lee the opportunity to meet other major leaders including American vice president Albert Gore and Yassar Arafat. The trip demonstrated to other nations that Lee's government was intent on finding a place for itself among the community of nations.[132]

ROC officials also tried to take advantage of the transformation of Eastern Europe and worked to develop relationships with the Baltic states, with other former Soviet client states, and with the nations that had broken away from the Russian-dominated Soviet Union. In 1990, for example, ROC diplomats began discussions with representatives of Poland and Bulgaria at an international meeting on trade convened in Taipei that August.[133]

In 1992, Latvia became the first nation in the area to develop quasi-formal ties with the ROC. In June, a delegation from Belarus, including the mayor of Minsk, came to Taiwan and paid a formal visit to Chiang Ching-kuo's Belarusian-born widow minister to negotiate business deals.[134]

In September 1993, Russia and the ROC agreed to establish quasi-official relations. U.S./ROC-style offices were to be set up in major cities to handle various official services, such as issuing visas.[135] At year's end, Latvia announced its decision to set up direct air links with Taiwan and signed a pact relating to investment and development.[136] Tatarstan sent its prime minister and other officials to the ROC to negotiate business agreements. ROC officials saw links with this resource-rich area as important to strengthening its evolving relationship with the Russian Federation itself.[137] In March 1994, Michail Gorbachev made a six-day visit to the ROC. During his visit it was announced that trade with Russia had reached $U.S. 708 million by 1993.[138]

In the same period, talks with Western European nations began, with the goal of developing stronger economic ties and establishing or reestablishing direct air links. Austria inaugurated direct air links in June 1991.[139] High-level French delegations

visited the ROC in January of 1991 to discuss various trade and business issues, including the establishment of a Sino-French coordination council.[140]

However, some gains did not come so easily. Germany, for example, sent a delegation of officials to the ROC in early 1993, in part to compensate for Germany's refusal to sell submarines to the ROC, but it only represented one state in the German Federated Republic, Saxony-Anhalt. Trade was fostered and some bridges were rebuilt. Earlier that year authorities in Great Britain and the ROC signed a similar agreement giving the Taiwanese airline Eva Air the right to fly to England. Step by step the ROC was reconstructing its relationships with European nations.[141]

There were mixed results, too, in the Middle East. In 1989, for example, Taiwan and Saudi Arabia broke off relations. Despite this break in relations, Taipei soon began to work out new quasi-governmental relations with the Saudi government so that the national oil company could continue buying oil from the Saudis and could continue investing there.[142]

During 1992, the ROC developed closer, though informal ties with Israel. Even though earlier that year, Israel and the PRC had issued a joint statement announcing the establishment of formal diplomatic relations, the ROC took no formal action against Israel and set up trade offices in Tel Aviv.[143]

The ROC was most active in Southeast Asia. In the late 1980s and the 1990s, formal or quasi-formal relationships were formed with states such as Indonesia, Malaysia, Thailand, the Philippines, and Singapore.[144]

Perhaps the most dramatic breakthrough made during President Lee's first term was the evolution of an economic and diplomatic relationship with the Democratic Republic of Vietnam. In September 1991, Chen Shen-yi of the Industrial Development Board travelled to Ho Chih Minh City (now again Saigon) with members of Taiwan's land development companies to study sites for establishing export processing zones.[145] A major trade agreement between the two countries that opened the door to the exchange of representatives and to technological cooperation, formalized and strengthened an economic relationship that was reflected in the 600 billion NT that had been invested in Vietnam by the early summer of 1992. In 1994, the United States lifted its trade embargo of Vietnam, paving the way for joint U.S./ROC development of Vietnam and the Vietnamese market. By 1994 the ROC had become the single largest national investor in Vietnam and had also provided Vietnam with loans designed to help improve its infrastructure. The ROC moved into many key areas of the Vietnamese economy including petroleum production and textile production, and by April 1994, four major agreements were signed by Vietnamese and Taiwanese officials.[146]

Taiwan also actively cultivated relations with Australia during this period. In July of 1991, the ROC economics minister was invited to Australia to discuss trade and promote economic ties. He was accompanied by officials of major Taiwanese state-run enterprises such as the Taiwan Sugar Corporation, the Chinese Petroleum Corporation, the China Steel Corporation, and the Taiwan Power Company. This was preceeded by a pact on air service.[147]

On its home ground of East Asia, however, despite some success, Taiwan met painful disappointments. In October 1990, for example, the Tiao Yu Tai Islands dispute flared up briefly. They would prove troublesome again in the mid-1990s as Taiwan and Japan jockeyed for position and each claimed control. Taiwan's quest for a greater share of the Japanese market moved closer to reality in 1992–93.[148] ROC-Japan relations were highlighted by the problem of the Asian Games, i.e., how Japan was to appease the PRC while allowing Taiwan to participate. After much ado, a compromise was finally reached.[149]

Taiwan's relationship with Korea soured when the Republic of Korea recognized the PRC in 1992, followed by the ROC announcement that it was breaking diplomatic relations with its former friend and rival. By 1993 however, the two sides were talking again and progress was being made.[150]

The Taiwan-United States relationship was complicated. There was the quasi-formal relationship the two nations had set up in the wake of the derecognition and the Taiwan Relations Act. There was also the relationship of Taiwan and other certain key agencies within the U.S. government. Thus, when it was to his administration's advantage, George Bush was willing to sell the ROC the F16s it needed to match the PRC.

There were also informal relations between the ROC government and key figures in the United States Senate and House of Representatives. The KMT and the DPP both set up offices in Washington and used these to maintain contact with members of Congress and members of the administration. At key times, such as before the opening of the annual UN General Assembly session, officials and academicians from the ROC would come to the United States to lobby for their cause, in this case readmission to the United Nations, among congressmen and State Department officials.[151]

There were also important ROC initiatives to enter major regional and international organizations and movements, for example, the General Agreement on Trade and Tariffs.[152]

Taiwan's attempt to reenter the United Nations is an example of the workings of Lee's diplomacy in the sphere of international organizations.[153] Taiwan had been out of the United Nations for nineteen years when the cry for re-entry was raised loudly and publicly. This led in turn to a five-year campaign whose failure caused frustration for the ROC every year it took place. The campaign for the UN seat made good press on Taiwan but failed to accomplish much at the United Nations. ROC-officials based in New York suggested that the PRC's reaction was so strong to the now yearly campaign, that such efforts hurt the ROC and made its diplomats more vulnerable overseas.

Mainland Affairs, 1988–1994

Lee Teng-hui faced many challenges from across the strait as he and his government attempted to define the nature of Taiwan's evolving relationship with the People's Republic of China.

When Lee came to office the new cross-the-strait relationship with the mainland had already begun taking shape. In the months after Chiang Ching-kuo allowed *wai-sheng jen* to travel to the PRC, many began to visit relatives they had not seen in almost forty years. *Pen-ti-jen* also took advantage of the lifting of the ban on travel. Leaders and members of some of the larger and more influential Ma-tsu temples sent a delegation to the Ma-tsu ancestral temple (the *tzu-miao*) on Mei-chou island in Fukien. This was only the beginning of what would become a rising tide of tourism and pilgrimages that Taiwanese would make to religious sites in Fukien and in other provinces that were the homes of the ancestral temples of gods prominent on Taiwan.[154]

Businessmen also took advantage of travel opportunities to China. Merchants dealing in religious goods traveled to Fukien to purchase items from shops in Ch'uanchou and Changchou, cities that were the ancestral homes of most of the Minnan (Taiwanese)-speaking citizens of the ROC. Merchants in other types of products also made the trip.

In 1990 the ROC took a major step in developing its relationship with the PRC when it announced the establishment of the Mainland Affairs Commission, which was made a new part of the Executive Yuan. Later in 1990, a new private agency, the Foundation for Exchanges Across the Straits (or Straits Exchange Foundation, as it was later called) was authorized. This agency was designed to facilitate trade development and investment in the PRC and handle other nongovernmental issues. While formally not a part of the government, it was defined as having an intermediary role and could thus be thought of as quasi-governmental.[155]

Once the way to investment-through-joint-venture was paved, an increasing number of industrialists looked for places to build factories. Shoe manufacturers began coming to Pu-t'ien in what was the beginning of the shift of the shoe industry from Taiwan to this coastal county in central Fukien. Industrialists came to the major cities as well, and could be found in Fuchou, the provincial capital, Chuanchou, Changchou, and Hsiamen (Amoy), with joint ventures very much on their minds. Regional and city governments established trade and investment fairs that helped expedite the development of cross-the-strait trade investment.[156]

As 1990 ended, PRC officials made a proposal to hold low-level party to party talks on bilateral relations and reunification under the "one country, two systems" formula the PRC had been pushing. The ROC rejected the plan and proposed secret talks. While the ROC government was wary of the PRC politically, it remained committed to its policy of expanding economic ties with China. One way it expressed its confidence in the evolving relationship was to ensure that the rules promulgated by the Mainland Affairs Council were acceptable to Lee Teng-hui. Lee gave his approval of these regulations in late January 1991; around the same time that the ROC government announced its approval of an indirect joint venture involving a Taiwan-based textile firm. Beijing also approved this pioneering step, demonstrating that at least on some occasions, economics drove international politics and cross-the-strait relations.[157]

During 1991 and 1992, the ROC's relationship with the PRC kept expanding, but each step seemed painful and crises kept occurring that slowed progress. A key quasi-diplomatic mission did go to Beijing in late April to meet with officials in a series of wide-ranging talks that seemed to please both sides. Here business was clearly leading the way, much as the KMT regime hoped it would.[158]

An example of the kind of crisis that occurred during this period happened when three ROC police officers who had boarded a mainland fishing boat they felt was involved in smuggling mushrooms from Taiwan to the PRC were abducted by those on board. A search by ROC ships failed to find the boat. PRC authorities were informed, investigated, and found the men safe in Fukien, whereupon they were released.[159]

This was the first of a series of troubling incidents which forced the ROC authorities to think about the evolving relationship with the mainland. These incidents also caused both sides to consider creating mechanisms which would facilitate higher-level communications. Incidents like these caused both sides to wonder about the feasibility of direct cross-the-strait trade.[160]

Events of a decidedly more positive nature also took place. A delegation of officials and businessmen made an eleven day visit to Canton, Hsiamen, Fuchou, and Shanghai.[161] One positive side effect of these cross-the-strait incidents was that Red Cross organizations on each side of the strait were forced to communicate with each other and this was considered a breakthrough.

During 1992, the relationship evolved, much as it did in 1991, on various levels at the same time. The ROC began the year with some new initiatives that allowed PRC mainlanders to establish private offices in Taipei and for Taiwanese to do so in Beijing.[162]

Premier Li Peng then introduced his own PRC initiative, a forty-four page article regulation that covered cross-the-strait visits. The ROC then made it possible for Taiwanese who had been stranded on the mainland in 1949 to visit or to emigrate. At the same time, a new regulation was issued covering mainlanders working on Taiwan.[163]

From March until May, a wide variety of cultural and academic exchanges were planned and civil servants were now allowed to travel to the PRC, but only as private citizens. This allowed many who had been unable to for so long to make the trip and see the Chinese homeland for themselves. In addition, students up to university level were allowed on exchange programs and trips to the mainland.[164]

As for direct investment, joint ventures were fraught with uncertainty and apt to remain so until the two regimes could work out some system of formal guarantees. Another problem was related to readily available capital for such investments. Taiwanese banks were not yet able to set up branches in the PRC and thus provide the sorts of services the investors and venture capitalists needed.[165]

The first Mainland Affairs Conference was held in September, at which many possibilities for development of PRC/ROC relations were discussed. Three hundred sixty-seven proposals covering several areas were approved to encourage further exchanges across the strait.[166]

By March, the plans for the next round of ARATS/SEF meetings were being formalized. These meetings were to be different as the heads of each organization were to lead the delegations and involve themselves in day to day discussions. The stakes were clearly much higher.[167]

After overcoming a series of minor glitches, the long awaited talks finally got under way in April . Given the rising levels of tourism and investment and the problems caused by high level person-to person and business-to-business interaction, it was imperative that procedures be developed and that protocol for dealing with problems and conflicts be defined. By April 29, the talks had concluded and both sides agreed that they had been as successful as could be hoped for.[168]

Four agreements were worked out. The first dealt with the establishment of systematic communications channels between the two quasi-governmental bodies, SEF and ARATS, the second covered the important issue of notarization of documents, the third covered tracking and compensating for lost cross-the-strait mail, and the fourth dealt with later meetings and the decision to discuss such issues as protection of Taiwanese investment in the PRC and the timing of a cross-the-strait economic conference. This was a watershed moment in the evolving PRC/ROC relationship.[169]

Further talks to consolidate these gains became the major concern of the two governments in the following months. Representatives of SEF tried to meet with those of ARATS to discuss outstanding issues as they implemented those agreements already reached. While concerns about Taiwanese investments continued, other agencies within the government were trying to divert the stream of investment to other areas such as Southeast Asia.

Talks later in the year saw some progress in developing formal mechanisms for easier contact between SEF and ARATS, but broke down again over the issue of air piracy.[170]

In January 1995, the government of the ROC made another important decision concerning mainland affairs by establishing new fields of enterprise that Taiwanese could invest in. These included construction, engineering consultation, and machine leasing. Companies had to apply to the government and decisions were to be made on a case by case basis. The Taiwanese were now poised to provide funds and expertise for the development of the PRC's infrastructure.[171]

In March, the Eighth National People's Congress passed the long awaited law on cross-the-straits contracts. However, it soon came under fire from government officials in the ROC. It did not, in the view of many observers, increase the protection of Taiwanese investment but rather strengthened the PRC government's power over investors and put them under added restrictions. The law did little to shore up Taiwanese confidence in the investment climate in the mainland.[172]

Confidence in the mainland and in the safety of ROC citizens traveling there was shattered almost to the breaking point when in late March a cruise boat on Chingtao Lake was discovered burned, with the remains of 24 Taiwanese and eight others on board. President Lee expressed his great sadness and fury and requested a detailed investigation of what had taken place. The head of MAC and other ROC officials let it be known that all talks with ARATS were suspended until the details of this incident were made available. In one way or another, the Chingtao tragedy dominated ROC/PRC relations for the next few months.[173]

By the end of July, about a month after the executions of the three men sentenced for the Chingtao Lake murders, and after reliable reports of People's Liberation Army involvement, ROC/PRC relations began returning to their pre-tragedy status. MAC had decided to resume cultural and educational exchanges, suspended since April 12, 1994. This step was taken partially because of the desire of many involved to return to normal and partly as an attempt to improve the atmosphere on the verge of the new round of SEF-ARATS talks scheduled for July 30. These new talks were to cover a host of old and new issues. One of the most pressing concerns was the use of mainland fishermen on ROC vessels fishing waters adjacent to Taiwan. Other issues to be covered concerned air piracy and the return of air hijackers and illegal mainland immigrants to Taiwan.[174] The fact that the new talks were to take place at all was seen as the most important sign that the poisoned atmosphere was finally beginning to lift.

By August 8, the new round of talks was concluded and it was announced that a number of agreements had been reached: the deadlocks that had existed on hijacking, piracy, and other issues had finally been broken. The question of notarization was covered and many of the restrictions were eased. Delivery services between the two nations were also to be expedited. Academic exchanges and conferences were to be held as a means of improving cross-the-strait relations and student exchanges were also to be promoted. Other general issues and problems were discussed as a starting point for further changes. There was a general recognition of the differences in society and political culture that divided these two nations, making it difficult to handle a variety of issues such as judicial matters, but at least it could now be said that some level of dialogue had taken place.[175]

By early November, new plans concerning the direct transit of goods and people to the mainland were being discussed. As this point things were still very much in the planning stages.[176]

By the end of 1994 the PRC had raised the possibility of a top level but very private summit between the leaders of the two nations. However, Premier Lien rejected the idea and stated that he wished for an open public meeting. SEF/ARATS talks were discussed with the hope that the chairmen of the two

quasi-governmental bodies would meet and deal with substantive issues and bridge their differences.[177]

The year had been difficult, but had ended well. The basis for a stronger PRC/ROC relationship was now set, or so everyone thought. The period from January 1988 to December 1994 had been in many ways a remarkable one in the development of relations between the two governments that claimed to govern China. The years that followed would show just how far things had come and how much further things had to go.

Notes

1. In preparing this section I made use of a variety of sources. One of the most valuable for students of contemporary Taiwan is *Free China Review* (hereafter FCR), a monthly magazine published by the Government Information Office of the Republic of China/Taiwan. The annual conferences on modern Taiwan held at St. Johns University in Jamaica, New York, have proven useful. Each conference has centered around a specific theme. The proceedings of these conferences are published in issues of the *American Asian Review.* A recent volume that contains essays from conferences on Taiwan held in Chicago under the auspices of the International Symposium on Taiwan Studies has been published by the Center of East Asian Studies of the University of Chicago. See Marshall Johnson and Fred Y.L. Chu, eds., *Unbound: Taiwan: Closeups From a Distance* (Select Papers, vol. 8) (Chicago: The Center for East Asian Studies, 1994). A conference volume that has received attention in academic journals is Dennis Fred Simon and Michael Y.M. Kau, eds., *Taiwan: Beyond the Economic Miracle* (Armonk, NY: M.E. Sharpe, 1992). Another useful book with some especially insightful essays on Taiwan in the 1970s is Emily Martin Ahern and Hill Gates, eds., *The Anthropology of Taiwanese Society* (Stanford: Stanford University Press, 1981). Another valuable collection of essays and excerpts from essays for studying the 1970s is James C. Hsiung, ed., *The Taiwan Experience, 1950–1980* (New York: American Association for Chinese Studies, 1981). Articles contained in a book the author of this chapter edited are also useful and will be referred to. See Murray A. Rubinstein, ed., *The Other Taiwan* (Armonk, NY: M.E. Sharpe, 1994). An important volume, that is regarded as a classic in Taiwan studies, is Ralph Clough, *Island China* (Cambridge, MA: Harvard University Press, 1978). Also extremely useful as a starting point for any student of Taiwan's development is Thomas B. Gold, *State and Society in the Taiwan Miracle* (Armonk, NY: M.E. Sharpe, 1986).

2. On the ROC, the U.S. and the UN, see Ralph Clough, *Island China* (Cambridge, Massachusetts, 1978), 149–155.

3. On the ROC's relations with Japan during this period see Clough, *Island China,* 182–189.

4. Clough, *Island China,* 189–200.

5. The best account of this period remains Mab Huang, *Intellectual Ferment for Political Reforms in Taiwan, 1971–1973* (Ann Arbor: University of Michigan Press, 1976). For a liberal/radical critique of the period that is better as journalism than formal political analysis see Marc Cohen, *Taiwan at the Crossroads* (Washington, DC: Asia Resource Center, 1988), 32. See also Clough, *Island China,* 60–63.

6. Hung-Mao T'ien, *The Great Transition* (Stanford, CA: Hoover Institution Press, 1989), 69.

7. Huang, *Intellectual Ferment for Political Reforms in Taiwan, 1971–1973,* 81. On the complex structure of the government of the Republic of China see "Central and Local Government," in *Republic of China, 1986* (Taipei, 1986), 125–142. This is a basic guide to the republic published for the government. It contains a wealth of useful information but of course does not present an objective picture of conditions of the island.

8. Huang, *Intellectual Ferment for Political Reforms,* 81–101.

9. T'ien, *The Great Transition,* 96. Cohen, *Taiwan at the Crossroads,* 32–33. See also the account in Edwin A. Winkler, "Roles Linking State and Society," in Ahern and Gates, *The Anthropology of Taiwan of Taiwanese Society,* 83–84.

10. On the election process and on the nature of politics on the provincial level on Taiwan see this important if somewhat overlooked book: Arthur J. Lerman, *Taiwan's Politics: The Provincial Assemblyman's World* (Washington, DC: American University Press, 1978).

11. T'ien, *The Great Transition,* 96. Cohen, *Taiwan at the Crossroads,* 32–33. I was given a detailed account the events at Chungli and how it was perceived by the people in another election district by scholar activist Linda Gail Arrigo in part of a long interview that was conducted in Taichung in June 1990.

12. This information was derived from interviews conducted with Shih Ming-teh in July 1991 and in June 1992, as well as from the interviews conducted with Linda Gail Arrigo and other participants in the Mei-li-tao struggle.

13. T'ien, *The Great Transition,* 96. Cohen, *Taiwan at the Crossroads,* 32–33. Also see the account of the *tang-wai* movement in Alexander Ya-li Lu, "Political Opposition in Taiwan: The Development of the Democratic Progressive Party" in Tun-jen Cheng and Stephan Haggard, eds., *Political Change in Taiwan,* 124–126.

14. The most useful survey of Taiwan's diplomatic relations is to be found in T'ien, *The Great Transition,* 217–248. On the role of the US during this critical period in the seventies and eighties see ibid., 232–236.

15. This author became aware of both the deep level of hurt on the part of the mainlander community and others and, at the same time, of the ease of the transition to the new system during this period as I was Fulbright scholar in Taiwan at the time.

16. Linda Arrigo has charted the course of this struggle in articles and in the interviews I conducted with her, and her *tang-wai* sensibility will pervade my own account. I also make use of Lu Hsiu-lien's account in her as-yet-unpublished memoirs.

17. There is a rich and still evolving literature and oral history on the Mei-li-tao movement and on the various principals involved. Shih has published on the subject as has Arrigo. Lu Hsiu-lien has published her own account and Ch'en Chu has provided me with her own impressions in an interview conducted in 1990. See my essay on Ms. Lu presented at the 1995 annual meeting of the Association of Asian Studies: Murray A. Rubinstein, "Lu Hsiu-Lien: the Life and Times of a Taiwanese Feminist,"

18. Reflections on the *tang-wai* movement and the Kaohsiung Incident, in "Autobiography," 5–8.

19. Ibid., 9.

20. Ibid., 9–10, and the Kaohsiung Incident, ibid., 1–3. Another source close to the event is a book of newspaper articles, statements by participants, and court transcripts published in 1988.

21. T'ien, *The Great Transition,* 97. Cohen, *Taiwan at the Crossroads,* 32–33. These books provide short and useful accounts. Such publications as SPEAHRhead, the press organ of the Society for the Protection of East Asian Human Rights, also contain running accounts of the incident and accounts of the trials that followed.

22. See Alexander Ya-li Lu, "Political Opposition in Taiwan: The Development of the Democratic Progressive Party," in Tun-jen Cheng and Stephan Haggard, eds., *Political Change in Taiwan* (Boulder, CO: Lynn Rienner Publishers, 1992), 121–146, for a well-written narrative history and analysis of the DPP.

23. James Reardon Anderson, *Pollution, Politics, and Foreign Investment in Taiwan: The Lukang Rebellion* (Armonk, NY: M.E. Sharpe, 1992). Jack F. Williams, "Environmentalism in Taiwan," in Simon and Kau, eds., *Taiwan: Beyond the Economic Miracle,* 187–210; Jack F. Williams in collaboration with Ch'ang-yi Chang,"Paying the Price of Economic Development in Taiwan: Environmental Degradation" in Rubinstein, ed., *The Other Taiwan,* 237–256; David W. Chen, "The Emergence of an Environmental Consciousness in Taiwan," in ibid., 257–286; Robert Weller, "Environmental Protest in Taiwan," in *Harvard Studies on Taiwan,* 35–63.

24. Hsin-huang Michael Hsiao, "The Labor Movement in Taiwan: A Retrospective and Prospective Look," in Simon and Kau, eds., *Taiwan: Beyond the Economic Miracle,* 151–167.

25. See the special section on foundations in *FCR,* vol. 41, no. 9 (September, 1991), 4–31.

26. Chu Yun-han,"Social Protests and Political Democratization in Taiwan," in Rubinstein, ed., *The Other Taiwan,* 97–113.

27. On this, see Lu, Interrogation, in "Autobiography," 1–4.

28. Ibid., 6.

29. With the help of her lawyer/brother Ms. Lu was able to refute the confession in court on the basis of the fact that it was a confession made while she was being psychologically tortured. Lu, Interrogation part 2, in "Autobiography," 5.

30. Ibid., 8–9.

31. Some old hard liners within the government did not see direct political action—street demonstrations—as a path to be followed and took action to show how they would deal with such resistance. The murder of the mother-in-law and two daughters of Lin Yi-hsiung, a lawyer and a Mei Li Tao leader in their home in a quiet neighborhood near busy Hsin-I Road in east central Taipei was meant to serve as a warning to those dissidents, as did a series of suspicious auto accidents that crippled other members of the opposition. But the dissidents would not be swayed. The PCT, the conscience of the opposition movement, responded to this horrifying attack on the Lin family by converting the Lin family apartment, off Hsin-yi Road into the Gi Kong Church. They also placed a bronze plaque outside the church to remind passers by of what had taken place there. The church that was founded then emerged as the center of church-inspired social action and continued to play that role into the early 1990s.

32. Lu, Imprisonment 1 in "Autobiography," 2–5.

33. On this church see Murray A. Rubinstein, "The New Testament Church and the Taiwanese Protestant Community 1960–1988," in Lin Chi-ping, ed. *Christianity and China: Indigenization* (Proceedings of the International Conference on Indigenization, Taipei, 1988), 644–703. This essay also appears in Rubinstein, ed., *The Other Taiwan,* 445–473.

34. T'ien, *The Great Transition,* 70.

35. Alexander Ya-li Lu," Political Opposition in Taiwan: The Development of the Democratic Progressive Party" in Tun-jen Cheng and Stephan Haggard, eds., *Political Change in Taiwan,* 121–128.

36. Numerous scholars have examined the years from 1986 to 1988 in essays and in sections of recent monographs. One of clearest narratives of this period is found in Alan Wachman, *Taiwan: National Identity and Democratization* (Armonk, NY: M.E. Sharpe, 1995), 142–148. Another is found in Tien, "Elections and Taiwan's Democratic Development," in Tien, ed., *Taiwan's Electoral Politics and Democratic Transition,* 10–12. One can see the period from the perspective of human rights activists in *Yuan,* vol. 4, no. 5, (May/June, 1986) to *Yuan* vol. 5, no. 10 (October 1987). *Yuan* was published by Catholic missionaries in Hong Kong.

37. Parris H. Chang, "The Changing Nature of Taiwan's Politics," in Simon and Kau, eds. *Taiwan: Beyond the Economic Miracle,* 30–31.

38. Joseph Bosco, "Faction Versus Ideology: Mobilization Strategies in Taiwan's Elections" *China Quarterly,* forthcoming).

39. Chang, "The Changing Nature of Taiwan's Politics," in Simon and Kau, ed., *Taiwan: Beyond the Economic Miracle,* 31–32.

40. See Murray A. Rubinstein, 'The Gods Reunited: Pilgrimage and the Renewal of the Fukien/Taiwan Religious Relationship" Panel on Images and Interaction in the Evolving Cross-the Strait Relationship." Annual Meeting of the Association of Asian Studies, 1994.

41. This brief biography is based on the one published in the newsletter of the East Asian Program of Cornell University (Fall 1995). The newsletter also contains an article on President Lee's visit in June of 1995 and articles on the fellowships set up in honor of Lee Teng-hui. A more detailed biography of Lee and other major political leaders on Taiwan appears in Kui Tai-chun, ed., *Taiwan Cheng-chih Chiang-shih Hsiang* (Taiwanese Political Portraits) (Taipei: Independent Daily Press, 1989), 24–47.

42. The party congress is covered in articles in *The Free China Journal* (hereafter FCJ), the GIO's twice weekly English-language newspaper. On the 13th Party Congress see "KMT gets good news to start 13th congress" in *FCJ,* vol. 5, 327 (July 7, 1988), 1.

43. Chang, "The Changing Nature of Taiwan's Politics," in Kau and Simon, eds., *Taiwan: Beyond the Economic Miracle,* 32–33.

44. The person chosen to be finance minister was a woman, Shirley Kuo: In making this appointment Lee twice shattered precedent. The cabinet that Lee appointed also reflected his own educational/class background, for it included fourteen individuals with Ph.D.s from the United States. "All systems go as Lee Teng-hui era is launched," FCJ, vol. 5, 3#3 (July 25, 1988), 1; Chang, "The Changing Nature of Taiwan's Politics," in Kau and Simon, eds., *Taiwan: Beyond the Economic Miracle,* 33.

45. Wachman, *Taiwan: National Identity and Democratization,* 147.

46. "ROC wired with election fever," FCJ, vol. 6, no. 92 (November 30, 1989).

47. "Results to nourish reform," FCJ, vol. 6, no. 94 (December 7), 1.

48. "Election message heard: KMT answers Vox Populi," FCJ, vol. 6, no. 95 (December 11, 1989), 1.

49. Lee sent a high-level delegation to Beijing to attend a meeting of the Asia Development Bank. It was at this time that he also ordered the Ministry of Foreign Affairs to seek dual recognition, i.e., asking friendly states and trading partners to extend diplomatic recognition to the ROC and the PRC. "Kuo says group had no choice," FCJ, vol. 6, no. 34 (May 11, 1989).

50. See Yun-han Chu and Tse-min Lin, "The Process of Democratic Consolidation in Taiwan: Social Cleavage, Electoral Competition, and the Emerging Party System," in T'ien, ed., *Taiwan's Electoral Politics and Democratic Transition,* 84.

51. Ibid.

52. "Hau gets nod," FCJ, vol. 7, no. 40, (May 31 1990), 1.

53. The authors of a book about the movement, *Taipei Hsueh-tung (The Taipei Student Movement)* (Taipei: Yuan Chiang-pien Gung-tz, 1990), suggested that this movement was linked to the social movements and protests that had taken place over the course of the 1980s. Thus they tied into events in Taiwan's recent past, but one can also read as subtext that the events of T'ien-an men were in the minds of all involved, whether they were student activists, intermediaries, or members of the government of the Republic of China.

54. My account of these events is based on published sources such as He Chin-shan, Kuan Ma-chih, Chang Li-chia, Pu Cheng-chih, *Taipei Hsueh-tung (The Taipei Student Movement)* and the relevant sections of Wachman, *Taiwan: National Identity and Democratization.*

55. I interviewed Chu Hai-yuan at his offices at the Institute of Ethnology in June of 1990, a few months after the events had taken place. As I noted in the text, Chu was again

serving contending parties in the role of intermediary, a role he had already played earlier in the 1980s.

56. "Lee Teng-hui 8th ROC president," FCJ, vol. 7, no. 20 (March 26, 1990), 1; "Dissidents OK'd for conference," FCJ, vol. 7, no. 45 (June, 18, 1990), 1. Peng Ming-min, *A Taste of Freedom* (Boston: Houghton Mifflin, 1966).

57. "ROC conference begins," FCJ, vol. 7, no. 48 (June 28, 1990), 1.

58. Lin Ching-wen, "Big changes may be in the wind, FCJ, vol. 7, no. 48 (June 28, 1990), 5. Gabriel Fok, "If 'Ideas Are Events,' NAC was certainly eventful," FCJ, vol. 7, no. 50 (July 5, 1990), 1.

59. "President beats drums for NAC," FCJ, vol. 7, no. 70, (September 13, 1990), 1.

60. "Time 'not ripe' for unification talks says Shaw," FCJ, vol. 7, no. 80 (October 18, 1990), 1.

61. "Poll favors talk against independence," FCJ, vol. 7, no. 80 (October 18, 1990), 1.

62. "No wisdom found in independence talk," FCJ, vol. 7, no. 83 (October 29, 1990), 1.

63. "Government won't tolerate independence moves," FCJ, vol. 7, no. 89 (November 19, 1990), 1.

64. "Gulf crisis won't interfere with president reform pledge," FCJ, vol. 8, no. 9 (January 31, 1991), 1.

65. Ibid.

66. "Kuomintang reaches consensus: ROC constitution in two stages; New assembly to make final changes next year," FCJ, vol. 8, no. 10 (February 4, 1991), 1. "President hails KMT's decision as 'new and definite direction': Lee seeks support of national assembly for reform package to pave the way for new decade of development," FCJ, vol. 8, no. 24, (April 1, 1991), 1.

67. "Extraordinary session of first ROC assembly told of historic task," FCJ, vol. 8, no. 26, (April 1, 1991), 1.

68. "National assembly gets 'well done' for constitutional amendments work," FCJ, vol. 8, no. 31, (April 29, 1991), 1.

69. "Sedition law revised," FCJ, vol. 8, no. 29, (April 22, 1991), 1–2.

70. "ROC election law revised," FCJ, vol. 8, no. 55 (July 19, 1991), 1.

71. "Government cracking down on illegal separatist activities," FCJ, vol. 8, no. 69, (September 6, 1991), 1–2. "Defense proposes Garrison command end police duties," FCJ, vol. 8, no. 69, (September 6, 1991), 2. "Businessmen asked not to back independence movement," FCJ, vol. 8, no. 70, (September 6, 1991), 1.

72."Sedition law studied," FCJ, vol. 8, no. 77, (October 4, 1991), 1.

73. "Majority party out to stay majority in assembly race," FCJ, vol. 8, no. 77, (October 4, 1991), 2.

74. " 'Republic of Taiwan' advocated by DPP," FCJ, vol. 8, no. 79, (October 15, 1991), 2.

75. "ROC voters give KMT whopping mandate, FCJ, vol. 8, no. 98, (December 24, 1991), 1–2. See also DPP's independence platform bombs; "wrong move admitted," FCJ, vol. 8, no. 98, (December 24, 1991), 2.

76. "DPP members clash with MPs in Taipei protest," FCJ, vol. 9, no. 27 (April 21, 1992), 1. "DPP rioters plague the city," FCJ, vol. 9, no. 28 (April 24, 1992), 1.

77. "Ruling party's amendments condensed to 9," FCJ, vol. 9, no. 28 (April 24, 1992), 1.

78. "Lee bemoans the shadow of sadness," FCJ, vol. 9, no. 13 (February 28, 1992), 1. "Legislators want more 2–28 balm," FCJ, vol. 9, no. 314 (March 3, 1992), 2.

79. The report contained sensitive, hitherto classified facts about just what had happened. The report itself was a massive document of 430 pages and 400,000 characters, and there was an appendix of 600,000 characters, all produced by a research task force attached to Academia Sinica.

80. "Law says National Police outrank GHQ," FCJ, vol. 9, no. 51 (July 17, 1992), 1.

81. "December 19 proposed as election date to seat the new legislature by island-wide ballot" FCJ, vol. 9, no. 40 (June 5, 1992) 1. "KMT hopefuls throw hats into ring," FCJ, vol. 9, no. 51 (July 17, 1992), 2.

82. "DPP changing focus for legislative race," FCJ, vol. 9, no. 54 (July 28, 1992), 1.

83. "Election bulletin officially posted—just two months to go," FCJ, vol. 9, no. 78 (October 23, 1992), 2.

84. "KMT, DPP election platforms finalized," *FCJ,* vol. 9, no. 77 (October 20, 1992), 2.

85. "Elections registration complete: 406 candidates for 161 seats," FCJ, vol. 9, no. 87 (November 24 1992), 2. "Democracy taking shape: Wild-card candidates add uncertainty to election," FCJ vol. 9, no. 87 (November 24, 1992) 6. "Candidates must toe one China line," *FCJ,* vol. 9, no. 88 (November 27, 1992), 2.

86. "Candidates try out latest election gimmicks to win," FCJ, vol. 9, no. 88 (November 27, 1992), 6.

87. "KMT, DPP accentuate the negative," FCJ, vol. 9, no. 93 (December 15, 1992), 1.

88. "Voters enticed through their stomachs," FCJ, vol. 9, no. 93 (December 15, 1992), 2.

89. "Political relations making headway in Taiwan," FCJ, vol. 9, no. 91 (December 8, 1992), 8.

90. "President Lee delivers historic address," FCJ, vol. 10, no. 2 (January 8, 1993), 2.

91. "Lee, Hau agree to dissolve cabinet," FCJ, vol. 10, no. 6 (January 21, 1993), 2. A few days later, Hau sent his formal letter to the president. He did not spell out a date, leaving approval of his decision to the party's Central Committee."Hau Pei-tsun to submit resignation," FCJ, vol.10, no. 8 (February 2, 1993), 1. "Premier, cabinet submit resignations, FCJ, vol. 10, no. 9 (February 5, 1993), 1.

92. "Legislative power grab stalled," FCJ, vol. 10, 8 (February 2, 1993), 2.

93. Susan Yu, "Lee seeks counselors' opinions," FCJ, vol. 10, no. 10 (February 9, 1993), 2.

94. "Lee picks Lien Chan for premier," FCJ, vol. 10, no. 11 (February 12, 1993), 1. "Politicians, public rally behind Lien," FCJ, vol. 10, no. 11 (February 12, 1993), 1.

95. "Lee calls for fair, healthy, inter-party competition," FCJ, vol. 10, no. 11 (February 12, 1993), 2 "DPP mobilizes to defeat Lien," FCJ, vol. 10, no. 12 (February 16, 1993), 2. "Premier nominee has the right answers," FCJ, vol. 10, no. 14 (February 23, 1993), 1. "Legislature confirms Lien Chan as next premier," FCJ, vol. 10, no. 15 (February 26, 1993), 1.

96. "Legislature takes on trade dispute," FCJ, vol. 10, no. 18 (March 18, 1993). "Bill aimed at divesting KMT form business empire," FCJ, vol. 10, no. 19 (March 12, 1993), 2.

97. "Sunshine act marches steadily through the legislative process," FCJ, vol. 10, no. 25 (April 9, 1993), 2. "Sunshine law hits a rocky patch," FCJ, vol. 10, no. 27 (April 16, 1993), 2. "Sunshine law breezes through in second reading," FCJ, vol. 10, no. 43 (June 11, 1993), 1. "Assets are listed for top officials," FCJ, vol. 10, no. 62 (October 15, 1993), 2.

98. "Legislature clears NSC, NSB," FCJ, vol. 10, no. 27 (April 16, 1993), 1–2. "New KMT alliance makes waves," FCJ, vol. 10, no. 18 (March 9, 1993).

99. "Hsu Shu-teh KMT Secretary-General) FCJ, vol. 10, no. 19 (March 12, 1993), 1. "James Soong approved as 14th governor," FCJ, vol. 10, no. 21) March 19, 1993), 1.

100. "DPP wants a say in mainland policy," FCJ, vol. 10, no. 21 (March 19, 1993), 2. "DPP against Koo-Wang talks," FCJ, vol. 10, no. 24 (April 2, 1993), 2.

101. President Lee, for example, had the opportunity to give an interview to Lew Dobbs of CNN."Mutual trust first step," FCJ, vol. 10, no. 24 (April 2, 1993), 1. "KMT expands, diversifies delegates," FCJ, vol. X # 37 (May 21, 1993) 2. "KMT congress to vote on charter," FCJ, vol. 10, no. 48 (June 24, 1993), 2.

102. "Alliance says it breaks with KMT to aid reform," FCJ, vol. 10, no. 52 (August 6, 1993), 2. "KMT faction forms new party FCJ, vol. 10, no. 53 (August 13, 1993), 2.

103. "Cabinet espouses rules for disclosure of assets," FCJ, vol. 10, no. 55 (August 27, 1993), 2.

104. "Campaigns readied for Nov. 27 vote," FCJ, vol. 10, no. 64 (October 29, 1993), 1.

105. "KMT captures 15 of 23 posts in three way election," FCJ, vol. 10, no. 69 (December 3, 1993), 1.

106. "Legislature to go on reviewing bills in spite of claim they had passed earlier," FCJ, vol. 10, no. 1 (January 7, 1994), 2. "Defense Ministry seeking ways to halt arms-purchase scandals," FCJ, vol. 11, no. 1 (January 7, 1994), 2. "12 under arrest in case linked to captain's death," FCJ, vol. 11, no. 4 (January 1994), 2. "Naval officers step down in scandal," FCJ, vol. 11, no. 15 (April 22, 1994), 2. "Full inquiry pledged into election charges," FCJ, vol. 11, no. 9 (March 11, 1994), 1.

107. "KMT bolsters control of lawmakers' agenda," FCJ, vol. 11, no. 8 (March 4, 1994), 1.

108. "Budget stalled by debate over funding through sale of bonds," FCJ, vol. 1, no. 14 (April 15, 1994), 2."Lawmakers whittle budget 3.3% from present year's," FCJ, vol. 11, no. 21 (June 3, 1994), 2.

109. "KMT panel proposes direct election, other amendments," FCJ, vol. 11, no. 15 (April 22, 1994), 2.

110. "Constitutional reforms pass, including direct presidential vote," FCJ, vol. 11, no. 30 (August 5, 1994), 2.

111. "Law targets vote-rigging, illegal campaign donations," FCJ, vol. 11, no. 28 (July 22, 1994), 1.

112. "Villages oppose nuclear plant but construction to continue," FCJ, vol. 11, no. 20 (May 27, 1994), 2.

113. "Nuclear-plant budget advances despite demonstrations," FCJ, vol. 11, no. 25 (July 8, 1994), 2.

114. "Voluntary health care plan passes, but drive is on to revise it," FCJ, vol. 11, no. 28 (July 22, 1994), 1.

115. "New Party completes its nominations," FCJ, vol. 11, no. 33 (August 26, 1994), 2.

116. "Assembly approves new Judicial Yuan chief as DPP boycotts vote," FCJ, vol. 11, no. 33 (August 26, 1994), 1.

117. Lin and his wife, as noted earlier in this chapter were the victims of a tragic and still unsolved crime of violence—their twin daughters and Mrs. Lin's mother had been killed in the family apartment during the spring of 1980 as the trials of the Meili Tao defendants was taking place. "Assembly approves 16 grand justices," FCJ, vol. 11, no. 35 (September 9, 1994), 2.

118. "Lien cautions Peking as legislature opens," FCJ, vol. 11, no. 35 (September 9, 1994), 1.

119. Television campaign debates OKed," FCJ, vol. 11, no. 36 (September 36, 1994), 2. "Three Taipei mayoral rivals in live TV debate," FCJ, vol. 11, no. 39 (October 7, 1994), 2.

120."Legislature acts to protect lawmakers from recall movements," FCJ, vol. 11, no. 40 (October 14, 1994), 2. The introduction of the bills was the first step. "Legislature makes it hard for recall of elected officials," FCJ, vol. 11, no. 42 (October 28, 1994), 2.

121. "As election nears blemishes pop up," FCJ, vol. 11, no. 41 (October 21, 1994), 2. See also Confidendence-rattling stock scandal fuels thorough investigation," FCJ, vol. 11, no. 40 (October 14, 1994), 3.

122. "Race for Taiwan provincial governor gets under way," FCJ, vol. 11, no. 44 (November 11, 1994), 1.

123. Extensive and detailed articles on the election of December 3, 1994 were published in what amounted to a special-pre-election issue of the FCJ. This issue, vol. 11, no. 46 came out on November 25, 1994.

124. "Election campaign gets new look," FCJ, vol. 11, no. 45 (November 18, 1994), 2.

125. "KMT takes two top seats; DPP wins in Taipei," FCJ, vol. 11, no. 48 (December 9, 1994), 1.

126. "ROC reshuffles 12 high government posts," FCJ, vol. 11, no. 49 (December 16, 1994), 1.

127. Fredrick Chien, "A View From Taipei," in Jason Hu, *Quiet Revolutions on Taiwan, Republic of China,* 283–296.

128. A basic book on the subject is Frederick F. Chien (Daniel A Mica and J. Terry Anderson, eds.), *Opportunity and Challenge* (Tempe: Arizona State University, 1995); Bernard T.K. Joi, "Pragmatic Diplomacy in the Republic of China: History and Prospects," in Hu, *Quiet Revolutions on Taiwan, Republic of China,* 297–330. On the role of foreign aid in this policy of pragmatic diplomacy, see Lee Wei-chin, ROC's Foreign Aid Policy, in Hu, *Quiet Revolutions on Taiwan, Republic of China,* 331–360.

129. Some sense of the extensive nature of the ROC effort can be found by reading these articles on Latin America and the ROC in FCJ.

130. "Liberia, ROC together again,"FCJ, vol. 6, no. 76 (October 7, 1989), 1. "World's youngest king in ROC," FCJ, vol. 6, no. 82 (1989), 1. De Klerk Tells Chien Taiwan visit planned," FCJ, vol. 8, no. 9 (January 31, 1991), 1.

131. "CAR establishes new relations with ROC," FCJ, vol. 8, no. 53 (July 12, 1991). "Niger rejoins ROC fold," FCJ, vol. 9, no. 44 (June 23, 1992), 1. "Niger gives ROC the official nod," FCJ, vol. 9, no. 54 (July 28, 1992), 1.

132. "Mandela pledges friendly relations with ROC," FCJ,, no. 53 (August 6, 1993), 1.

133. "Poland, Bulgaria send officials to ROC meeting," FCJ, vol. 7, no. 66 (August 30, 1990), 1.

134. This was the first such audience Mrs. Chiang had given and demonstrated here willingness to play a part in the development of this new ROC Belarus relationship. FCJ, vol. 9, no. 42 (June 16, 1992), 1.

135. "Russia and the ROC sign agreement," *FCJ,* vol. 9, no. 67 (September 11, 1992), 1.

136. FCJ, vol. 9, no. 93 (December 15, 1992), 2.

137. "Tartarstan comes calling to improve trade relations," FCJ, vol. 10, no. 9 (February 5, 1993), 2.

138. Gorbachov lauds ROC, while noting key mainland role," FCJ, vol. 9, no. 11 (March 25, 1994), 1. "Trade links with Russia on steady climb upward," FCJ, vol. 9, no. 11 (March 25, 1994), 3.

139. "Austrian smiles," FCJ, vol. 8, no. 45 (June 14, 1991).

140. "French minister's visit lauded," FCJ, vol. 8, no. 3 (January 10, 1991), 1. Ibid., vol. 9, no. 6 (January 28, 1992), 1.

141. "German PM strengthens cooperation," FCJ, vol. 10, no. 9 (February 5, 1993), 2. "Taipei, London forge links; Germany next?," FCJ, vol. 10, no. 9 (February 5, 1993), 2.

142. "Saudi Day Feted Relations Solid," FCJ, vol. 6, no. 75 (October 2, 1989), 1. "Chien offers to 'bite the bullet,' " *FCJ,* vol. 7, no. 56 (July 26, 1990), 1.

143. "Taipei-Tel Aviv relations unaltered by Peking pact," FCJ, vol. 9, no. 6 (January 20, 1992), 1. "ROC, Israel exchange representative offices," FCJ, vol. 9, no. 85 (November 17, 1992), 1.

144. "Lee man of the hour by any name," FCJ, vol. 6, no. 17 (March 13, 1989), 1; "Malaysia opens tourist bureau," FCJ, vol. 6, no. 33 (May 8, 1989), 3; "Philippines inks

pact with ROC," FCJ, vol. 8, no. 52 (July 9, 1991), 2; "Aquino's executive order changes rules," FCJ, vol. 8, no. 61 (August 9, 1991), 1; "President Ramos signs new Subic deal," FCJ, vol. 9, no. 59 (August 14, 1992), 1.

145. Such zones would house Taiwan-financed companies that produced textiles, electronic home appliances, electronics, and processed food products. Chen saw the potential of Vietnam and thus this trip was a necessary first step. "Vietnam scouted as site for firms to set up export processing zones," FCJ, vol. 8, no. 71 (September 13, 1991), 3. "Vietnam offices pact to boost ties," FCJ, vol. 9, no. 47 (July 2, 1992), 1. Questions arose concerning flag carriers and this had halted air service but these issues were settled by August of 1992. See Taiwan, Vietnam air service resuming," FCJ, vol. 9, no. 57 (August 7, 1992), 1.

146. Vietnam, ROC to sign investment agreement," FCJ, vol. 10, no. 12 (February 16, 1993), 2. Now US money would join the mix but with the ROC continuing to lead the way. The ROC was also involving itself in joint-ventures with the government of Vietnam. How sizable the ROC stake had become was explored in a feature article in FCJ in February of 1994. Deborah Shen, "Opportunity blooms in Vietnam," FCJ, vol. 9, no. 6 (February 18, 1994), 3. "Vietnam to sign business pacts: Path cleared for more ROC trade, investment," FCJ, vol. 11, no. 13 (April 9, 1994), 3.

147. "High-ranking ROC official invited to Australia; may ink new agreement," FCJ, vol. 8, no. 57 (July 26, 1991), 1.

148. "Japan militancy over ROC isle sparks outrage," FCJ, vol. 7, no. 82 (October 25, 1990), 1. "Tiaoyutai tensions easing," FCJ, vol. 7, no. 83 (October 29, 1990), 1. "Japan plans to escalate imports," FCJ, vol. 9, no. 47 (July 2, 1992), 1.

149. "Lee invited to attend Asian games but Japan weighs protest by Peking," FCJ, vol. 11, no. 33 (August 26, 1994), 1. "Lee accepts Asian games invitation," FCJ, vol. 11, no. 35 (September 9, 1994), 1. "ROC vice premier, at Asian games backs continued mainland exchange," FCJ, vol. 11, no. 39 (October 7, 1994), 1.

150. "ROC ends ties with dishonest Korea," FCJ, vol. 9, no. 63 (August 28, 1992), 1. See also Seoul extends olive branch; wants talks, FCJ, vol. 9, no. 62 (August 25, 1992), 1. "ROC, South Korea make a good start reestablishing ties," FCJ, vol. 9, no. 59 (July 23, 1993), 1.

151. Murray A. Rubinstein, "Taipei, New York, and the ROC's UN Reentry Campaign," in *American ASIAN REVIEW* 1996.

152. This process can be tracked by examining the runs of FCJ for the years from 1991 to 1994, when the crucial negotiations concerning GATT and concerning Taiwan's role in APEC were taking place.

153. FCJ is a basic source of information on this issue. GIO publications on the UN are also quite extensive and are of value to those who study the UN issue. Proceedings and articles from conferences such as those held at St. Johns University in the 1990s and that held by the DPP in Manhattan in 1994 are other useful sources of information on the UN reentry issue.

154. On cross-the-strait relations see Hsin-hsing Wu, *Bridging the Strait: Taiwan, China, and the Prospects for Reunification* (Hong Kong: Oxford University Press, 1994). See also Tun-jen Cheng, Chi Huang, and Samuel S.G. Wu, eds., *Inherited Rivalry: Conflict Across the Taiwan Straits* (Boulder, CO: Lynne Rienner, 1995); Chang Jih-cheng *Tai-wan, Chung-kuo yu Shi-jieh (Taiwan, China, and the World)* (Taipei, 1990). This would also mark the start of new levels of interaction and cooperation between the ruling committees of temples on Taiwan and temples in the PRC. Funds from these temples would pour in as Taiwanese believers contributed to the rebuilding of temples on various holy sites such those in on Meichou island, and in towns and cities such as Kang-li, Ch'uan-chou, and Hai-tsang. See Murray A. Rubinstein, "The Revival of the Mazu Cult and Taiwanese Pilgrimage to Fujian," Taiwan Studies Workship (Cambridge, MA: Fairbank Center Working Papers, 1994) and Murray A. Rubinstein, "Cross-the-Strait Pilgrimage and the Reinvention of the Taiwan/Fujian Religious Matrix" (mss. Leiden: Conference on 19th and 20th Century Fujian and Taiwan, July 5–8, 1995). "Taiwan-Mainland Door 'Will Never Be Shut," FCJ, vol. 8, no. 81 (October 22, 1990), 1.

155. "Agency Could Open Door: Official Mainland Contact Possible With Friendly Communist Response," FCJ, vol. 7, no. 90 (November 22, 1990), 1.

156. By 1995 one could find Taiwanese who represented either Taiwan-based or U.S./Taiwan-based shoe manufacturers spending part of each year in Put'ien. A trade organization to help these Taiwanese and foreign investors was located in the city and the major hotels could count on these manufacturers representatives to fill a good number of their rooms on a long-term basis. As a result Put'ien became a boom town. These comments are based upon my observations and discussions in Put'ien in 1992 and again in 1995. In my visits to Fukien in 1990, 1992, and 1995 I met many Taiwanese businessmen. Some were involved in trade while others were involved in setting up joint ventures or were looking for Fukien-based factories to manufacture a their products. What brought them to Fukien was their sense of a common language, a common tradition, and a common culture. What also brought them was the existence of a cheap workforce and an area with few, if any environmental protection laws.

157. "Nothing new in Communist party-to-party talk proposal: Timetable, one country-two systems formula unacceptable; Shaw says reunification should be evolutionary," FCJ, vol. 7, no. 97 (December 17, 1990), 1. "Mainland affairs council rules get president's vote," Gulf crisis won't interfere with president's reform pledge," FCJ, vol. 8, no. 9 (January 31, 1991), 1. "Roc Approves indirect mainland joint venture, Gulf crisis won't interfere with president's reform pledge," FCJ, vol. 8, no. 9 (January 31, 1991), 1.

158. "Straits foundation plans courtesy call," FCJ, vol. 8, no. 19 (March 14, 1991), 1. "Three ROC police officers abducted by mushroom marauders on high seas," FCJ, vol. 8, no. 19 (March 14, 1991), 1. April 28, 1991, in "Chronology," Cheng, Huang, and Wu, eds. *Inherited Rivalry: Conflict Across the Taiwan Straits* (Boulder, CO: Lynne Rienner, 1995), 247.

159. "Negotiations with mainland get underway to get abducted ROC officers nack," FCJ, vol. 8, no. 20 (March 18, 1991), 1. "Abducted policemen safely home," FCJ, vol. 8, no. 26, (April 11, 1991), 1. April 3, 1991, in "Chronology," Cheng, Huang, and Wu, eds., *Inherited Rivalry: Conflict Across the Taiwan Straits,* 247.

160. "Foreign ship, 6 mainland officers held in Taiwan," FCJ, vol. 8, no. 46 (June 19, 1991), 1. See also "Cargo ship detained; prosecutors get case," FCJ, vol. 8, no. 47 (June 21, 1991), 1, and the account for June 13 and 18, "Chronology," Cheng, Huang, and Wu, eds., 247. "Time not right for direct trade," FCJ, vol. 8, no. 51 (July 5, 1991), 2.

161. "SEF delegates on second visit to mainland China," FCJ, vol. 7, no. 52 (July 5, 1991), 2. "SEF reports dialogue problem," FCJ, vol. 7, no. 53 (July 12, 1991), 2. July 5 "Chronology," Cheng, Huang, and Wu, eds., 247.

162. "July 21–22 Chronology," Cheng, Huang, and Wu, eds., 249. For a more detailed account see "ROC prosecutor charges mainlanders with piracy," FCJ, vol. 8, no. 59 (August 2, 1991), 1 and "SEF chief spurs Chinese Communists to cooperate," FCJ, vol. 8, no. 74(September 25, 1991), 2.

163. MAC wants door opened for Taiwan ARATS office, *FCJ,* vol. 9, no. 1, January 7, 1992), 2; January 6, 1992 "Chronology," Cheng, Chi, and Wu, eds., 252. "Taiwan welcoming stranded home," FCJ, vol. 9, no. 7, January 31, 1992), 2. "Law covers mainland's work force," FCJ, vol. 9, no. 7, January 31, 1992), 2.

164. "Cultural and educational mainland visits expanded," FCJ, vol. 9, no. 14 (March 3, 1992), 2. "Students to mainland," FCJ, vol. 9, no. 38 (May 29, 1992), 2.

Postscript and Conclusion

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This concluding chapter examines the year and a half from January 1995 to Jun 1996, a period in which the president of Taiwan (or Republic of China—ROC entered the world stage in a dramatic way and the People's Republic of Chin tried without success to change the direction of Taiwan's political evolution wit two very public shows of military force.

The Prelude: January to Late April 1995

The pattern of events that took place in the winter and early spring 1995 fore shadowed the tensions that would evolve from late spring 1995 to late sprin 1996. The elections for the Legislative Yuan and the proposed presidential ele tions were recognized as the major event on the national calendar for 1995 an 1996. However, details had to be resolved and laws enacted before the presider tial elections could take place.

The bill regulating the elections was drafted by the Interior Ministry an subsequently introduced to the Legislative Yuan. It came under immediate crit cism for what the Democratic Progressive Party (DPP) called the Shih Ming-te provision, which stipulated the educational level and the occupations for thos eligible to run for president. The requirements were very specific—four years college, and experience as a middle-ranking civil servant, a professor in a junic college, or an official with a private company. Shih, the head of the DPP, ha only attended a military academy and had spent most of the next twenty-oc years as a political prisoner. He was therefore ineligible for the presidenc powerful and popular as he may have been at that time. Other provisions limite the number of high-level party members in the major political parties who cou run. The target in this case was Lin Yang-kang of the Kuomintang (KMT), wh