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**Order Number 9408403**

**The making of Taiwan's mainland policy: Milieu, state, and  
decision-making**

Chen, Han-shin, Ph.D.

The University of Arizona, 1993

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THE MAKING OF TAIWAN'S MAINLAND POLICY:  
MILIEU, STATE, AND DECISION-MAKING

by  
Han-shin Chen

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A Dissertation Submitted to the Faculty of the  
COMMITTEE ON EAST ASIAN STUDIES  
In Partial Fulfillment of the Requirements  
For the Degree of  
DOCTOR OF PHILOSOPHY  
In the Graduate College  
THE UNIVERSITY OF ARIZONA

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MILIEU, STATE, AND DECISION-MAKING

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## ACKNOWLEDGEMENTS

I am deeply grateful and owes a debt of gratitude to Professor Allen S. Whiting, Professor Charles Hedtke, and Professor Jing-shen Tao, for their reading and critiquing the entire manuscript patiently and thoughtfully. It is trully said that without their comments I am not able to accomplish this dissertation. I also want to thank Cecilia, Norma and Adriana for their earnest help and support. In addition, I would like to express my deep appreciation to my teacher, Lu Jui-lin, who inspires me with courage to pursue a Ph.D. degree.

SIGNED:

Aan-Shin Chen



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## ABSTRACT

Ever since the departure of the Nationalists from mainland China to Taiwan, the question of the reunification of China has been possessing both sides of the Taiwan Strait. Before 1979, the Chinese Communist Party (CCP) was initially keen to "liberate" Taiwan. However, by the late 1970s, the CCP, began to change its antagonistic attitude toward Taiwan. Likewise, the KMT has gradually retreated from its desire to "recover" the mainland in view of the changing domestic and international environment in the 1980s.

While examining the vicissitudes of Taiwan-mainland Chinese relations during the past four decades, three important factors must be taken into account: one is the United States position in China's unification issue; the second is the domestic changes on both sides of the Taiwan Strait; the third, the unification strategy used by the two rival parties. With these three factors in mind, it is easy to understand the entire package of relationship between Beijing and Taipei. The primary focus of this dissertation is to examine the Nationalist mainland policy under the pressure of the "Taiwan issue," since 1950, and also the causes and factors of the "Taiwan democratization" which make the Taipei leaders partially shift their policy toward the mainland Communist.

The hypothesis in this dissertation is that the

international and domestic situation fluctuations are the two decisive elements which compel Taipei decision makers increasingly alter their mainland policy (from "three nos" to broad exchanges). Recently the changing political environment in Taiwan and the more realistic views of the new generation of policy makers are challenging these ideological beliefs (three nos policy). In addition, the different decision-making procedure is a contributing factor which affects the mainland policy directly. It is a critical time to give the Taiwan's mainland policy an intensive examination in order to understand how to keep a collective security in the Northeast Asia.

There are very few scholars who have written on Taiwan's mainland policy-making. With all variables and arguments that have been explored in this dissertation, the mainland policy-making in Taiwan is essentially a unique one, and continues to be a heuristic case in the world with regard to the divided-nations and asymmetrical confronting regimes.

**CHAPTER I**  
**INTRODUCTION**

In spite of a history of foreign interventions, China's destiny during the last six decades has been largely determined by the mostly antagonistic relations between its two major political parties, the Kuomintang (KMT) and the Chinese Communist Party (CCP). Since the outbreak on April 12, 1927 of the still unfinished civil war, China has been a politically divided country. In varying forms, the conflict between the parties has been a major determinant of the course of China's internal and external development and the stability of East Asia area.

Since 1949 when the KMT or Nationalists retreated to Taiwan, the position of the Republic of China on Taiwan has become a very controversial issue in East Asia with regard to international relations. There are questions about whether Taiwan is a nation or a province of China, and about the status of its government. The Republic of China (hereafter ROC) and the islands it controls is unique in the world community. Despite the varying of arguments that have been discussed by Chinese scholars as well as Western observers, the status of the ROC on Taiwan is essentially both an international and a domestic political question.

Briefly speaking, before the Korean War, few persons challenged the status of Taiwan and the Chinese control over

the island. However, the outbreak of the Korean War in June 1950 drastically changed the situation and the American position regarding Taiwan. Thus was born the "Formosa Question", or the "Taiwan Issue," although both the PRC and the ROC have insisted that Taiwan is an integral part of China. The problem for Taipei is, therefore, the internal legitimacy and external recognition which were essential for Taiwan to survive in the international arena during the past forty years.

According to the official record,<sup>1</sup> the mainland policy of the Republic of China before the 1980s was based on "four firm and unchangeable principles:"

- A). The system of the state of the Republic of China as established under Article 1 of the Constitution will never be changed. [Article 1 of the Constitution reads: 'The Republic of China, founded on the Three Principles of the People, shall be a democratic republic of the people, to be governed by the people, and for the people.']
- B). The Republic's overall goals of anti-Communism and national recovery will never be changed.
- C). The Republic of China will always remain within the democratic bloc. Its dedication to the upholding of righteousness, justice, safeguarding peace, and security of the world will never be changed.
- D). The resolute stand of the Republic of China in never compromising with the Chinese Communist rebel group will never be changed.

From this point of view, Taipei insisted that its mainland

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<sup>1</sup> The Ministry of Foreign Affairs (ROC), "A Reference Book" (Taipei: United Pacific International, Inc., July 1983), p.293.

policy before 1980s was based on the "three no's" principles.<sup>2</sup> Despite this stand, mainland policy and the relations with the People's Republic of China (hereafter PRC) changed during the late 1980s. The hypothesis of this dissertation is that the international and domestic situation fluctuations are the two decisive elements which compelled the government increasingly to alter mainland policy from the "three nos" to broad exchanges. Moreover, the different decision-making procedure is a contributing factor which affects the policy directly. In order to understand the relationship and the nature of ROC policy, this dissertation examines the historical background of the above principles in regard to the issue of "unification" since 1949 in chapter 3.

The theoretical framework of this research is the three levels of analysis proposed by John Spanier and used to study the unification policy of the ROC toward the PRC since 1950.<sup>3</sup> This includes (1) the systemic level, emphasizing the United

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<sup>2</sup> "3 NO's" means no contact, no negotiation, and no compromise with the Communist China. The New York Times, (October 1, 1984), p. 1 and p.3. Also see Beijing Review, 14 (April 6, 1987), pp. 21-22. For an analysis on this topic, see Gerald Chan, "The Two-China problem and the Dynamic Formula," Pacific Affairs, v. 58, 3 (Fall 1985), pp. 473-490.

<sup>3</sup> John Spaier published a book in 1972 entitled Games Nations Play: Analyzing International Politics; also see John Ikenberry, David A. Lake, and Michael Mastanduno, "Introduction: Approaches to Explaining American Foreign Economic Policy," International Organization 42, Winter 1988, pp.1-14.



States role in China's unification vis-a-vis both the ROC and the PRC (chapter 4); (2) the nation-state level, regarding the ROC national attributes and domestic preferences in making mainland policy (chapter 5); and (3) the decision-making level, focusing on the policy-maker's perceptions of reality and the institutions that formulate and execute policy in the ROC, i.e., the process of decision-making during the later years of Chiang Ching-kuo and the Lee Teng-hui era, 1987 to 1992 (chapter 6).

In chapter 2, the author explains three different models as a means of testing, qualifying, and elaborating the above approach, namely, the diplomatic history model, the rational choice model, and the bureaucratic conflict model.

With regard to the unification question, there are internally, six principal factors which affect the Republic of China's decision-makers' attitude toward the People's Republic of China: past experience in dealing with the Chinese Communists; the PRC's responsive behavior toward the ROC after peace overtures by both sides; the existence of creditable guarantee for Taiwan after unification; the PRC's Tibetan and Hong Kong policies; political reality in Taiwan; and political and economic stability in the PRC.<sup>4</sup> The Taipei decision-makers in the early 1990s remain suspicious of PRC intentions

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<sup>4</sup> Lai To Lee, The Reunification of China: PRC-Taiwan Relations in Flux (New York: Praeger Publishers, 1991), p.42.

affecting unification, Yet the question arises why Taipei decision-makers have been willing, albeit reluctantly, to make opening gestures toward the PRC.

The turning point in the hostile relationship between the Taipei and Beijing came in 1979 when the PRC announced the "three links" and "four exchanges" with Taiwan as a first step toward the ultimate goal of unification, after the PRC established its formal diplomatic relations with the United States. In addition, in the later years (1985-87) of Chiang Ching-kuo, Taiwan underwent a remarkable process of political reforms and altered the mainland policy. One result of these reforms has been a significant alteration in the way policy is made. The field of mainland affairs provides an example of changes that have been taking place more broadly in the structure of ROC policy making.

As Doak Barnett states, it is essential to ask certain basic questions in order to understand policy-making in any country. "At the top of the political system, what individuals, groups, and institutions play key roles in decision-making? Where does their information and counsel come from? At operational levels, what mechanisms exist to coordinate the major institutions involved in the conduct of policy making? How influential are experts and specialists,

and through what channels are their opinions voiced?"<sup>5</sup>

This dissertation attempts to analyze the structure and process of Taiwan's mainland policy making, focusing on the systemic and domestic constraints, and institutions and individuals involved, based on Samuel S. Kim's behavior-centered approach.<sup>6</sup> In addition, it sheds new light on the policy-making in a broad sense--that is, on where, in the party and governmental structure mainland policy issues are dealt with; what kinds of relationships exist among the institutions involved; who some of the key policy makers are; and what the major concerns are on the basis of which to consider mainland policy issues.

As Taiwan-PRC relations have steadily expanded in the economic and cultural as well as political realms so too have the members involved in policy making. Expansion meant the problems facing Taipei leaders have become increasingly complex, requiring the increased involvement of numerous bureaucracies in shaping the ROC mainland policy. In response, Taipei leaders are trying to overcome the existing bureaucratic mechanisms for coordinating policy and to develop expertise to deal with new problems.

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<sup>5</sup> A. Doak Barnett, The Making of Foreign Policy in China, (Westview Press, 1985), P.2.

<sup>6</sup>Samuel S. Kim, "Chinese Foreign Policy Behavior," in Samuel S. Kim, ed., China and the World, (Boulder: Westview Press, 1984), p. 6.

Many scholarly studies have been written during the past four decades, but few of them have dealt with the systemic structure, national attributes, and process of decision-making together as a influence of ROC policy orientation. This is because that the ROC has been reluctant to reveal its decision-making process. However, the situation has been changed since more open-minded leaders and specialists are not only involved in decision-making but also in discussing the mysterious process in Taiwan (see chapter 6). Although one may not yet say with confidence exactly where and how specific major policy decisions are made, the new materials and studies that recently have come to light help illuminate some important aspects of the structure and process involved.

## CHAPTER II

### THEORETICAL ANALYSIS AND APPROACH

As is well known, two political entities, both claiming to be the legitimate government of China, have faced each other across the Taiwan Strait since 1949. However, the relationship has been spinning at a dizzying speed over the past decade. While not so dramatic as the changes in East-West relations, dazzling events across the Taiwan Strait continue to unfold. Despite the richness of theoretical literature in foreign policy and decision-making, there is a lack of theoretical studies, either descriptive or policy oriented, in terms of Taiwan's mainland policy. Therefore, this study seeks to shed some light on the theoretical issues concerning Taiwan policy-making--a field that just began and still has much room for research.

Theories should help people understand the essence of complicated issues, ask fundamental questions, and explain the logic of how things develop. In the complexity of Taiwan-Mainland relations, theories should help "find the central tendency among a confusion of tendencies, to single out the propelling principle even though other principles operate, to seek the essential factors where innumerable factors are present".<sup>1</sup> In sum, a theory should be able to describe how

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<sup>1</sup> Kenneth N. Waltz, Theory of International Politics, (Reading, Mass: Addison-Wesley, 1979), p.10.

things happened, explain why they happened the way they did, and predict the reoccurrence of similar things in a given situation.<sup>2</sup>

The hypothesis of this study is that systemic and internal changes are the two determining factors which made Taiwan incrementally shift its policy toward mainland China (from "three nos" to broad exchanges).<sup>3</sup> And decision-making is a contributing factor by which the policy is directly affected. This research also employs the three three-levels of analysis proposed by John Spanier to study the unification policy of the Republic of China (hereafter ROC) toward the People's Republic of China (hereafter PRC) since 1950.<sup>4</sup> These are:

(1). the systemic level: Foreign policies are more a function of the structural constraints of international

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<sup>2</sup> David J. Singer, "The level-of-Analysis Problem in International Relations," in Klaus Knorr and Sidney Verba, eds., The International System: Theoretical Essays, (Princeton: Princeton University Press, 1961), pp.77-92.

<sup>3</sup> "Three nos" means no contact, no negotiation, no compromise with the Communist China. see Martin L. Lasater, Policy in Evolution: The U.S. Role in China's Reunification, (Westview Press, 1989), pp.113-115.

<sup>4</sup> John Spanier, Games Nations Play: Analyzing International Politics, (New York: Praeger Publishers, 1972); also see Michael Mastanduno, "Introduction: Approaches to Explaining American Foreign Economic Policy," International Organization, 42, Winter 1988, pp.1-14.

systems or balance of power;<sup>5</sup> therefore, this level stresses the power or capabilities of the United States relative to other nation-states in the international system focusing vis-a-vis the ROC and the PRC;

(2). the nation-state level: concerning the national attributes, interests, and domestic priorities in the ROC;

(3). the decision-making level: the policy-maker's perceptions of reality, security, interests and the institutions that formulate and execute policy in the ROC.

Because one level alone cannot by itself sufficiently explain policy-making, application of all three levels is necessary.

As Taiwan and Mainland China relations have steadily expanded in the economic and cultural as well as political realms so too have the factors involved in policy making. Expansion meant the problems facing Taipei leaders have become increasingly complex, requiring the increased involvement of numerous bureaucracies in shaping the ROC's mainland policy making. In response, Taipei leaders are trying to overcome the existing bureaucratic mechanisms for coordinating policy and

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<sup>5</sup> Kenneth N. Waltz, Theory of International Politics, 1979.; Robert Koehane, "The Theory of Hegemonic Stability and Change in International Economic Regimes," in Ole Holsti, R. Siverson, and A. George, eds., Change in the International System, (Boulder: Westview Press, 1980).

to develop expertise to deal with new problems.<sup>6</sup>

SIGNIFICANCE OF TAIWAN-MAINLAND RELATIONS AS A RESEARCH PROGRAM

Exploring the Taiwan-mainland relationship can yield at least three intellectual gains--one substantive, the other two theoretical. First, substantive knowledge on the Taiwan-mainland relationship is crucial to a better understanding of international politics in the Asia-Pacific rim, which is more amenable to case-by-case analyses than broad-stroke characterizations. The Asia-Pacific region has yet to show the major "global" trends that post-Cold War literature has identified elsewhere, such as regional economic integration, the resurgence of nationalism, and disarmament. In every region, except for the Asia-Pacific, one finds region-wide interstate organizations and sweeping issues that concern every member of the organization--for example, collective regime collapse and economic transformation in Eastern Europe; expansion and further integration of a common market in Western Europe; and debt crisis, economic restructuring, and democratic revival in the Third World countries.

In contrast, there is no overriding pattern of region-

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<sup>6</sup> Rong-feng Chang, T'ai-hai lian-an ching-mao kuan-hsi (Economic and Trade Relations Between the Two Sides of The Taiwan Strait), (Taipei: National Policy Research Center, 1989); also Hai-yuan Chu, Min-chung fu ta-lu fang-wen chih ying-hsiang (The Impact of Mass visits to Mainland China), (Taipei: National Policy Research Center, 1989).



wide political dynamics in the Asia-Pacific rim. While regional economic interaction intensifies, there is no trace of regional integration in the way of the European Community model.<sup>7</sup> Here, international politics and regional economies are as diverse, slippery, and fragmented as ever. Jeffrey Frankel demonstrates that the so-called "Yen bloc" in East Asia and the Pacific is more apparent than real, while Peter Petri shows that postwar Pacific Asia has a lower degree of intra-regional economic interdependence than in the prewar era.<sup>8</sup> Politically, three major sources of tension and potential conflict--namely, the divided Korean Peninsula, the Taiwan Strait, and Indochina (including South China Sea)--continue to evolve according to their own internal dynamics. The mega-trends in big environments, such as the changing relations among major powers, affect, but do not shape, the direction of change in these three problem areas. The Taiwan-

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<sup>7</sup> Miles Kahler, "Organizing the Pacific," in Pacific-Asian Economic Policies and Regional Interdependence, Robert A. Scalapino ed., (Berkeley: University of California Institute of East Asian Studies, 1988), pp.329-351.; Miles Kahler, ed., Beyond the Cold War in the Pacific, (San Diego: Institute on Global Conflict and Cooperation, 1991); Lawrence Krause, "Pacific Economic Regionalism and the United States," Academic Studies Series, 1991, no. 1:1-17 (University of California, San Diego and the Korea Economic Institute of America).

<sup>8</sup> Jeffrey Frankel, "Is a Yen Bloc Forming in Pacific Asia?" Finance and international Economy, 1991, no. 5:4-21, and Peter Petri, "The East Asian Trading Bloc: An Analytical History," in Regionalism and Rivalry: The United States and Japan in Pacific Asia, Jeffrey Frankel and Miles Kahler, eds., (Chicago: University of Chicago Press).

mainland relationship, like the other two regional issues, has to be studied for its own sake.

Second, the case of the Taiwan-mainland issue permits us to reexamine the relationship between regime types and foreign policy conduct. Intense international conflicts, at both global and regional levels, have occurred mostly between relatively symmetrical powers or blocs, that is, between two parties with roughly equal or comparable capabilities. Unequivalent rivalries, since the age of colonialism and imperialism, were often assumed to be brief, with predictable, indeed predetermined, outcomes by the discrepancy in capability. However, the Vietnam War experience has led theorists to argue that power as capability does not mean much, that power is elusive, that size does not determine outcome, and that national attributes such as leadership, regime type, and morale, may be crucial intervening variables between power resources and bargaining outcomes.<sup>9</sup> If the process and outcome of the Vietnam War were not merely functions of conduct on the battlefield and at the negotiation table, we probably need to shift the analysis from the systemic level to the unit level and take the attributes of units seriously.

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<sup>9</sup> David Baldwin, "Power Analysis and World Politics: New Trends Versus Old Tendencies," World Politics 31, no.3 (January 1979): 161-194.

Of the various national attributes that may impinge on foreign policy conduct, regime type is probably the most intriguing.<sup>10</sup> For a while, the U.S.-Vietnam conflict has served as the heuristic case for this sort of discussion. The stylish question has always been: was the giant U.S.'s defeat in the Vietnam War due to the unequivalence between democracy and totalitarian or authoritarian regimes? Vietnam War literature, while often ensnared in the moral debate over foreign intervention or the ideological dispute on the role of mass media, seems to have convinced us that liberal democracy itself severely constrains the use of force as a foreign policy tool without public support. The Gulf War in early 1991, however, is a mirror image of the Vietnam War. Historical learning and the ending of the Cold War aside, the Gulf War suggests an antithetical proposition, namely that the leaders of liberal democracies are not necessarily handicapped, while their counterparts in authoritarian regimes do not necessarily have a comparative advantage in conducting foreign policy. If anything, the Gulf War, and for that matter, the three Israeli-Arab wars, indicate that under skillful leadership, democracy can even be a positive factor in the pursuit of national security and foreign policy

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<sup>10</sup> Henry Kissinger, "Domestic Structure and Foreign Policy," in International Politics and Foreign Policy: a Reader in Research and Theory, James N. Rosenau ed., (New York: The Free Press, 1969), p.267.

objectives.

The democratizing regime in Taiwan and the seemingly tenacious "totalitarian" regime in mainland China offer an interesting relationship to test propositions linking regime types to foreign policy conduct. If democracy is not a determining factor in Taiwan's management of the relationship with its giant rival, it is probably not likely to be an obstacle to other democratic countries in less adverse situations. In other words, the Taiwan-mainland issue can be a contributing case for other scholars in testing theory.

Third, the case of Taiwan-mainland interaction can also shed some light on the debate between structural realism theorists, such as Waltz and Gilpin, and their liberal globalist critics such as Keohane, Nye, Rosecrance, and Rosenau.<sup>11</sup> Both schools of thought focus on the systemic level of analysis, but are amenable to an analysis on bilateral interaction. To a structural realist, military security is the primary national concern. As long as nation-states continue to be basic units of an anarchical international system, all

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<sup>11</sup> Richard Rosecrance, "International Theory Revisited," International Organization 35, no.4 (Autumn 1981): 691-713; also see his exchange with Kenneth Waltz, *ibid.* 36, no.3 (Summer 1982): 679-85. For a recent characterization of this debate, see James N. Rosenau and Hylke Tromp, eds., Interdependence and Conflict in World Politics, (Aldershot, England: Avebury, 1989), and Daniel Deudney and G. John Ikenberry, "The International Sources of Soviet Change," International Security 16, no.3 (Winter 1991/92): 74-118.

issues bear national security implications. To liberal globalists, complex interdependence in the modern world has upset the hierarchy of issues, interactions are issue-specific, and threats or coercion tend to give way to bargaining for mutual gains.<sup>12</sup>

Economic interdependence might affect foreign policy behavior by three "causal paths": via the transformation of national goals of values; via the creation of interest groups and hence the alteration of domestic political processes; or simply by issue linkages.<sup>13</sup> But economic interdependence between two nations may also give rise to reversed leverage if trade and investment become hostage to political coercion. The liberal globalists do not deny that issue linkage and unequivalent interdependence can be a source of influence. But when are issues credibly linked? How asymmetric does economic interdependence need to be to become a source of power? What is the threshold? Albert Hirschman asks, "when do the gains from trade turn into a national security issue?"<sup>14</sup> It is over these questions that the two schools of thought clash.

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<sup>12</sup> R. Harrison Wagner, "Economic Interdependence, Bargaining Power, and Political Influence," International Organization 42, no.3 (Summer 1988): 461-83.

<sup>13</sup> Richard Rosecrance, The Rise of the Trading State: Commerce and Conquest in the Modern World (New York: Basic Books, 1986).

<sup>14</sup> Albert Hirschman, National Power and International Trade (Berkeley: University of California Press, 1945).

The Taiwan-mainland issue provides an excellent laboratory in which to refine the theoretical thinking on power and complex interdependence. Other cases, notably concerning the European oil pipeline, technology licensing, and grain export to the now defunct socialist countries, have been used to examine various propositions on the linkage between trade and security.<sup>15</sup> However, most of these "conventional" cases pertain to bloc-to-bloc relations and intra-alliance politics.

The Taiwan-mainland issue, in contrast, is an unequivocal case. The size disparity between Taiwan and the mainland can never be overstated. How Taiwan, as a small country, manages economic interaction with its formidable adversary, mainland China, without jeopardizing its national security can be very important to other unequivocal cases such as Sri Lanka-India, Israeli-Arab, and indeed Cuba-United States. Moreover, the Taiwan-mainland relationship also highlights policy intentions in shaping the structure of bilateral interaction. Mutual sovereignty claims force both sides of the Taiwan Strait to calculate the political objectives and security implications of trade and investment. Interaction between these two societies or economies does not

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<sup>15</sup> R. Harrison Wagner, "Economic Interdependence, Bargaining Power, and Political Influence," International Organization 42, pp.468-73.

just grow in accordance with market forces. Rather, it is intimately conditioned by political calculus. The Taiwan-mainland issue, in short, exemplifies the conscious management of power and interdependence.

#### ANALYZING MAJOR METHODOLOGICAL APPROACHES

There are at least five major approaches to the study of Taiwan-mainland relations: diplomatic history, the divided-nation, rational choice, elite conflict, and political process. Each one has its virtues and limitations. The study of diplomatic history is an age-old, interpretative approach that seeks to document every important event, identify the thrust of foreign relations, and understand the meaning of vicissitude in foreign policies. Focusing on major decisions and key policy-makers, this approach is often riveted at the systemic level of analysis and focuses on great man diplomacy in power games. History unfolds as leaders of major powers shape and reshape their countries' foreign policies in perpetual balance-of-power games. Not surprisingly, the issue of Taiwan-mainland ties is often subsumed under the broad study of the Sino-American relationship. Examples of this approach abound, including Thomas Stolper's well-documented study of the Quemoy crisis in 1958, Gilbert and Carpenter's description of U.S.-China relations, Wang Yu-san's detailed treatment of the evolution of policies on both sides of the Taiwan Strait, John Copper's most updated work on how American

foreign policy initiatives and Chinese responses restructured the Washington-Taipei-Beijing triangle, and Harry Harding's meticulous and interpretative study of the Sino-American relationship since Richard Nixon's visit to the PRC in February 1972.<sup>16</sup>

Works of diplomatic history are not necessarily atheoretical as the balance-of-power game is, as just mentioned, often its implied analytical framework. However, the historical development of foreign relations being the major concern, this body of literature is primarily narrative and fact-confirming in nature. This pattern does not explicitly attempt to spell out the logic of interaction across the Taiwan Strait and its underlying analyses are not geared toward predicting policy behavior on either side. The primary contribution of this body of literature lies in trying to "get the facts straight". However, the contribution of this sort of literature should never be disparaged since facts are never self-evident.

The divided-nation approach is more a normative exercise

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<sup>16</sup> Thomas E. Stolper, China, Taiwan, and the Offshore Islands (Armonk, New York: M.E. Sharpe, 1985); Stephen P. Gilbert and William M. Carpenter, America and Island China: A Documentary History (Maryland: University Press of America, 1989); Wang Yu-san, ed., The China Question: Essays on Current Relations Between Mainland China and Taiwan (New York: Praeger, 1985); John F. Copper, China Diplomacy: The Washington-Taipei-Beijing Triangle (Boulder, Colo: Westview Press, 1992); Harry Harding, A Fragile Relationship: The United States and China Since 1972 (Washington, D.C.: Brookings Institution Press, 1992).



than a positive one. Developed out of the experiences of the two Germanies and two Koreas, or for that matter, the two Vietnams, this paradigm has been frequently applied to Taiwan and mainland China.<sup>17</sup> The divided-nation model frequently has a normative bent, a teleological assumption, and a functionalist bias.<sup>18</sup> Major works of the divided-nation approach seek to prescribe formulae by which two ideologically opposed systems--socialism versus capitalism (or authoritarian versus democracy)--can move from confrontation, through cohabitation, to integration and eventually reunification. The peaceful "integration" of Germany seems to impart more encouraging power to the divided-nation paradigm. As

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<sup>17</sup> For example, Yung Wei, "The Unification and Division of Multi-System Nations: A Comparative Analysis of Basic Concepts, Issues, and Approaches," in Multi-System Nations and International Law, ed. Hungdah Chiu and Robert Downen, Reprints Series in Contemporary Asian Studies no.8 (1981):59-74 (University of Maryland: School of Law); Chu Song-por, ed., Fen-lieh kuo-chia te hu-tung kuan-hsi: I Chung wei-li (Interactions of divided nations: The case of China and Korea) (Taipei: Institute of International Relations, 1989); Donald J. Senese and Diane D. Pikcunas, Can the Two Chinas Become One? (Washington D.C.: Council for Social and Economic Studies, 1989); Gary Klintworth, "Taiwan/China Reunification Issue," in Modern Taiwan in the 1990s, ed. Gary Klintworth, Canberra Papers on Strategy and Defence, no.75 (1991): 172-87; Quansheng Zhao and Robert Sutter, eds., Politics of Divided Nations, Occasional Papers/Reprints Series in Contemporary Asian Studies (University of Maryland: School of Law, 1991); Wang Yu-san, ed., Foreign Policy of Republic of China on Taiwan: An Unorthodox Approach, (New York: Praeger, 1990)

<sup>18</sup> Gregory Henderson, Richard N. Lebow, and John G. Stoessinger, eds., Divided Nations in a Divided World (New York: McKay, 1974); Michael Haas, ed., Korean Reunification: Alternative Pathways (New York: Praeger, 1989).

reunification is an eventual goal that both regimes or central governments across the Taiwan Strait have vowed to achieve, the divided-nation model is undoubtedly a legitimate and useful approach to examine Taiwan-mainland relations. This approach helps one understand the parameters of interaction and shows how self-defined goals ultimately guide or constrain the leadership's policy options.

However, the analytical utility of the divided-nation paradigm has its limitations. Using the German model to predict the processes, stages, or even outcomes of interaction on the Korean Peninsula or across the Taiwan Strait can be very misleading. West Germany's policy toward the East side certainly contributed to peaceful German unification, but the result would have been quite different without a Mikhail Gorbachev. Moreover, the two regions of Germany did not really unify, but rather the West absorbed the East, as was the case of Vietnam with the North conquering the South. In addition, an aspect often overlooked in the German case is that from its inception, the former West Germany had been a democratic regime facing an authoritarian, now defunct East Germany. The impact of West Germany's democratic process on the path of German reunification has been left unstudied.

Finally, using the divided-nation model to analyze Taiwan-mainland relations overlooks the size factor as well as subethnic factor. Size disparity is most acute and perverse in

the Taiwan-mainland issue among the four divided nations in the postwar era. Unification proves to be less difficult if the larger party is economically successful and politically open. The subethnic cleavage between the mainlanders and Taiwanese in Taiwan, and the complex issue of independence versus unification, are also unique aspects not found in other divided nations. After adding all these idiosyncratic factors up, one can easily make the Taiwan-mainland case an exception to the family of divided nations.<sup>19</sup>

Not all divided-nation works are normative and prescriptive in nature. Some are "positive" analyses, attempting to explain and predict the changes or status quo in bilateral relationships. For example, Wen-hui Tsai suggests that political separation is likely to persist if socioeconomic convergence between the two sides of the divided nations does not increase.<sup>20</sup> Robert Bedeski, in studying the interaction between the two Koreas, argues that dialogue and bargaining tend to make both sides even more conscious of their difference, rather than common, interests and stands,

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<sup>19</sup> Tzong-Ho Bau, "National Reunification: A Comparison of Chinese, Korean and German Models" (Paper presented at the conference on "The Korea War and Its Legacy: Prospects for Peace in the 1990s," University Park, Pennsylvania, July 27-28, 1990).

<sup>20</sup> Wen-hui Tsai, "Convergence and Divergence Between Mainland China and Taiwan: The Future of Unification," Issues and Studies, vol.27, no.12 (December 1991), pp.1-28.

thereby making both sides farther apart.<sup>21</sup> Since this study is only focused on Taiwan's mainland policy making, the author, therefore, excludes this model for testing.

The rational choice paradigm offers a third perspective for the study of the Taiwan-mainland issue. This type of analysis can be either formal modeling, or a game theory-like exercise.<sup>22</sup> Works on the PRC-U.S. interaction in crisis situations or in strategic triangles also fall into this category. For example, Lowell Dittmer shows that the PRC has been generally playing the game of strategic triangle by "rationally" following the logic of its position in the structure.<sup>23</sup> This approach assumes that leaders are rational actors, making full use of the available information and examining available policy options either simultaneously or sequentially, and maximizing the gains of policy objectives.

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<sup>21</sup> Robert Bedeski, "Nordpolitik in the Sixth Republic of Korea: Risks, Gains, and Prospects" (Paper presented at the International Conference on Korea's Democratic Experiment, Seoul, June 27-28, 1991).

<sup>22</sup> Tzong-Ho Bau, "Taipei-Peking Interaction as a Two-Person Conflict: A Game Theoretical Analysis, 1949-1988," Issues and Studies 27, no.10 (October 1991): 72-96; Emerson M.S. Niou, "An Analysis of the Republic of China's Security Issues," ibid. 28, no.1 (January 1992): 82-95.

<sup>23</sup> Allen S. Whiting, China Crosses the Yalu: The Decision to Enter the Korean War, (New York: Macmillan, 1960); Lowell Dittmer, "The Strategic Triangle: An Elementary Game-Theoretical Analysis," World Politics 33, no.4 (July 1981): 485-515, and also his Sino-Soviet Normalization and Its International Implications, 1945-1990 (Seattle: University of Washington Press, 1992).

The advantage of this approach lies in analyzing decision-making in crisis situations or strategy for crisis management. Deterrence theory is subsumed under this approach. Studies focusing on big environments also have an underlying assumption of the rational actor responding shrewdly to opportunities offered by the international system and prudently coping with the constraints imposed on units. The Baltic states' paths to independence provide the best example. People in these three states harbored deep-seated hatred toward the Soviets but never resorted to violence against Soviets inside the Soviet borders. Collective memory, small size, and historical lessons make it easy for people to converge their nonviolent but persistent actions, as if acting in concert.

The rational choice approach informs decision-makers what they ought to do in order to best achieve their objectives, and prescribes strategies to accomplish what is maximally possible in a given situation.<sup>24</sup> The preferences are listed as possibilities, and any one can be taken as a given. Applied to the Taiwan-mainland issue, the objectives of decision-makers can vary from conquest, status quo (or deterrence), negotiated settlement, or capitulation. This is where the rational choice approach differs from the divided-nation approach; the latter

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<sup>24</sup> Jon Elster, Solomonic Judgements: Studies in the Limitations of Rationality (New York: Cambridge University Press, 1989).

bears a noble goal, namely peaceful unification, and asks the question of "what is useful" rather than "what is possible". In contrast, the rational choice approach addresses various conceivable outcomes.

However, the elegance and parsimony of the rational choice approach--especially in its rigorous game theory formulations--come at a price. Critics have always cast doubt on the utility and relevance of game theory to the real world, saying that the model is at most heuristic, at worst reductionist, and incapable of adding new information to the real issue, which is too complex and too dynamic to be captured by a simplified model. Often, the model formalizes what is already known, telling the same story twice but in a different language. The major shortcoming of the model is that it does not attempt to explain the preference order and preference change. But for an issue like Taiwan-mainland relations, preferences are precisely what need to be explained. Here, works on the PRC's quest for sovereignty, status, and national pride and Taiwanese postwar history are more inspiring than the abstract model of rational choice.<sup>25</sup>

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<sup>25</sup> For example, on the PRC side, Harold C. Hinton, China's Turbulent Quest (New York: Macmillan, 1970); Samuel S. Kim, China, the United Nations and World Order (Princeton, New Jersey: Princeton University Press, 1979); Michael Oksenberg, "The China Problem," Foreign Affairs 70, no.3 (Summer 1991): 1-16; James Townsend, "Chinese Nationalism," The Australian Journal of Chinese Affairs, no.27 (January 1992): 97-132. On the Taiwan side, George H. Kerr, Formosa Betrayed (Boston:

In fact, critics of the rational choice approach have begun to gain momentum in the field of political science. Gabriel Almond convincingly points out that rational choice assumptions on individuals' calculations of costs and benefits and the maximization of interests through market-like exchanges unwisely obscure the studies of political beliefs and expectations.<sup>26</sup> Politics as a market exchange is but one of many analogies; politics can also be religion-like, war-like, and theater-like.<sup>27</sup> A cognitive perspective on decision-making points to the habitual or cybernetic mode of interaction among key international actors.<sup>28</sup> Critics are not necessarily rejecting the rational choice approach. Rather, they point out its inadequacies and tendency to trivialize issues, reducing a complex and often normative-oriented political phenomenon to a mere power play between self-

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Houghton Mifflin, 1965); Douglas Heusted Mendel, The Politics of Formosan Nationalism (Berkeley: University of California Press, 1970); Tse-han Lai, Ramon H. Myers, and Wei Wou, A Tragic Beginning (Stanford, Calif: Stanford University Press, 1991).

<sup>26</sup> Gabriel A. Almond, A Discipline Divided: Schools and sects in Political Science (Newbury Park, Calif: Sage Publications, 1990), p.133.

<sup>27</sup> Ibid., p.221.

<sup>28</sup> See, for example, Alexander L. George, Deterrence in American Foreign Policy: Theory and Practice (New York: Columbia University Press, 1974); John D. Steinbruner, The Cybernetic Theory of Decisions: New Dimensions of Political Analysis (Princeton, New Jersey: Princeton University Press, 1974).

interested leaders. Indeed, the whole literature of "international regimes" is premised on the assumption that rules and norms, as opposed to power and self-interest, influence behavior independently. Donald Emmerson argues that rational choice theory--according to which autonomous individuals calculate and compare the net costs and benefits of alternative behavior--is important in the pervasive post-Cold War circumstances of political conflict characterized by nationalist disputes, collective identity, and cultural attachments.<sup>29</sup>

A fourth approach to the Taiwan-mainland issue focuses on elite conflict and group dynamics. This perspective goes beyond the narrow scope of analysis provided by the game theory approach and dilutes the highly restricted game-like situation among top decision-makers, encompassing more actors from elites in politics, bureaucracy, and even business, who bear on policy-making and policy implementation. The analysis centers on elite structure, political alignments, and policy networks or nexus, where major actors are closely related to each other around the axis of policy under development. Examples of the elite conflict model include Parris Chang's works on policy-making in the post-Mao PRC, Robert S. Ross's

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<sup>29</sup> Donald K. Emmerson, "Diversity, Democracy, and the 'lessons' of Soviet Failure: Western Hopes, Asian Cases," The Pacific Review 4, no.4 (1991): p.294.



works on U.S.-China relations over the Taiwan issue and on the impact of succession politics on foreign policy conduct, and Tsai Cheng-wen's work on Taiwan's foreign policy.<sup>30</sup> In all these works, the key explanatory variable is the structure of elite conflict and the composition of a bifurcated elite.

Parris Chang's view contrasts with that of A. Doak Barnett which sees the locus or arena of post-Mao foreign policy-making constantly shifting, but the phenomenon of one-man rule remains the same.<sup>31</sup> The ending of charismatic leadership under Mao and the incessant game of political succession to the first generation of leadership implies the advent of community policy-making. Teng Hsiao-p'ing is first among equals, and there are signs that the PRC policy toward Taiwan is a delicate equilibrium between hard-liners and moderates within the growing constraints of some provincial interests of South China. Ross also shows that Teng's policies toward the United States and Taiwan at times "have served his

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<sup>30</sup> Parris H. Chang, "Elite Conflict in the Post-Mao China," Occasional Papers/Reprints Series in Contemporary Asian Studies (University of Maryland: School of Law, 1981); Robert S. Ross, "International Bargaining and Domestic Politics: U.S.-China Relations since 1972," World Politics 38, no.2 (January 1986): 255-87, and his "Succession Politics and Post-Mao Foreign Policy," in Chinese Defense and Foreign Policy, ed., June Teufel Dreyer (New York: Paragon, 1989), 27-62; Tsai Cheng-wen, Chung-hua-min-kuo tui-wai kuan-hsi (Foreign Relations of the Republic of China) (Taipei: National Policy Research Center, 1991).

<sup>31</sup> A. Doak Barnett, The Making of Foreign Policy in China (Boulder, Colo: Westview Press, 1985), p.3 and p.140.

domestic needs [in responding to his peers' critiques] rather than fit [sic, fitting] into a well-thought-out tactical plan" in managing the strategic triangle.<sup>32</sup> Elite conflict and policy debate can be anticipated when the PRC fares well in the dynamic strategic triangle and hence has some range of foreign policy choice.<sup>33</sup>

The same model--bifurcated ruling elite--is now used to analyze the inconsistent mainland policy under a seemingly dual leadership in Taiwan.<sup>34</sup> The mainstream and non-mainstream factional conflict in domestic politics seems to have been externalized in foreign policy conduct, again constrained by the economic interests of those with a stake in trade and investment in the mainland. Disagreement between the two factions on the pace, if not direction, of interaction with the PRC results in either stalemate or inconsistency in Taiwan's mainland policy.

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<sup>32</sup> Robert S. Ross, "International Bargaining and Domestic Politics: U.S.-China Relations since 1972," World Politics p. 284, and p.286.

<sup>33</sup> Ibid., p.286.

<sup>34</sup> Ch'un-san Chao, "Changing Relationship between the PRC and the ROC," in Ta-lu cheng-ts'e yu lian-an kuan-hsi (The mainland policy and relations between two sides of the Taiwan Strait) ed., Ch'un-san Chao, (Taipei: The Foundation of Democracy, Culture, and Education Published, 1991): pp.3-14.; also see Gunter Schubert, "Constitutional Politics in The Republic of China," in Issues and Studies 28, no.3 (March 1992) (Taipei: Institute of International Relations Published): 21-37.

The key to this approach is that policy is not carefully crafted by top leaders armed with the best information, but rather policy is the result of a process dominated by conflicting elite groups. The scope of political conflict among elites then becomes a key question; whether it will externalize is another question. The advantage of this approach is that it can explain preferences and preference changes. Preference-tracing is a very difficult task. Given the impossibility of interviews and participatory observation, the content analysis of media or public speech made by those important leaders coverage needs to be undertaken to infer the policy stands of different leaders and organizations.<sup>35</sup>

Finally, the imbalance political process model is seemingly being developed to capture the impact that democratization has created on Taiwan's external relations. Here, characteristics of democratic regimes, such as the structure and attributes of public opinion, electoral process, and social coalition, are brought into the model. The imbalance between the two sides of the Taiwan Strait is significant and the impact of the democratization of one side on the bilateral relationship is important. Andrew Nathan argues that the public in Taiwan is inevitably injected into

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<sup>35</sup> Allen S. Whiting, "Chinese Domestic Politics and Foreign Policy in the 1970s, Michigan Papers in Chinese Studies, no.36 (1979).

the bilateral interaction between the KMT and CCP, and that the two parties are no longer in a position to strike any deal without strong public support in Taiwan.<sup>36</sup>

Institutions rather than elites are the leading explanatory variables of the imbalance political process model. The key question seems to be: does democracy necessarily handicap foreign policy conduct? Or conversely, is democracy itself a powerful foreign policy weapon? Chi Su suggests that political liberalization psychologically disarms Taiwan.<sup>37</sup> Democracy widens the scope of policy-making which is made more disjointed, moody, and transparent. The opposition party's foreign policy agenda and its quest for Taiwan's sovereignty in every conceivable forum undermines the ruling party's efforts to overcome the foreign relations hurdles that Taiwan faces.<sup>38</sup> However, Hu Chang argues that Taiwan's opening-up to the PRC, such as allowing family and tourist visits to the mainland, will increase heavy pressure on PRC

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<sup>36</sup> Andrew J. Nathan, "The Effect of Taiwan's Political Reforms on Taiwan-Mainland Relations," in Political Change in Taiwan, Tun-jen Cheng and Stephan Haggard, eds., (Boulder, Colo: Lynne Rienner, 1992), pp.207-20.

<sup>37</sup> Chi Su, "Political Impacts of Family Visits to Regimes on Both Sides of the Taiwan Strait," Chung-kuo shih-pao (China Times) (Taipei), December 23, 1987.

<sup>38</sup> Peter R. Moody, Jr., Political Change on Taiwan: A Study of Ruling Party Adaptability (New York: Praeger Press, 1992) pp.140-150.

authorities for reform.<sup>39</sup> Democracy may turn out to be a blessing for Taiwan. Due to the change in Taiwan's regime, Chinese on the mainland may demand political transformation as well, making the PRC regime even less legitimate and less compelling when bargaining with Taiwan for any political settlement of disputes between the two sides. Tun-jen Cheng argues that democracy has aggravated problems arising from subethnic cleavages between Taiwanese and mainlanders in Taiwan, but it also provides a framework to alleviate, if not solve, these problems and forge some sort of consensus on Taiwan's ties with the mainland.<sup>40</sup>

#### **ASYMMETRIC NATIONS: RATIONAL OR RISK-AVERSE**

Multiple analytical frameworks obviously allow us to compare the utilities and limitations of different approaches. More importantly, multiple approaches allow us to reflect on the soundness of different assumptions. The conclusion of any intellectual exercise is only as fruitful as the soundness its assumption permits. An analytical model can be assessed not

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<sup>39</sup> Hu Chang, "Examining the Effects of Family Visits to the Mainland: Seen from the Perspective of Political Development on Both Sides of the Taiwan Strait," In Chu Song-por, ed., Fen-lieh kuo-chia te hu-tung kuan-hsi: I Chung Han wei-li (Interactions of divided nations: The case of China and Korea), pp.75-96.

<sup>40</sup> Tun-jen Cheng, "Democracy and Taiwan-Mainland Ties: A Critique of Three Dominant Views" (Paper presented at the American Association for Chinese Studies annual convention, Detroit, October 24, 1992).

just in terms of its parsimony, generalizability, and internal logical consistency, but also in terms of whether its assumptions are tenable or not. If the conclusions from two paradigms clash, they provides an excellent opportunity to discuss whether one set of assumptions is more reasonable than the other. Regarding the Taiwan-mainland issue, at least three types of assumptions are often made, but not defended or justified. These three pertain to, first, the risk propensity of leadership; second, rational action undertaken by leaders; and third, the degree of freedom in policy-making under different regime types.

Rational choice literature does not pre-specify risk propensity, which is seen as an external variable; whether an actor in either Beijing or Taipei is risk-averse or risk-neutral depends on situational logic. However, the divided-nation model and imbalance political process model would suggest risk aversion for Taiwan's leadership, while supposing risk neutrality for the leadership in Beijing. Risk averse means that one prefers a lesser payoff with low risk as opposed to gambling for a higher payoff with greater risk. Risk-neutral means that one is indifferent to either outcome. Being risk-averse, the KMT leadership does not take Beijing's conciliatory words at face value, and instead, assesses the situation based on the military and political capability of the PRC, not on the presumed good intention of the PRC's

leadership. One can contend that the KMT leadership is preoccupied with risk aversion due to acute territorial imbalance as well as the regime imbalance between authoritarianism and democracy.

The self-evident power imbalance between mainland China and Taiwan implies that the margin for policy error is very narrow for Taiwan. This imbalance is aggravated by the unevenness of the PRC leadership capacity in handling internal and external affairs. Internally, the PRC regime has been, until very recently, unable to lead the country out of its poverty cycle and backwardness. Externally, the PRC regime has been very adroit and astute in managing relations with Western countries and Taiwan. Despite the Korean War and internal needs of consolidation and reconstruction, the PRC regime was able to engage Taiwan in military confrontation during the 1950s. Despite the devastation of the Cultural Revolution, the PRC regime was able to reduce Taiwan's political space in the international arena in the 1970s. Despite the Reagan administration's distaste for socialist countries during the 1980s, the PRC continued to receive a high credit line from the West, de facto preferential quotas for textile exports to the United States, numerous programs for scholarly exchange, and so on. Despite the Tienanmen incident of June 4, 1989, the PRC regime has been able to continuously isolate Taiwan diplomatically, as illustrated by Taiwan's loss of diplomatic

ties with Saudi Arabia and South Korea, as well as Taiwan's inability to join purely functional international organizations such as the General Agreement on Tariffs and Trade (GATT).

Differing risk propensities between the Taipei and Beijing leadership are also a function of regime imbalance. As a Communist regime, the PRC is highly capable of suppression, intimidation, or organized violence, though its capacity for organizing and inspiring society for economic activities, and hence eliciting political support, is very low.<sup>41</sup> Under the pressure of democratization, the leadership in Taiwan can no longer depend on coercion to maintain power, and has begun to face electoral accountability. Everything else being equal, voters in a democracy have a retrospective bias, penalizing a politician for mistakes or costs associated with him or her, but not necessarily rewarding him or her for potential or even actual benefits.<sup>42</sup> The leadership in Taipei should be more risk-averse than its counterpart in Beijing.

However, the above distinction in risk propensity derived from the divided-nation model and regime imbalance model, may

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<sup>41</sup> James C.F. Wang, Contemporary Chinese Politics: An Introduction, 4th edition, (New Jersey: Prentice Hall Press, 1992), pp.249-76.

<sup>42</sup> Morris P. Fiorina, Retrospective Voting in American National Elections (New Haven, Conn: Yale University Press, 1981). pp. 3-11.



wash away if we examine the elite conflict model. Intense electoral competition may conceivably lead to a risk-taking policy if both the ruling party and opposition are outbidding each other to organize political support, especially in the crucial years of democratization.<sup>43</sup> Likewise, elite conflict within the ruling body may lead to either adventuresome or timid, even inactive, policy-making. So far, Taiwan's political elites have not engaged in a game of outbidding each other on policy toward the mainland, for either rapid reunification or instant independence. By and large, political elites in Taiwan seem to play it safe so as not to jeopardize national interests, security, and prosperity. Such a behavioral orientation is probably attributable to the electoral accountability and the risk-averse electorate which Taiwan's political elites face.

A rational actor model can certainly analyze the conditions within which two adversaries interact without miscalculation or misperception; for example, the existence of communication and signaling devices, defensive force postures, and so on.<sup>44</sup> But the elite conflict model will inform us whether, when, and how the situation will deviate from what

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<sup>43</sup> Tun-jen Cheng and Lawrence B. Krause, "Democracy and Development: With Special Reference to South Korea," Journal of Northeast Asian Studies 10, no.2 (Summer 1991): 3-25.

<sup>44</sup> Robert Jervis, "Deterrence Theory Revisited," World Politics 31, no.2 (January 1979): 289-324.

the rational choice model will predict. As factionalism begins to be aggravated, after the ending of one-man rule in Taiwan, the political signals from Taipei are bound to be confusing to Beijing. And perhaps with the divided-nation model, we can more clearly understand what is meant by "sensible" objectives and "bearable" costs for each side of the Taiwan Strait.

According to those theoretical analyses, the author, therefore, has selected three applicable models, namely diplomatic history, rational choice, and bureaucratic conflict model as a means of testing, qualifying, and elaborating the hypothesis of Taiwan's mainland policy-making. Each model, of course, raises a different set of questions and suggests a different set of hypotheses to test. Other factors, such as international events, decision-makers' ideology, and actions by mainland China may also affect different institutional predispositions and decision makers' perceptions. These contextual factors may not influence Taiwan's mainland policy making directly, but they pose some initial conditions that actors have to take into consideration as well as does this research.

### **CONCLUSION**

For four decades, the literature on East Asian international relations has given short shrift to Taiwan-mainland relations. Characteristic of ideological conflict and confrontation, the Taiwan-mainland issue had been treated

primarily as a subset of great power diplomacy in the Cold War environment. The global milieu within which the Taiwan-mainland issue was embedded has undergone a sea change since 1989. The Cold War in Asia was slow to come and is proving slow to go; most notably, the regimes in North Korea, mainland China, and Vietnam remain partially intact, and appear to be "anachronistic." National security, no longer an imminent and overriding concern, is not an obsolescent issue. Nonetheless, ideological antagonism has attenuated while economic transactions and social contacts among long-standing political adversaries have accelerated.

The Taiwan-mainland issue epitomizes the change in the new Asian order. Economic ties between the two sides of the Taiwan Strait certainly predated the "ending" of the global Cold War and were primarily fortified by market considerations. The increasing economic interdependence and intersocietal links inevitably compound political dynamics in each regime and between the two regimes of this divided nation. Independence, unification, economic integration, and other previously unthinkable issues are no longer diplomatic rhetoric, but possible historical courses. And yet the clear-cut interests, principles, and instruments of the Cold War years are now confused.<sup>45</sup> Risk assessment, domestic politics,

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<sup>45</sup> Lawrence Freeman, "Order and Disorder in the New World," Foreign Affairs 71, no.1 (1992): 20-37.

and the rationality of policy preferences become prominent subjects in the study of the Taiwan-mainland issue, which calls for more analytical models than the previous literature has offered. The Taiwan-mainland issue as a research program now stands on its own.

The ROC mainland policy covers a wide though nebulous domain. More specifically and for analytical convenience and clarity, the author conceptualizes Taiwan's mainland policy as a system of human actions, a system with its own structure, values, norms, and processes. Figure 1 presents an idealized, multi-dimensional model of Taiwan's mainland policy, with each behavioral dimension divided into interconnected, interacting sequential phases.<sup>46</sup> A state and its behavior are vague, abstract concepts. As a legal entity in international law, the state per se is incapable of making policy decisions. Only members of policy elites, acting on behalf of that state, are capable of pursuing goal-directed behavior.

The behavior-centered approach attempts to minimize the vagueness and mystique of "state behavior" by focusing on discrete, empirical units--the mainland policy actions of political leaders in various contexts and issues. Robert C.

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<sup>46</sup>Behavior-centered approach is proposed by Samuel S. Kim in China and the World, Samuel S. Kim, ed., (Boulder, Westview Press, 1984), p. 6; this model was modified by the author in order to match the empirical situation of Taiwan-mainland's relations and interactions.

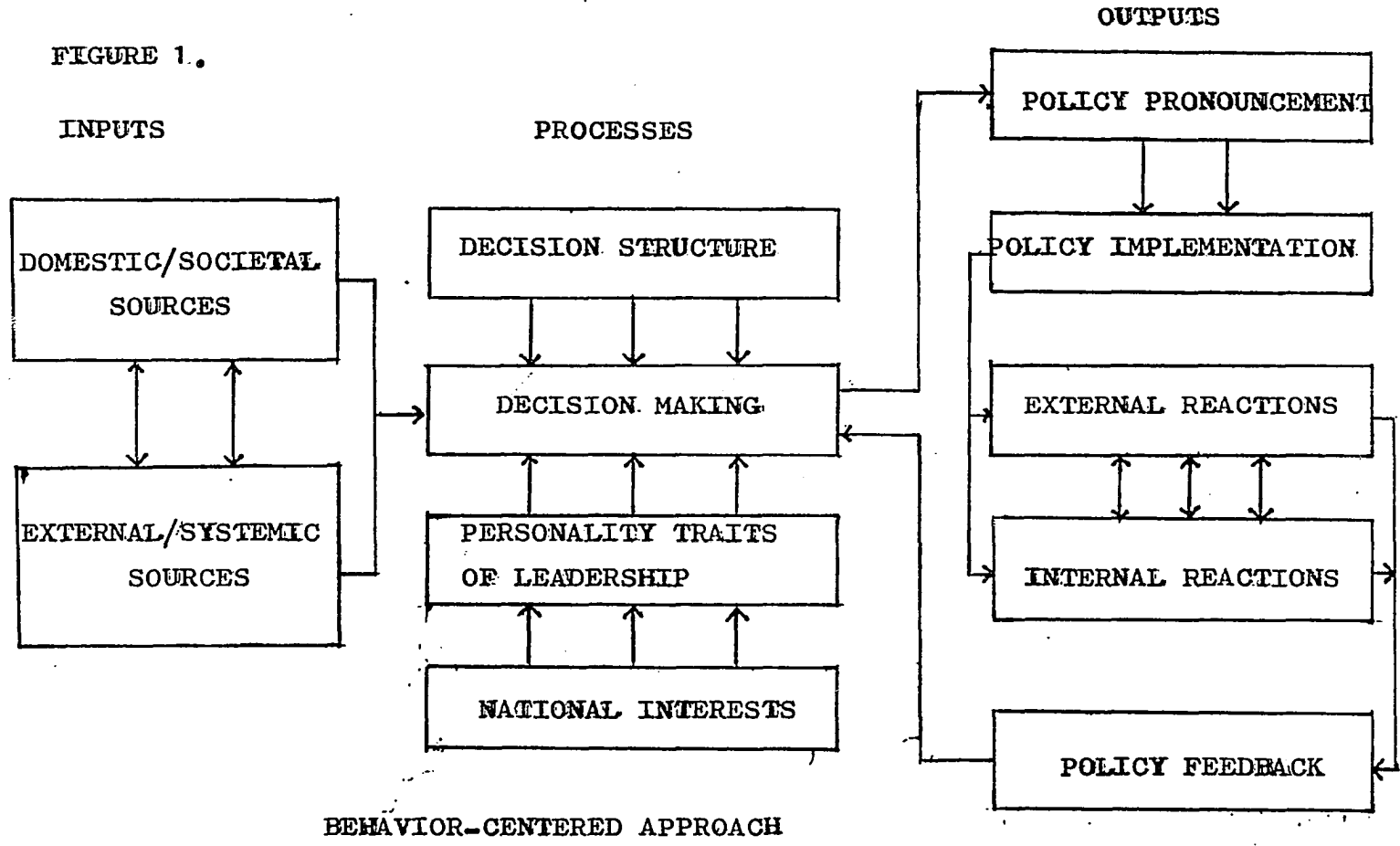
Tucker's leadership approach is helpful. In contrast to the traditional realpolitik method, Tucker conceptualizes politics in terms of how political leaders perform three related functions: diagnose a situation, prescribe a course of action, and implement policy.<sup>47</sup>

The nexus between states as dominant international actors and the external environment is at the phases of policy pronouncement and policy performance. The behavior-centered approach encourages an empirical inquiry into the reciprocal interaction between the ROC and the PRC. This method makes it possible to conceptualize and operationalize concrete and expressed external actions and activities in order to deal with three major puzzles in the study of Taiwan's mainland policy: (1) how constant or changeable is Taiwan's mainland policy behavior compared over time? (2) how unique and particularistic or general and common is Taiwan's mainland policy behavior? (3) how wide is the gap between ideal and real, between policy pronouncements and policy performance, and between intent and outcome in ROC's mainland policy?

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<sup>47</sup>Robert C. Tucker, Politics as Leadership (Columbia: University of Missouri Press, 1981).

FIGURE 1.



### CHAPTER III

#### RELEVANT BACKGROUND OF TAIWAN

##### PHYSICAL SETTING AND ETHNIC GROUPS

Taiwan refers both to an island in the western Pacific, just east of the south-central coast of China, and a nation. (Of unknown origin, the name Taiwan means "terraced bay" in Chinese.) The island of Taiwan comprises most of the land area of the nation known officially as the Republic of China, referred to also as Nationalist China. Taipei is its capital.

The island of Taiwan is surrounded by 15 to 20 smaller islands considered geologically to be linked to it. Also under Taipei's jurisdiction are the Pescadores (P'eng-hu) Islands, numbering 64 in all; the Offshore Islands (the Quemoy and Matsu groups); and a handful of islands in the South China Sea. All of the territory under Taiwan's jurisdiction is also claimed by the People's Republic of China, which regards it as Taiwan Province.

Approximately 250 miles long and 80 miles wide at the center, the island has a total area of 13,900 square miles, about the size of Massachusetts or Switzerland. The Pescadores add another 49 square miles, Quemoy about 68 square miles, and Matsu, 10 square miles.

Shaped much like a tobacco leaf, Taiwan lies approximately 100 miles off the China coast, with the Tropic of Cancer transversing the island just below its center. It is

situated between 21 45' and 25 50' north latitude, which in the Western Hemisphere would be just north of Cuba. The northern part of Taiwan shares the same latitude as southern Florida. Taiwan is 1,274 miles southwest of Tokyo and 484 miles northeast of Hong Kong.<sup>1</sup>

The Pescadores Archipelago lies 25 miles off Taiwan's west coast, slightly south of the island's center. The Quemoy group (six islands, two of them controlled by the People's Republic of China) is located within rifle shooting distance (at the closest point) of Fukien Province on the China mainland, almost due west of Taipei; this island group is also situated strategically near the mainland port of Amoy. The Matsu group is located northwest of Taiwan; like Quemoy, Matsu is close to the mainland and geologically part of it.

Taiwan also lays territorial claim to the Pratas (Tungsha) Islands and Spratly (Nansha) Islands in the South China Sea and maintains military forces on the major islands in both groups. These islands are small but strategically located, and ownership may provide the basis for claims on undersea minerals and oil. They also may involve Taipei in conflicting territorial claims in the South China Sea with the People's Republic of China, Vietnam, the Philippines,

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<sup>1</sup>. Paul K.T. Sih, ed., Taiwan in Modern Time, St. John's University, 1973, pp. 1-2.



Brunei, Malaysia, and Indonesia.<sup>2</sup>

Taiwan is bordered on the east by the Pacific Ocean, on the west by the Taiwan Strait, on the northwest by the East China Sea, and on the southwest by the South China Sea. To the north, some 80 miles away, lie the Ryukyu Islands, Japan's southernmost reaches. To Taiwan's south, separated by the Bashi Channel, are the Philippines; the island of Luzon is 230 miles from Taiwan.

Taiwan and the Pescadores mark the edge of the continental shelf. To the west in the Taiwan Strait, the sea is relatively shallow, averaging 300 feet in depth. However, 30 miles offshore on the east coast, the Pacific seabed drops precipitously to a depth of 13,000 feet.

Rugged mountains cover more than two-thirds of Taiwan, with the highest peaks found in the east. Fifty peaks tower near or above 10,000 feet; Yu Shan (Jade Mountain), reaching 13,114 feet above sea-level, is the highest.

Taiwan's most important resource is its population, which reached 19.9 million in 1990. The island is one of the most densely populated islands and nations on earth--nearly double that of Japan and almost five times the population density per square mile of China. If Taiwan were considered a

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2.Allen S. Whiting, "Chinese Foreign Policy Options in the 1990s," In Sammuell S. Kim, ed., China And the World, 2nd edition, (Westview Press, 1989), P.309.

province of China, it would be the smallest and most densely populated province. In fact, with three-fourths of Taiwan covered by mountains and thus sparsely populated, the population density in the lowland areas is even greater than the average of more than 140 people per square mile suggests.<sup>3</sup>

Taiwan's population includes four ethnic groups: aborigines, two groups of Taiwanese Chinese, and mainlander Chinese.<sup>4</sup> Although the aboriginal population is now largely assimilated, knowing the national language and both Taiwanese and mainland Chinese customs, most still reside in the less populated areas, especially in the mountains.<sup>5</sup>

The first Chinese arrivals to Taiwan were the Hakkas, who came from Kwangtung province in southern China. The Hakkas (literally meaning "guests") were a persecuted minority in China, driven from their homes in Henan province in northern China fifteen hundred years ago. They took up residence in southern China, engaging in fishing and trading in coastal

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<sup>3</sup>Chiao-min Hsieh, Taiwan--Ilha Formosa, Chapter 17.; (In 1989, the population density was more than 558 people per square kilometer, see Harry Harding, Mini-Dragons, 1989, P.24).

<sup>4</sup>Ronald G. Knapp, ed., China's Island Frontier: Studies in the Historical Geography of Taiwan, (Honolulu: University of Hawaii Press, 1980), Part 1; also see Simon Long, Taiwan: China's Last Frontier, (Hong Kong: Macmillan Press LTD., 1991), P.14.

<sup>5</sup>Bien-chang Chiang, Gu-won-ch'in-lai hua T'ai-wan (A Observation of Taiwan From Ancient Time Till Now), (Taipei: Yeou Seu Publishing Company Press, 1978), PP.20-21.

areas, and from there many migrated to the Pescadores, then on to southern Taiwan. By about A.D. 1,000 there were Hakka settlements in southwest Taiwan in significant numbers.<sup>6</sup>

During the Ming dynasty (1386 to 1644), Chinese from Fukien province, directly across the Taiwan Strait, migrated to Taiwan, pushing some of the Hakkas inland while inhabiting most of the western plain. The fall of the Ming dynasty in 1644 brought a major wave of migration from Fukien province to Taiwan.<sup>7</sup> The Fukien Chinese later called themselves pen-ti-jen (natives); they labeled the Hakkas "strangers" and the aborigines "mountain people."

As late as the mid-seventeenth century, however, it is estimated that there were only 100,000 Chinese on the island. It was not until the nineteenth century that the Chinese constituted a majority of the population, and even then they occupied considerably less than half of the island's land area.<sup>8</sup>

In 1949, when the Communists defeated the Nationalists armies on the mainland and assumed political control of China,

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<sup>6</sup>Simon Long, Taiwan: China's Last Frontier, (Hong Kong: Macmillan Press LCD., 1991), P.14.

<sup>7</sup>Ibid, P.14.

<sup>8</sup>Bien-chang Chiang, Gu-Won-Chin-Lai Hua T'ai-Wan, Chapter 3, and 4.

another wave of nearly 2 million immigrants arrived in Taiwan.<sup>9</sup> Because they hailed from various parts of China, they were known as mainlanders, or wai-sheng-jen (outside province people). Taiwan's population today is grouped as follows: mainlanders, around 14.5 percent; Taiwanese (Fukien and Hakka Chinese), slightly less than 85 percent (with the Hakkas 15 percent of this group); and aborigines, 1.5 percent.<sup>10</sup>

The Chinese who emigrated early to Taiwan did so mostly because of poverty and difficult conditions at home, although some left for political reasons. Most emigrated for the same reasons Europeans left for America at the same time--except that few, if any, went to Taiwan because of religious persecution. Like the Europeans who flocked to the New World, most Chinese immigrants to Taiwan severed ties with their homeland. During much of this period, it was illegal (under edict from the emperor and punished by death) to emigrate--another reason the move was considered permanent by those who went to Taiwan.<sup>11</sup>

This was not the case for the mainlander Chinese who fled to Taiwan in 1949. They hoped China could be liberated from

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<sup>9</sup>Richard L. Walker, "Taiwan's Movement into Political Modernity: 1945-72," in Taiwan in Modern Time, Paul K.T. Sih, ed., P.364.

<sup>10</sup>Ibid, P.362.

<sup>11</sup>Bien-chang Chiang, Gu-Won-Chin-Lai Hua T'ai-Wan, PP.73-84.

the Communists, after which they would return. But over time their attitude has changed, and now most mainlanders call Taiwan home and admit they do not plan to return to China.<sup>12</sup> This is particularly true of the younger and the more successful mainlanders.

The Hakkas consider themselves Taiwanese because they were born in Taiwan, as were their parents and grandparents. They differ from the other early migrants, the Fukien Taiwanese, in many ways, particularly in culture and language. They speak Taiwanese (a derivative of Fukien Chinese), but they also speak their own dialect. Hakkas tend to control certain professions: They run the railroads and hold many positions in the local police departments.<sup>13</sup> Hakkas are the majority ethnic group in some cities, such as Hsin-chu and Miao-li. On the other hand, the Fukien Taiwanese dominate most sectors of the business community. They also control the real estate and farming sectors of the economy, as well as the local politics in most of the country.<sup>14</sup>

The mainlander Chinese hold the majority of positions in the education system and in the top ranks of the national

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<sup>12</sup>Harvey Feldman, Michael Y.M. Kau and Ilpyong J. Kim, eds., Taiwan in A Time of Transition, (New York: Paragon House, 1988), P.6.

<sup>13</sup>Ronald G. Knapp, ed., China's Island Frontier: Studies in the Historical Geography of Taiwan, Chapter 3.

<sup>14</sup>Ibid, P.265.

government and military. Mainlanders are more likely to reside in urban areas, especially Taipei, than are the Taiwanese groups.<sup>15</sup>

There is a history of ethnic hostility between the Hakka and the Fukien Taiwanese, as well as between both Taiwanese groups and the mainlanders.<sup>16</sup> The aborigines are alienated from all of the Chinese groups and suffer from various forms of discrimination.<sup>17</sup> Ethnic differences, however, are disappearing as various barriers and ethnic identification weaken, particularly among the younger generation. Although it is relatively easy to know an older person's ethnicity, this cannot be said of younger people, especially those living in the large cities. Inter-marriage, which some say is the best barometer of ethnic separation, is now common and is increasing rapidly.<sup>18</sup>

#### **HISTORICAL REVIEW AND ITS EVOLUTION:**

Proof of human life on the island dates to ten thousand years ago. Whether Taiwan's early inhabitants were the

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<sup>15</sup>Hung-mao Tien, The Great Transition, (Stanford: Hoover Institution Press, 1989), PP.35-42.

<sup>16</sup>Hsien-tzi Kao, T'ai-wan shan-bai-lien shih (Three Hundred Years of Taiwan History), (Taipei: Ch'ong-Wen Publishing LTD, 1978), PP.166-189.

<sup>17</sup>Ronald G. Knapp, ed., China's Island Frontier: Studies in the Historical Geography of Taiwan, Chapter 1, and 2.

<sup>18</sup>Hung-mao Tien, The Great Transition, P.41.

ancestors of the present aboriginal population is uncertain, though they probably were. Most anthropologists believe that the aborigines hail from Southeast Asia and are related to the present-day Malay people. There are remarkable cultural similarities, and as many as two-thirds of the words in the aboriginal languages are similar to Malay, even though the two peoples have had no direct contact in recent history.<sup>19</sup>

Little is known about Taiwan prior to a few centuries ago because the aborigines did not keep written records. Nevertheless, it has been established that the aboriginal population was evenly distributed throughout the island and that they made their livelihood by fishing, hunting, and some temporary agriculture. Land was owned in common; the political and social systems were tribal.<sup>20</sup>

In A.D. 239 the emperor sent a 10,000-member expeditionary force to Taiwan, apparently to explore the island, a move that some Chinese leaders on both sides now say constitutes the legal basis of a claim to the island based on discovery. But no claim was registered at the time even in Chinese Court records perhaps no such a concept was recognized by Chinese and no follow-up mission was sent. Moreover, at

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<sup>19</sup>Simon Long, Taiwan: China's Last Frontier, PP.3-4.

<sup>20</sup>For details of Taiwan's aborigines, see Lih-wu Han, Traditional Culture and Human Rights of Taiwan's Aborigines, (China's Human Rights Association Publishing Ltd., 1987).

that time Taiwan was still referred to as an area "outside the pale of Chinese civilization,"<sup>21</sup> which meant it was not part of China inasmuch as China was a cultural entity rather than a nation-state.

Another complication in any claim that Taiwan was part of China historically is that the island was never clearly identified in Chinese records. It was not until the Ming dynasty that its exact location was known and the name Taiwan used. In the meantime, during the Sung dynasty, Chinese had started to emigrate to Taiwan, which produced meaningful ties between China and Taiwan and seems to provide the strongest rationale for a legal claim.<sup>22</sup> But it is weak because it was a violation of Chinese law to emigrate to Taiwan, and the people who went there did not plan to return.

In 1545 Portuguese vessels en route to Japan sighted Taiwan and named it Ilha Formosa, "beautiful island."<sup>23</sup> But the Portuguese did not lay claim to Taiwan nor they try to

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<sup>21</sup>Chi-lu Ch'en, Chung-kuo ti t'ai-wan (China's Taiwan), (Taipei: Chung-yang wen-wu gung-yin she, 1980), Chapter 1; also see John K. Fairbank, The United States and China, (New York: Viking Press, 1967), P.13.

<sup>22</sup> Chih-hou Lin, T'ai-wan she-wai quan-hsi shih, (Taiwan's History Relating to Foreign Affairs), (Taipei: Shan-min Publishing Company, 1978), p.8 & p.15.

<sup>23</sup>Hsien-tzi Kao, T'ai-wan shan-bai-lien shih, P.4.



colonize it.<sup>24</sup> Dutch forces captured the Pescadores in 1622 and used them as a base for controlling or harassing Portuguese trade between Japan, China, and the Philippines.<sup>25</sup> Two years later Ming China signed a treaty with the Dutch giving them a post on Taiwan and other privileges in exchange for their withdrawal from the Pescadores.<sup>26</sup>

Spanish forces seized Keelung in 1626.<sup>27</sup> They subsequently expanded their control north to Tamsui on the northwest coast after the isolationist policy adopted by the Tokugawa Shogunate led to withdrawal of Japanese settlers from Taiwan in 1628.<sup>28</sup> But the major Spanish settlements on Taiwan fell in 1642 to Dutch forces, who then quelled a Chinese rebellion with the help of the aborigines and established jurisdiction over the island.<sup>29</sup>

In China, the Ming dynasty was being threatened from the north by the Manchus. In an effort to protect China, Emperor

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<sup>24</sup> George M. Beckmann, "Brief Episodes--Dutch and Spanish Rule," in Paul K.T. Sih, ed., Taiwan in Modern Times, pp.42-43.

<sup>25</sup> Chih-hou Lin, T'ai-wan she-wai quan-hsi shih (Taiwan's History Relating to Foreign Affairs), pp.32-34.

<sup>26</sup> George M. Beckmann, "Brief Episodes--Dutch and Spanish Rule," in Taiwan in Modern Times, Paul K.T. Sih, ed., p.35.

<sup>27</sup> Chih-hou Lin, T'ai-wan she-wai quan-hsi shih (Taiwan's History Relating to Foreign Affairs), p.47.

<sup>28</sup> Ibid, PP.28-29.

<sup>29</sup> Ibid., pp.50-51.

Szu Tsung (1628) appointed Cheng Chih-lung, a pirate operating from a base in Taiwan, to command remnant Ming naval forces.<sup>30</sup> Though successful in some important battles, he failed to prevent a Ming defeat. Cheng Chih-lung's son, Cheng Ch'eng-kung (also known as Koxinga, or a Western rendering of his title as Kuo-hsing-yeh, "Lord of the Imperial Surname"), born in Japan of a Japanese mother, inherited his father's command and his forces. With an army of 100,000 men and an armada of 3,000 junks, Cheng fought the Manchus for more than a decade (1646 to 1658), at one point nearly capturing the city of Nanking.<sup>31</sup> But after repeated failures to oust China's foreign rulers, he was forced to limit his activities to the coast of southern China.

In 1661, having finally abandoned his efforts to reestablish the Ming dynasty, Cheng launched an attack on the Dutch stronghold near what is now Tainan. After two years of fighting, the Dutch conceded defeat and reached an agreement with Cheng whereby they were allowed to evacuate. This ended thirty-eight years of Dutch rule of Taiwan, and he is acclaimed in Taiwan as a national hero.<sup>32</sup>

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<sup>30</sup> Young-ho Ts'ao, T'ai-wan tsao-chi li-shih yen-jiou (A Study of Taiwan's Early History) (Taipei: Lien-ch'in Publishing Company, 1979), p.34; also see Paul K.T. Sih, ed., Taiwan in Modern Time, P.25.

<sup>31</sup>Ibid, PP.62-65.

<sup>32</sup>Ibid, PP.68-70.

Cheng's son, Cheng Ching, whose power base was in Fukien province, vied with Cheng Ch'eng-kung's brother in Taiwan for the right of succession. The son, with superior military forces, forced the armies of his father's brother to surrender. He subsequently led several expeditions against the Manchus, trying to realize his father's dream of restoring the Ming dynasty. After four years of unsuccessful efforts he retreated to Taiwan, where he died at a young age as his father did.<sup>33</sup>

After Cheng Ching's death the Cheng family in Taiwan was plagued by palace intrigue, internal dissension, and unrest. The Manchu government took advantage of the situation and sent a naval expedition to the Pescadores. It destroyed the Cheng government's fleet, setting the stage for an assault on Taiwan. When Manchu troops subsequently landed on the island, the government surrendered, ending twenty-two years of Cheng family rule.<sup>34</sup>

From 1683 to 1886 Taiwan was ruled by China. Throughout most of this time it was administratively a part of Fukien province. Manchu officials assigned to Taiwan were generally inefficient and corrupt, which prompted numerous uprisings and such constant political and social instability that Taiwan

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<sup>33</sup> Hsien-tzi Kao, T'al-wan shan-bai-lien shih, PP.47-52.

<sup>34</sup>Ibid, P.56.

became known as the "land of rebellion and unrest."<sup>35</sup> Beijing generally ignored local problems in Taiwan; official Chinese records during this period still called Taiwan a "frontier area." Chinese, primarily from Fukien, emigrated to Taiwan, even though the government still officially prohibited it.<sup>36</sup>

After 1800 several Western powers again expressed an interest in Taiwan. After the Opium War, Beijing punished officials in Taiwan for mistreating British sailors, fearing London might use this as a pretext for colonizing the island. In 1854 Commodore Matthew Perry urged the U.S. government to establish a presence on Taiwan, and a few years later Townsend Harris, the U.S. representative in Japan, suggested that Washington negotiate with Beijing for the purchase of the island. Beijing at the time disclaimed any official responsibility for Taiwan, which was interpreted by U.S. officials to mean that China did not claim sovereignty over Taiwan or the Pescadores.<sup>37</sup> Nevertheless, the United States

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<sup>35</sup>Shih-laun Wang, Ch'ing-dai T'ai-wan ch'u-liu chih ran (The Controversy of The "Expendable Taiwan" in Ch'ing Dynasty), (Taiwan, Kaoshiung: Deh-Hsin Publishing Company, 1979), PP.23-28.

<sup>36</sup>Ibid, PP.11-15.

<sup>37</sup>Joseph W. Ballantine, Formosa: A Problem for United States Foreign Policy, (Washington D.C.: Brookings Institution, 1952), P.17. It should be noted that the Chinese government at this time did not understand the concept of sovereignty well. One also can find this evidence in Tze-hou Lin, T'ai-wan she-wei guan-hsi shih (Taiwan's History Relating to Foreign Affairs), PP.249-258.

made no effort to colonize Taiwan.

The population of Taiwan during this period was barely one-half Chinese, and they did not yet control half of the island's territory. Powerful families ruled the Chinese regions, and there was little or no functioning central government. Chinese officials sent to Taiwan did not speak the language and generally did very little to improve conditions in Taiwan politically, economically, or socially. Their function was to maintain nominal Chinese control.<sup>38</sup>

In the 1880's widespread rebellion broke out in southern China. The threat to Manchu rule there made Beijing recognize that Taiwan was strategically located, a view reinforced when French forces blockaded and bombarded the island during Sino-French hostilities over Indochina. In 1884 Peking reorganized its political administration of Taiwan, appointing Liu Ming-ch'uan, a very capable official, as governor, and two years later made Taiwan a province.<sup>39</sup> Chinese rule became more efficient and enlightened.

**MAINLAND CHINA, TAIWAN AND THE TAIWAN ISSUE:**

This benevolence, however, was short-lived. In 1894 China and Japan went to war--a war China promptly lost--and under the 1895 Treaty of Shimonoseki, China ceded Taiwan and the

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<sup>38</sup>Shih-laun Wang, Ch'ing-dai T'ai-wan ch'u-liu chih ran, PP.5-10.

<sup>39</sup>Hsien-Tzi Kao, T'ai-wan shan-bai-lien shih, P.86.

Pescadores to Japan "in perpetuity". The Western powers viewed the treaty as legally binding and thus regarded Taiwan's transfer to Japanese rule as legitimate.<sup>40</sup> When news of the treaty reached Taiwan, local leaders proclaimed the establishment of the republic of Taiwan--and initiated an independent movement in Taiwan--but the effort failed.<sup>41</sup> In the meantime, fifty years (1895 to 1945) of Japanese colonial rule on Taiwan began.

By the beginning of World War II, Taiwanese had either forgotten their ties with China or saw little reason to try to reestablish them. Most supported Japanese rule, or at least accommodated to it. Many Taiwanese served in the Japanese army, including units that committed atrocities against Chinese in Nanking and elsewhere. Others worked in war industries.<sup>42</sup> There was no meaningful protest in Taiwan to Japan's colonizing Manchuria in 1931 or its war with China in 1937. Tokyo referred to Taiwan as an "unsinkable aircraft carrier" and used it as the base of operations for the Japanese invasion of the Philippines and other offshore countries to the south, including Indonesia and Indochina.

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<sup>40</sup> George H. Kerr, Formosa: Licensed Revolution and the Home Rule Movement, 1895-1945, (Honolulu: University of Hawaii Press, 1974), p.27.

<sup>41</sup> Hsien-tzi Kao, T'ai-wan shan-bai-lien shih, pp.196-201.

<sup>42</sup>Bien-chang Chiang, Gou-won-ch'in-lai hua T'ai-wan, P.284.

Taiwan's newly created industries played an important role in supplying the Japanese war machine.<sup>43</sup>

Toward the end of the war, the U.S. Navy considered invading Taiwan, but abandoned the plan because U.S. military strategists possessed few good maps of the island. They also realized that the Taiwanese were unlikely to rebel against their Japanese colonial rulers and would instead fight to help defend the island. Thus the United States invaded Okinawa, leaving Taiwan to suffer little wartime damage, save the bombing of some military targets and oil storage depots.<sup>44</sup>

However, the stated policy of the United States and its allies during the war was that Japan could not keep its empire, including Taiwan. At the Cairo Conference in 1943, the United States reached an agreement with Generalissimo Chiang Kai-shek providing that Taiwan and other territories occupied by Japan would be returned after the war, an agreement confirmed in the Potsdam Declaration in July 1945 when Japan's defeat was clearly imminent. With Taiwan part of the surrender terms, the Japanese (one-eighteenth of the population) left Taiwan in the fall of 1945.<sup>45</sup>

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<sup>43</sup>Paul K.T. Sih, ed., Taiwan in Modern Time, PP.346-347.

<sup>44</sup>Joseph W. Ballantine, Formosa: A Problem for United States Foreign Policy, Chapter 4.

<sup>45</sup>George H. Kerr, Formosa: Licensed Revolution and the Home Rule Movement, 1895-1945, PP.218-220.

Chiang Kai-shek sent military forces to Taiwan, and Republic of China officials replaced the Japanese colonial administration without any bilateral agreement or treaty. Taiwan's population at this time welcomed Nationalist Chinese officials and looked forward to the end of Japanese rule and the discriminatory treatment that accompanied it. However, there was a small minority in Taiwan that advocated independence; others suggested it become a U.N. trust territory; it was even proposed that Taiwan be ruled as a territory by the United States. But these suggestions were not realistic--at least none was seriously considered.<sup>46</sup>

In early October 1945, Nationalist Chinese authorities assumed political control over Taiwan. On October 25--now celebrated as Retrocession Day--Taiwan officially became part of the Republic of China. But Taiwan was not made a province of China as had been expected, nor were the Taiwanese treated as compatriots. The island was placed under military rule. Chiang Kai-shek appointed Ch'en Yi governor-general and supreme commander and gave him the same kind of near-absolute power the Japanese governors had enjoyed.<sup>47</sup>

Many of the mainland Chinese soldiers sent to Taiwan at

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<sup>46</sup>F.A. Lumley, The Republic of China Under Chiang Kai-shek: Taiwan Today, (London: Barrie & Jenkins Published, 1976), PP.60-63.

<sup>47</sup>Ibid, PP.54-57.



the time of the Japanese evacuation regarded the Taiwanese as traitors for having fought in Japanese armies--or at least for not having opposed Japanese rule.<sup>48</sup> They also perceived that the Taiwanese had been tainted for fifty years by what was considered inferior Japanese culture. Few Taiwanese spoke the national language; few of the mainland soldiers spoke Taiwanese. Although some Nationalist soldiers and administrators hailed from Fukien province and spoke the dialect from which Taiwanese was derived, even that did not guarantee perfect communication.

The Nationalist regime came to be seen by many Taiwanese as a carpetbagger government, much in the way the South in the United States viewed the harsh post-Civil War rule imposed on it.<sup>49</sup> Disappointed that they had little voice in the political decision-making process, the Taiwanese found Nationalist rule no better than its predecessor.<sup>50</sup>

Perhaps more important than the political factors were Taiwan's economic well-being, public health standards and morale, which began to decline precipitously. In August 1948

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<sup>48</sup>George H. Kerr, Formosa Betrayed, (Boston: Houghton Mifflin Company, 1965), PP.72-73.

<sup>49</sup>Ibid, Chapter 5; also see Simon Long, Taiwan: China's Last Frontier, P.54.

<sup>50</sup> George H. Kerr, Formosa Betrayed, p.55.

prices on Taiwan rose 1145 per cent.<sup>51</sup> Nationalist Chinese leaders preoccupied with civil war in China did not regard Taiwan's problems as important. Public and even private buildings were stripped of machines, tools, and sometimes plumbing and anything metallic to send to the mainland. Food shortages developed when large quantities of grain were appropriated to feed the Nationalist armies fighting the Communists. Public health services almost ceased to function, causing epidemics of cholera and bubonic plague.<sup>52</sup>

Just as the mainland Chinese perceived the Taiwanese as traitors lacking Chinese culture, the Taiwanese perceived the mainlanders as dirty, dishonest, and technologically backward. Stories circulated about mainland Chinese who stole bicycles and did not know what they were, who spent hours staring at elevators they had never seen before, and who were unable to maintain the basic public services, power plants, trains and buses over which they were given jurisdiction.<sup>53</sup> The Taiwanese also had to adjust to a new legal system. Nationalist soldiers claimed ownership of houses and land based on forced occupation; the Taiwanese considered this

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<sup>51</sup> F.A. Lumley, The Republic of China Under Chiang Kai-shek, p.56; also see Simon Long, Taiwan: China's Last Frontier, p.55.

<sup>52</sup>Ibid, P.55.

<sup>53</sup> Marc J. Cohen, Taiwan at the Crossroads (Washington, D.C.: Asia Resource Center, 1988), p.10.

stealing. Eviction laws were weakened. Some other laws were changed; many were not enforced.<sup>54</sup>

The ill feelings between the two groups came to a head on February 28, 1947, when plainclothes police officers killed a Taiwanese woman who had been selling black-market cigarettes to make a living.<sup>55</sup> A mob formed, and police fired into the crowd, killing four people. Widespread rebellion erupted--an event now known as "er er-ba" incident (or 2 2-8, for the second month, twenty-eight day).

The Governor-General Ch'en Yi was in large part responsible for the situation that led to this incident.<sup>56</sup> Instead of taking any action to defuse seething hostilities, he temporized. Worse, he treated the protest as a pro-Communist rebellion, even though the Taiwanese had virtually no connections with the Communists on the mainland or anywhere else. On March 8 a large contingent of Nationalist troops arrived with heavy weapons, which they used against unarmed Taiwanese. By the end of March, order was restored--but not until several thousand Taiwanese had been killed, including

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<sup>54</sup> George H. Kerr, Formosa Betrayed, pp.72-74.

<sup>55</sup> Marc J. Cohen, Taiwan at the Crossroads, (Washington D.C.: Asia Resource Center, 1988), pp.10-14.

<sup>56</sup> F.A. Lumley, The Republic of China Under Chiang Kai-shek, pp.56-57.

some of the core of Taiwan's local political leadership.<sup>57</sup>

Chiang Kai-shek briefly turned his attention from events on the mainland to Taiwan after the February 28 unrest. He removed Ch'en Yi from his post (later ordering him executed), along with a number of other top leaders. He made Taiwan a province, rescinded military rule, and appointed some Taiwanese to official position. Government enterprises were sold, and efforts were made to alleviate unemployment.<sup>58</sup> But considerable damage had already been done, and Taiwanese hatred of both the government and the mainland Chinese would not soon subside.

In late 1949 Chiang Kai-shek's forces were defeated by the Communists on the mainland, and he and a large portion of his army and government fled to Taiwan, where they hoped to regroup and counterattack. Taiwan absorbed more than a million and a half people at a time when the economy was faltering and social conditions were in disarray, which aggravated relations between the Taiwanese and the mainlanders.<sup>59</sup> But the

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<sup>57</sup>The number of Taiwanese killed at this time is still uncertain. Kerr puts the number at 20,000. The government has recently released a investigation on this period that suggest nine to eleven thousand were killed and another several thousand were wounded; see Chung-kuo shih-pao (China Times) (Taipei: March 21, 1991): 3. Ramon H. Myers, the author of "Two Societies in Opposition," says it is at most 10,000.

<sup>58</sup>F.A. Lumley, The Republic of China under Chiang Kai-shek, PP.64-75.

<sup>59</sup> George H. Kerr, Formosa Betrayed, p.445.

hopelessness of the Nationalists' plan to reconquer the mainland soon became evident. The Korean War began, and the United States sent the Seventh Fleet to the Taiwan Strait to shield Taiwan. Meanwhile, many Taiwanese also began to realize that animosity had to be put aside if Taiwan were to survive and prosper.<sup>60</sup> As time passed, this attitude became more prevalent.

In the 1950s the Nationalist government for the first time in more than a decade enjoyed peace. Chiang Kai-shek instituted various reforms, the first important one being land reform under the new governor--Ch'en Cheng.<sup>61</sup> It was an outstanding success; it subsequently became a model for other countries and is studied even today by other nations. Both land reform and Taiwan's overall economic development plans were overseen by U.S. aid advisers, who guided their Chinese counterparts toward effective use of funds.<sup>62</sup>

Because of its economic and military dependence on the United States and its adamant stance against communism, Nationalist China became a member of the Western bloc. This situation was significant regarding the ROC's foreign policy

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<sup>60</sup>Joseph W. Ballantine, Formosa: A Problem for United States Foreign Policy, PP.105-115.

<sup>61</sup> F.A. Lumley, The Republic of China Under Chiang Kai-shek, p.65.

<sup>62</sup>George H. Kerr, Formosa Betrayed, PP. 416-433.

during the ensuing years.<sup>63</sup> Political ties facilitated trade ties, and capitalism fostered free enterprise and the need for democratic institutions. Democracy was implemented to a considerable degree in local government, though not at the top levels because of the threat of an invasion by Mao. But there was another reason: the government was a minority one and for this reason feared some aspects of democracy, especially proportional representation.<sup>64</sup>

In the meantime, the United States both protected Taiwan and assisted the Nationalists privately to destabilize Mao's government on the mainland.<sup>65</sup> Two crises sprang up over the Offshore Islands in 1954 and 1958.<sup>66</sup> The results were inconclusive. Chiang Kai-shek kept the islands, but his hopes for accomplishing "recovery of the mainland" dimmed as the United States enunciated a policy of avoiding conflict in the area, meaning blocking efforts (by either side) to unify China. The Taiwan issue, present since then, had emerged.

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<sup>63</sup> Marc J. Cohen, Taiwan at the Crossroads, pp.244-51.

<sup>64</sup> John F. Copper, A Quiet Revolution: Political Development in the Republic of China (Washington D.C.: Ethics and Public Policy Center, 1988), pp.1-3.

<sup>65</sup> Allen S. Whiting, The Chinese Calculus of Deterrence: India and Indochina (Ann Arbor: The University of Michigan Press), pp. 64-72.

<sup>66</sup> For a detailed analysis of these two crises, see J. H. Kalicki, The Pattern of Sino-American Crises: Political-military Interactions in the 1950s (London: Cambridge University Press, 1975), pp.120-55, and 168-208.

By the mid-1960s, after some years of peace and growth, Taiwan was poised for an economic surge. Industrial production was three times that in 1953; per capital income was up six fold over 1940. In fact, a decade and a half of Nationalist rule had made Taiwan more prosperous than it had ever been under the Japanese. As economic well-being increased, Taiwanese alienation decreased.<sup>67</sup> Prosperity also brought a greater separation from China, where economic growth had started out well but subsequently floundered, and laid the foundation for social and political change.<sup>68</sup>

#### FROM CIVIL WAR TO COEXISTENCE

Vast efforts undertaken by Japan in the 1930s and early 1940s to convert China into its main satellite met with a degree of determined resistance from both Chinese political parties that was unexpected by Tokyo. The Nationalist government was able to sustain this resistance under the most trying circumstances until the United States defeated Japan in 1945. The socioeconomic destructiveness of the Anti-Japanese War reversed, however, the balance of power between China's two major parties in favor of the Chinese Communists.

Washington's intervention of 1945-46, by which it attempted to transform, through George C. Marshall's

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<sup>67</sup> Jan S. Prybyla, "Economic Development in Taiwan," in China and the Taiwan Issue, Hungdah Chiu, ed., pp.77-120.

<sup>68</sup> Ibid., p.124.

mediation, the civil war patterns of China's politics into a functioning multiparty democracy, was also doomed to failure.<sup>69</sup> With the Maoist seizure of power on the China mainland and the resulting Kuomintang withdrawal, the question of Taiwan and its future destiny emerged as a central issue of the intersystemic and external relations of the Chinese and their governments on both sides of the Taiwan Strait.<sup>70</sup> Military initiatives by the Chinese Communists against the Republic of China (ROC), undertaken in 1949, 1954-55, and 1958, did not essentially alter the tense situation of a still existing ROC military presence on the western as well as on the eastern coastline of the Taiwan Strait. In return, a temporary ROC blockade and aerial bombardment of mainland ports achieved very little and the only one blueprint of ROC military offensive against the Communists, in 1962, was frustrated by United States intervention even before it could be prepared.<sup>71</sup>

There emerged, however, a multidimensional competitive coexistence between the two Chinese systems, each of which claimed to be the sole legitimate government and

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<sup>69</sup> Martin L. Lasater, Policy in Evolution: The U.S. Role in China's Reunification (Boulder, Colo.: Westview Press, 1989), p.11.

<sup>70</sup> A. James Gregor, The China Connection, pp.123-27.

<sup>71</sup> Hungdah Chiu, ed., China and the Taiwan Issue, pp.173-74.



representative of the entire Chinese state and nation, including all the territories and citizens under the de facto control of the opposing party. With the aid of the United States, Japan, and a great majority of the Latin American countries, the ROC government managed to maintain its de jure function of representing the whole of China in the United Nations for over two decades after the KMT's withdrawal to Taiwan. Of a far greater significance was and still is the factual competition between the sharply contrasting strategies and practical results of socioeconomic development and modernization on both sides of the Taiwan Strait. Sun Yat-senist reformism, enlarged by concepts of American economic pragmatism, led to the emergence of one model, and various forms of Maoist socialism to the other.<sup>72</sup>

Before 1949, however, there was virtually no discussion of the so-called "Taiwan Question" in the international arena, and it was widely expected that the peace treaty with Japan would explicitly provide for the return of Taiwan to China.<sup>73</sup> It was not until mid-1949, when the Chinese Communist

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<sup>72</sup> For a detailed analysis of the different development strategy between Beijing and Taipei, see Alan P.L. Liu, Phoenix and the Lame Lion: Modernization in Taiwan and Mainland China, 1950-1980 (Stanford: Hoover Institution Press, 1987).

<sup>73</sup>D. Barry Kirkham, "The International Legal Status of Formosa," in Canadian Yearbook of International Law, Vol. 4 (Vancouver: The Publication Center, University of British Columbia, 1968), P.147.

were about to take over the Chinese mainland, that the question of Taiwan gradually emerged.

On December 23, 1949, the U.S. Department of State sent a secret memorandum on Taiwan to its diplomatic and consular officers in the Far East, informing them of the hands-off policy of the United States toward Taiwan. The memorandum pointed out that the fall of Taiwan to the Chinese Communist forces was widely expected, the island had no special military significance and it was politically, geographically, and strategically a part of China, "though technical status of the island remains to be determined by the Japanese peace settlement," but "Formosa is exclusively the responsibility of the Chinese government [ROC]." <sup>74</sup>

The Korean War caused the United States to decide that this strategic island should not be controlled by a hostile regime. Therefore the United States had to devise a legal basis to justify its intervention to prevent the Chinese Communists' "liberation" of Taiwan. From the U.S. point of view, if Taiwan's status could be rendered "undetermined," then legally the United States would be in a better position

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<sup>74</sup>U.S. Department of State, Policy Information Paper--Formosa. Special Guidance No.28, December 23, 1949.

to justify its dispatch of naval forces to the Taiwan Straits.<sup>75</sup>On the basis of this consideration the U.S. drafted the provisions concerning the status of Taiwan in the Japanese Peace Treaty.

After the decisive turn of events in the autumn of 1949, there developed three competing and mutually exclusive positions with regard to the normative nature and future trends of relations between mainland China and Taiwan.

1. Having successfully brought the China mainland under its de facto control and after having established a new Communist Chinese central government that was soon recognized by the Soviet Union, Great Britain, India, and a few small states, the Chinese Communist Party expected and demanded wider international recognition of its claim to be the new de jure government of the whole of China, including Taiwan. With regard to Taiwan, Beijing referred to the Cairo Conference of 1943, to the Potsdam Conference of 1945, to the unchallenged restoration of China's administration over Taiwan in 1945, to the clearly phrased recognition of China's claim to Taiwan by the United States' Truman administration prior to the Korean

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<sup>75</sup>For instance, on October 20, 1950, Dulles told ROC Ambassador Koo that "if the U.S. already regarded Taiwan as purely Chinese territory...the U.S. would lose her grounds for dispatching the Seventh Fleet to protect Taiwan..." in Chin-Shan Ho-Yueh Yu Chung-Jih Ho-Yueh Deh Guan-Hsi (The relationship between the San Francisco peace treaty and the Sino-Japanese peace treaty), (Taipei: Chung-hua Min-kuo Wai-chiao Wen-t'i Yen-chiu Hui, 1966), P.6.

War, and to the KMT's own insistence that there continued to be only one China.<sup>76</sup>

2. Having moved its seat to Taiwan, the KMT, however, insisted that its government was still the de jure government of the whole of China, whose legitimacy was derived from history's first all-Chinese National Assembly elections in 1947--despite the fact that these were held under conditions of civil war--and from a democratically developed all-Chinese constitution. According to its self-image and claim, this government was not a government-in-exile but rather a Chinese government exercising its de facto control over Taiwan, an integral part of China, although it was temporarily facing a Communist rebellion in most other parts of China. Rejecting any foreign or Chinese scenarios for the separation of Taiwan from the rest of China, the KMT's legal and historical argument concerning the Chinese character of Taiwan was quite similar to that of the Chinese Communist Party.<sup>77</sup>

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<sup>76</sup> William M. Bueler, U.S. China Policy and the Problem of Taiwan (Boulder, Colo.: Colorado Associated University Press, 1971), pp.81-97.

<sup>77</sup>This perception of the "Wipe out the red bandits [Chinese Communists] and recover the mainland," can be found in Chiang Kai-shek's presidential messages, such as the 'New Year's Day Message', 'World Freedom Day Message' and 'National Day Congratulatory Message'. A selected collection of Chiang's speeches is given in Chiang tsung-t'ung yen-lun hui-pien (Collected Works of President Chiang Kai-shek), 24 vols., (Taipei: Cheng-chung published, 1956), p.362; relevant research also can be found in Marc J. Cohen, Taiwan at the Crossroads, pp.17-29.

3. Under the impact of the February 28, 1947 incident on Taiwan and the approaching conquest of the China mainland by the Maoists, a small group of Taiwanese separatists and some American sympathizers began to develop scenarios for a separation of Taiwan from the rest of China to be legitimized by a U.N. or U.S. supervised plebiscite of the Taiwanese population.<sup>78</sup> Arguing that, as a result of their special history, the Taiwanese were only as "Chinese" as the Americans were "British", in the summer of 1948 the separatists, originally led by Dr. Liao Wen-i (Thomas Liao), formed a "League for the Re-Emancipation of Formosa".<sup>79</sup> This organization sent out appeals to the United Nations and to many other authorities in the United States and abroad suggesting an American military occupation of Taiwan for the dual purpose of preventing its conquest by the Chinese Communists and of imposing a plebiscite even against the will of the Chinese Nationalists. Backed up by U.S. military power, Taiwan was to be placed under an U.N. trusteeship until its population was able to exercise self-determination leading, in the end, to the establishment of a separate "Republic of

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<sup>78</sup> William M. Bueler, U.S. China Policy and the Problem of Taiwan, pp.103-122.

<sup>79</sup> A manifesto demanding independence and a plebiscite was issued in Tokyo on August 23, 1948. See Fred W. Riggs, Formosa under Chinese Nationalist Rule, (New York: The Macmillan Company, 1952), pp.56-58.

Taiwan".<sup>80</sup>

China's unfinished civil war and the Nationalist leaders' intention to recover the mainland have been important sources of legitimacy for the Nationalist regime. As time passed and the chances of recovering control over the mainland faded, such rationalizations began to seem antiquated. In recent years, the administration has relied more on expanding popular elections and improving governmental performance to provide legitimacy. While elections were held only at local levels in the 1950s and the 1960s, since the 1970s elections have included seats in the national parliament, and the number of seats up for election has been steadily on the rise. In addition, legislative bills and budgets have been given more careful scrutiny in the legislatures. The parliamentary reforms announced in February 1988 promised to phase out the old mainlanders and to make the legislature more representative of Taiwan's electorate,<sup>81</sup> and they did so at the end of 1991.

#### **THE ROC STRUGGLE FOR LEGITIMACY**

However, there are serious problems of legitimacy for the Nationalists that may be beyond solution in the foreseeable

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<sup>80</sup> George H. Kerr, Formosa Betrayed, pp.451-72.

<sup>81</sup> Tun-jen Cheng and Stephan Haggard, eds., Political Change in Taiwan (Boulder, Colo,: Lynne Rienner Publishers, 1992), pp.177-198.

future. One is Taiwan's uncertain relationship, or lack of a relationship, with the mainland and the other countries.<sup>82</sup> Theoretically, the Taipei regime will continue to claim to represent all of China, including the mainland, hence justifying its current institutional order and national power structure. But as the state of political separation continues, Taiwan will function more like an independent political entity than a rival regime of China.<sup>83</sup> Such a state of affairs will keep alive the heated debate on the island regarding the proper jurisdiction of the regime, a debate that has already generated widespread partisan interest.

In short, the death of Chiang Ching-kuo in 1988 has compelled the new Taiwan leaders to face domestic and international challenges with somewhat less assurance regarding their political standing in the party, government, and military.<sup>84</sup> As those leaders strive to chart the proper course for Taiwan in the sometimes difficult circumstances vis-a-vis the mainland government, the United States, and the people on Taiwan, they will be required as well to give very close scrutiny to how their leadership position will affect

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<sup>82</sup> Robert G. Sutter, Taiwan: Entering the 21st Century (Lanham, New York, : University Press of America, 1988), pp.61-71.

<sup>83</sup> Ibid., p.68.

<sup>84</sup> Hung-mao Tien, "Transformation of an Authoritarian Party State: Taiwan's Development Experience," in Tun-jen Cheng and Stephan Haggard, eds., Political Change in Taiwan, pp.39-40.

their policy choices in the Taiwan administration.

The ROC's retreat to Taiwan and its intention of making the island a base for the "mainland recovery" program has caused anxiety to the Communist government. For the latter, the existence of the Nationalist government on Taiwan, receiving assistance from the United States, had not only challenged its authority as the sole legal government for all of China, but had also, as a consequence, prevented political unification of the state of China (under the Communist system). By implication, it continues to offer a political alternative for the Chinese people who live on either side of the Taiwan Strait and in other parts of the world, that is, the overseas Chinese, concentrated mainly in Southeast Asia.<sup>85</sup> For the Nationalist government, however, the existence of the Communist system constitutes a more serious threat, not only to its claim to be the sole legal government for all of China, but also, more importantly, to its political survival.<sup>86</sup>

<sup>85</sup>According to the Nationalist government, at the end of 1978 there were 24,037,274 overseas Chinese. In its opinion, the term "overseas Chinese should be understood broadly. These are the Chinese residing abroad, the naturalized citizens of Chinese descent and the descendants of Chinese parents. Most overseas Chinese are, in their lines of descent, from Kwantung and Fukien provinces. Others are from Taiwan, Shantung, Yunnan and Kwangsu provinces. Most Chinese living in Thailand, Vietnam, Laos, Cambodia and the United States are from Kwantung, and Cantonese and Chaochowese are their chief spoken dialects. The Chinese in the Philippines, Malaysia and Singapore are mainly from Fukien. See The China Yearbook, 1989, pp.361-363.

<sup>86</sup> Ibid., pp.149-60.



Geographically and demographically speaking, the Nationalist government is in a less advantageous position than its Communist rival.

Along the Taiwan Strait, this intra-China conflict has been marked by the two Quemoy crises of 1954 and 1958, and subsequently by sporadic bombardment by shells which largely contained propaganda leaflets.<sup>87</sup> Internationally, the conflict is over world recognition, each Chinese regimes insisting that it is the only legitimate government for the whole of China. This diplomatic campaign involves the so-called "one China" principle: the condition that the legitimacy of the other system should be totally denied. Both governments uphold the position that there is but one China and that Taiwan is a part of it, and (the two conditions being interrelated) that they will enter diplomatic relations with other countries only if the latter agree to respect this principle by denying the legitimacy of and breaking off relations with the other.<sup>88</sup>

The arguments employed by the two Chinese governments in the defense of their respective legitimacy have been many. The Nationalist government's claims are based mainly on two assumptions, one historical and one cultural, whereas those of

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<sup>87</sup> Hungdah Chiu, "The Question of Taiwan in Sino-American Relations," in Hungdah Chiu, ed., China and the Taiwan Issue, pp.157-79.

<sup>88</sup> Ralph N. Clough, Island China, pp.148-72.

the Communist government are based on the power reality which came into being on the mainland in 1949.

**(A). The historical assumption:**

The Nationalist government argues that the Communist regime has unlawfully occupied the mainland because its power was consolidated at the expense of the Nationalist government during the course of their collaborations, especially during the "second united front", when the latter was deeply involved in resisting Japanese aggression.<sup>89</sup> It follows from this that the National government of the ROC, though now located in Taipei, continues to be the sole legitimate spokesman for all of China since it was the founder of the Chinese Republic, having been officially elected (in 1928) by the Chinese people on the mainland, and holding its mandate--the Constitution adopted in 1947--on the mainland.

**(B). The cultural assumption:**

The Nationalist government argues that the Communist

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<sup>89</sup> For "the ideology of counterattack," see Mark Mancall, "Taiwan: Island of Resignation and Despair," in Mark Mancall, ed., Formosa Today (New York: Frederick A. Praeger, Publishers, 1964), pp.5-17; Han Lih-wu explains the Beijing-Taipei conflict in terms of "Chinese culture versus Communism," see Han Lih-wu, Taiwan Today, eighth edition (Taipei: Cheng-chung Book Co., 1976), pp.162-63; James Shen, who became Taipei's Ambassador to Washington in 1971, claims that his government "is heir to the polity of the Chinese nation and the repository of the Chinese culture," see James Shen, "Taiwan: Past, Present and Future," in Yung-hwan Jo, ed., Taiwan's Future (Hong Kong: Union Research Institute, 1974), p.74.

rule on the mainland is un-Chinese in orientation because it is based on principles of terror and therefore conflicts with the traditional Chinese principles of governing through humanity and peaceful ordering.<sup>90</sup> In this respect, the Nationalist government argues that it alone represents the true Chinese expression, because its rule, based upon Dr. Sun Yet-sen's ideology of "San Min Chu I," stands within the framework of Chinese tradition. Thus it is a part of the mandate of the Nationalist government to terminate the un-Chinese Communist system on the mainland, to save the Chinese populace from totalitarianism and to bring them back to the great Chinese cultural system, to be found on Taiwan.<sup>91</sup>

In addition to these two assumptions, however, the Nationalist government has also counted on international opinions to reinforce its arguments. It is possible for the Nationalist government to argue that Western (particularly US) diplomatic support for its position, as demonstrated by the ROC's diplomatic victory during the 1950s and the 1960s, reflects the justification of its claims.

The Communist government disputes these assertions. It

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<sup>90</sup> Ibid.

<sup>91</sup> Richard L. Walker, "Taiwan's Movement into Political Modernity, 1945-1972," in Paul K.T. Shih, ed., Taiwan in Modern Time, p.362.

contends that the National government of the ROC lost its mandate in 1949 as a result of the civil war and that it is now therefore a rebellious group which has no ground whatsoever for continuing its authority on Taiwan or for making claims of legitimacy on mainland China.<sup>92</sup> The argument is supported by the fact that the Communist government is now in effective control of almost all of the Chinese territory and population, and since it has a Constitution (adopted in September 1953), its legitimacy is therefore also constitutional.<sup>93</sup> Consequently, the claim of the Nationalist government to be the sole authentic Chinese spokesman is absurd. It is Beijing's legitimate right for the protection of its rightful position to "liberate" Taiwan from the control of "the KMT cliques" and return the island to the "motherland." As for the U.S. support for the Nationalist government, the Communist government is of the opinion that this constitutes interference in China's internal affairs.<sup>94</sup>

Consequently, it is obvious why the search for

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<sup>92</sup> F. Gilbert Chan, China's Reunification and the Taiwan Question, pp.12-18.

<sup>93</sup> Ibid.

<sup>94</sup> See the Chinese People's Institute of Foreign Affairs (ed.), Oppose US Occupation of Taiwan and 'two China' Plot, (A selection of Important Documents, Foreign Language Press, Peking, 1958); Oppose US Military Provocation in the Taiwan Straits Area, (A selection of Important Documents, 1958); and Oppose the New US Plots to Create 'two Chinas', (A selection of Important Document, 1961).

international recognition has been one of the most important foreign policy objectives of the Nationalist government since 1949, and why external support is so vital to the ROC's survival.

To conclude, then, since 1949 China has been divided into two ideological units competing for final control. Fundamentally, this is an internal issue, but it has acquired significant foreign affair dimensions for both sides. Indeed, the ROC's foreign policy has since 1949 been constrained by the fact that it has needed to maintain survival as its top priority.

#### GEOPOLITICS OF TAIWAN

Although a great deal of controversy has arisen over the importance of Taiwan, the geopolitics of Taiwan is, at least, an important national characteristic which deserves to be examined in this chapter. In the United States, for example, various scholars and government officials have viewed Taiwan as being either vital to the defense of the Western Pacific region or of no consequence to the region's defense, especially during the Cold War period.<sup>95</sup> The following discussion outlines the various levels of value which could be

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<sup>95</sup>See Jerome Alan Cohen, Edward Friedman, Harold C. Hinton, and Allen S. Whiting, eds., Taiwan and American Policy: The Dilemma in U.S.-China Relations, (New York: Praeger Publishers, 1971); some debates about the American interest in Taiwan area are in this book.

placed on Taiwan by the principal governments involved with the island's future.

In a strategic sense, Taiwan's value stems from the fact that it sits astride two of the most important sea lanes in the Western Pacific: the Bashi Channel between Taiwan and the Philippines and the Taiwan Strait, separating the island of Taiwan from the mainland.

Taiwan is also the largest island in the Western Pacific between Japan and the Philippines. Its position could be used effectively by a major power in a number of ways, including:

- a. interdiction of the sea lanes connecting Japan with Southeast Asia and the Middle East;
- b. use of the threat of interdiction to gain concessions from Japan or influence Tokyo's foreign policy;
- c. projection of force against the Chinese mainland;
- d. projection of air and naval force into the open Pacific;
- e. projection of force into Northeast or Southeast Asia;
- f. monitoring or disruption of superpower air and naval transits between Northeast and Southeast Asia.<sup>96</sup>

From the point of view of the United States, Taiwan is best suited as a strategic basing area for strikes against mainland China. Since China is no longer considered an enemy, Taiwan's strategic value to the United States has diminished considerably since the Vietnam War. However, the prevailing

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<sup>96</sup>Joseph W. Ballantine, Formosa: A problem for United States Foreign Policy, (Washington, D.C.: The Brookings Institution, 1952), PP.91-95.; and also see Yuan-chu T'sai, Taiwan: Geopolitics of Republic of China, Unpublished Doctoral Dissertation in National Chengchi University, 1984, PP.51-57.

U.S. perception of Taiwan's strategic value rests on several assumptions which, if changed, would alter the U.S. view. These include continued access to bases in Japan and the Philippines, the absence of conflict in the region, and a friendly China.<sup>97</sup>

But the most important reason American analysts downgrade the strategic value of Taiwan is that the island is currently controlled by a friendly government eager to cooperate with the United States. If Taiwan were controlled or used by a major hostile power, the island's bases and strategic position would be of major concern to U.S. planners.<sup>98</sup>

From the perspective of Russia, Taiwan's strategic value is also minimal at present. Numerous Soviet air and naval patrols passed close to Taiwan. In 1981-82, for example, there were 127 Soviet naval ships transiting the eastern and western waters adjacent to Taiwan. In 1981 there were 45 TU-95 sorties and 142 IL-62 sorties, while in 1982 there were 41 TU-95 sorties and 170 IL-62 sorties passing through Taiwan's air identification zone.<sup>99</sup> But since Taiwan is not permitted to

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<sup>97</sup>Martin L. Lasater, The Taiwan Issue in Sino-American Strategic Relations, (Boulder: Westview Press, 1984), PP.148-152

<sup>98</sup>Martin L. Lasater, Policy in Evolution: The U.S. Role in China's Reunification, (Boulder: Westview Press, 1989), PP.7-34.

<sup>99</sup>Yuan-chu T'sai, Taiwan: Geopolitics of Republic of China, P.96.

play a role in western security plans, Moscow has little to fear from Taiwan's armed forces. It also recognizes the importance of Taiwan to Beijing. While rapprochement is proceeding on both sides, Moscow is highly unlikely to attempt to woo Taipei.<sup>100</sup>

In the past Japan has defined the importance of Taiwan as second only to that of South Korea in terms of its national security in Northeast Asia.<sup>101</sup> As long as Taiwan remains in friendly hands and Sino-Japanese relations are progressing smoothly, Tokyo will remain quiet on the Taiwan issue. Nonetheless, geographic realities and sizable Japanese investments on Taiwan cannot be ignored. Japan will continue to have a major interest in who controls the island.<sup>102</sup>

Taiwan plays a rather minor strategic role from the perspective of ASEAN. However, the Taiwan issue has become important symbolically to these nations--as it has to South Korea--because it is a barometer of U.S. commitments to its

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<sup>100</sup>Harvey Feldman, Michael Y.M. Kau and Ilpyong J. Kim, eds., Taiwan in a Time of Transition (New York: Paragon House, 1988), pp.81-88, and pp.100-104.

<sup>101</sup>Shu-Mw Ma, Chung-jih Guan-hsi ji Huei-gu Yu Jain-won (Retrospect and Prospect of Sino-Japanese Relationship), (Taipei: Yew-Shih Publishing Company, 1981) P.14.

<sup>102</sup> Lai To Lee, The Reunification of China: PRC-Taiwan Relations in Flux (New York: Praeger Press, 1991), pp.74-76.



friends in the Western Pacific region.<sup>103</sup> Moreover, PRC actions toward Taiwan are seen as signals of China's peaceful or hostile intentions toward Southeast Asia.<sup>104</sup> In case of conflict or a major shift in Taiwan's foreign policy, ASEAN's concerns would become more visible. Southeast Asia has not forgotten that the island of Taiwan played a vital role in the Japanese invasion of the region during the Second World War.<sup>105</sup>

There is little doubt about the strategic importance of Taiwan to both Taipei and Beijing. From the PRC's point of view, Taiwan is part of the territory of China. Furthermore, it is the gateway to the Pacific, an island which must be assured of no hostility to mainland China, if China in the future is to maintain a blue water fleet and play a major maritime role in East Asia. Above all, Taiwan must be kept out of the hands of any enmity regime against PRC, any of whose presence on the island would constitute a direct threat to the

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<sup>103</sup>Harvey Feldman, Michael Y.M. Kau and Ilpyong J. Kim, eds., Taiwan in a Time of Transition, pp.112-115.

<sup>104</sup> Muthiah Alagappa, "Comprehensive Security: Interpretations in ASEAN Countries," in Asian Security Issues: Regional and Global, Robert A. Scalapino, Seizaburo Sato, Jusuf Wanandi, and Sung-joo Han, eds., (Berkeley, Cali,: University of California Press, 1988), pp.50-78.

<sup>105</sup>Kuo-hsiung Lee, "The Republic of China and Southeast Asia: More Than Economy," in Yu San Wang, ed., Foreign Policy of the Republic of China on Taiwan, (New York: Praeger Published, 1990), PP.78-99.

mainland.<sup>108</sup> The Chinese on both sides of the Strait are also aware of the importance of the island in terms of China's relations with Japan. Taiwan's geographical position blocks Japanese southern expansion of the sea lane and conveniently places China in a strong bargaining position with Tokyo, if Taiwan becomes a part of China or cooperates with China, should the need arise in the future.

To the Republic of China on Taiwan the island is vital to the continued existence of the Nationalists, the Kuomintang, and those Chinese elsewhere who hope that China's future will not be under the yoke of communism.

#### POLITICAL CULTURE ON TAIWAN

As is well known, the same political system implementing in different countries with different culture has very different results. More specifically, when we talk about policy making in any country, we are always facing data and selection problems.<sup>109</sup> Therefore, Herbert Simon proposed that the adoption of a decision, when an alternative seems to meet minimal standards or is good enough, is not dependent on the

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<sup>108</sup>Beijing has reiterated that it would consider using force against Taipei under several conditions; the first one is that if Taiwan were controlled by a foreign power (interpreted at various times as being the former Soviet Union, United States and Japan).

<sup>109</sup>Herbert A. Simon, Administrative Behavior 2nd ed., (New York: Macmillan, 1961), pp. 7-8; and also The New Science of Management Decision (New York: Harper Press, 1960), chap 1.

availability of all data and alternatives from which the best is considered and chosen. One of the great theories of the conceptual scheme originated by Richard Snyder was that it proposed to combine data and theory about both individual decision makers and the group or organizational context in which they operate. For example, if organizations have relatively little information and have a deadline for decision, their decision makers tend to rely more heavily than otherwise on fundamental value orientations.<sup>110</sup> These hypotheses suggest that if information is low, evaluative criteria (perception) are likely to be more important than empirical or factual criteria. Thus, traditional political culture is becoming crucial in policy making. The author in this section is trying to investigate the political culture on Taiwan.

In the whole course of its history, Taiwan has been administered from the mainland of China for only two periods-- from 1683 to 1895 and from 1945 to 1949.<sup>111</sup> Since 1949, the island has been governed by the Nationalist government directly. Before 1683, Taiwan was much more administratively fragmented, and the livelihood of its population depended more

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<sup>110</sup>Richard C. Snyder and Glenn D. Paige, "The United States Decision to Resist Aggression in Korea: The Application of An Analytical Scheme," Administrative Science Quarterly 3, 1958, pp. 341-378.

<sup>111</sup> Please see chapter 2.

on fishing, hunting, and later, trading than farming.<sup>112</sup> Hence, Chinese political culture of agricultural factor could not be transplanted easily to Taiwan.<sup>113</sup> Although China's bureaucratic tradition was taken to Taiwan, it only partially took root, not only because of geography but also because of Taiwan's early cosmopolitanism and foreign influence.<sup>114</sup>

Throughout most of its history, Taiwan was not controlled by a central government or bureaucracy. Ironically, centralized political authority in Taiwan today is quite feasible, given the small size of the island and the means of transportation and political communication available to its rulers. But a free market, democracy, and a pluralistic society limit the authority of the central government and offset trends toward centralizing political power.<sup>115</sup> In

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<sup>112</sup>Tong-ye Huo, "The Internal Development and Modernization of Taiwan, 1683-1891," in Taiwan in Modern Times, Paul K.T. Sih, ed., pp. 171-237.

<sup>113</sup>According to Etienne Balazs in his book, Chinese Civilization and Bureaucracy (Translated by H.M. Wright) (New Haven: Yale University Press, 1964); and Lucian W. Pye, The Spirit of Chinese Politics (Cambridge, Mass.: The M.I.T. Press, 1968), traditional Chinese political culture includes authoritarian personality, well developed bureaucracy, fatherhood family society, agricultural orientation, hierarchilized harmonious society, stressing ethical and moral politics, the desire for conformity and the sense of unity, and cherishing their own face (in the figurative sense, they do not like to be humiliated in public).

<sup>114</sup>John F. Copper, A Quiet Revolution, pp.xi-xiii.

<sup>115</sup>Lucian Pye, The Dynamic Power of Asian Politics (Cambridge: Mass.: Oegesclarer, Gun, and Hain, 1984), chapter 1, and 2.

contrast, its geographic size and population limit the effectiveness of a central government in China.<sup>116</sup>

Taiwan's political culture was influenced by Japanese colonialism, imposed on Taiwan during the period of Japanese rule. In Japanese political tradition, military and economy factors were important; the bureaucracy was less powerful.<sup>117</sup> Japanese control over Taiwan brought a considerable amount of legalism with it<sup>118</sup> because the establishment of a framework of laws and regulations facilitated their rule. Obedience and loyalty were esteemed in Japanese political thinking; individualism was not.<sup>119</sup>

Living under Japanese colonialism fostered a new sense of identity among the people of Taiwan and a sense of nationalism. Tokyo administered Taiwan fairly and effectively, but never treated its subjects as equals. Exclusionary and racially discriminatory policies--notwithstanding progressive

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<sup>116</sup> John F. Copper and George P. Chen, Taiwan's Elections: Political Development and Democratization in the Republic of China (Baltimore: University of Maryland School of Law, 1984, ), chapter 2.

<sup>117</sup>Hyman Kublin, "Taiwan's Japanese Interlude, 1895-1945," in Paul K.T. Sih, ed., Taiwan in Modern Times (St. John's University Press, 1973), pp.317-353.

<sup>118</sup>Such as police system, pao-chia (Japanese hoko) system, land and population survey for levying taxes, and administrative system.

<sup>119</sup>Hyman Kublin, "Taiwan's Japanese Interlude, 1895-1945," in Paul K.T. Sih, Taiwan in Modern Times, pp.317-353.

economic and social policies--forged an identity in Taiwan<sup>120</sup> not unlike that resulting from any colonial experience that gave rise to nationalism in other areas of the world.

Although there was a rebirth of Chinese political culture after World War II, economic development strategies implemented in Taiwan in the 1950s and after diluted its elitist nature. So have democratic reforms. Education and success in business meanwhile have afforded political careers to newcomers. Authoritarianism remains in the sense that the population of Taiwan feels a need for a strong leader,<sup>121</sup> though in recent years democracy and the advent of party politics have weakened this facet of Chinese political culture.<sup>122</sup> A strong concern for ethical and moral behavior in politics reflects the survivability of traditional Chinese political culture. Democracy has in some respects amplified this concern, notwithstanding the "money politics" and petty partisanship that have characterized politics in Taiwan in recent years.<sup>123</sup>

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<sup>120</sup>Ibid., pp.333-336.

<sup>121</sup>Ralph N. Clough, Island China, p.34.

<sup>122</sup>John F. Copper, A Quiet Revolution: Political Development in the Republic of China, pp.9-16.

<sup>123</sup>Fei-lung Lui, "The Electoral System and Voting Behavior in Taiwan," in Tun-jen Cheng and Stephan Haggard, eds., Political Change in Taiwan (Boulder, Colo,: Lynne Rienner Publishers, Inc., 1992), p.158.

Taiwan's political culture may be said to have evolved from a partially implanted Chinese system mixed with a local feudal political culture<sup>124</sup> and influences from Japanese rule into a Western-inspired democracy.<sup>125</sup> This democracy, however, differs from Western systems in being more conservative while protecting the society more than the individual. In general the concept means democracy that preserves the family, treats the elderly better, and has less government interference and bureaucracy.<sup>126</sup>

Taiwan's political culture also bears the imprint of Nationalist China. In the postwar period, Sun Yat-sen's writings and Western democratic systems, especially the U.S. polity, have provided Taiwan with political models.<sup>127</sup> Economic development, social change, and U.S. pressure and

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<sup>124</sup>Ting-yee Kuo, "The Internal Development and Modernization of Taiwan, 1683-1891," in Taiwan in Modern Times, Paul K.T. Sih, ed.; those governors in Taiwan assigned by the Ching dynasty were heavily dependent on the big local families whose cooperation was crucial to the administration.

<sup>125</sup> Lucian W. Pye, Asian Power and Politics: The Cultural Dimensions of Authority (Cambridge: Harvard University Press, 1985), pp.228-36.

<sup>126</sup>Ibid., p.232; also see Hung-mao Tien, The Great Transition, pp. 164-177 and table 7.1, according to Tien, Taiwan's local factions (big families) in cities and counties are not only involved in electoral politics but also sharing political resources from KMT.

<sup>127</sup>A. James Gregor, Maria Hsia Chang, and Andrew B. Zimmerman, Ideology and Development: Sun Yat-sen and the Economic History of Taiwan (Berkeley: University of California Center for Chinese Studies, 1981), pp. 39-48.

encouragement during the past forty years have been the dynamic forces behind democratic change, although another factor has been the desire of the population to evade China's unification overtures and retain national sovereignty.<sup>128</sup> Threats from Beijing, along with Taiwan's economic and political accomplishments, societal change, and growing cosmopolitanism, have strengthened local nationalism.<sup>129</sup> This local nationalism eventually influence the making of mainland policy in recent years.

#### THE CONSTITUTION AND GOVERNMENTAL STRUCTURE OF THE ROC

The constitution, which was imposed on Taiwan after 1949, was brought from China by Chiang Kai-shek, referring to Sun Yat-sen's Three Principles of the people (democracy, nationalism, and people's livelihood). Those ideas suggest not only some form of an official ideology but also the realization of democracy in steps or stages, thus setting forth a model or framework for political development.<sup>130</sup>

The basic design of the constitution fashioned a government that was a mixed presidential and parliamentary

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<sup>128</sup>John F. Copper, A Quiet Revolution: Political Development in the Republic of China, pp.9-14.

<sup>129</sup>Ibid., pp.ix-xiv.

<sup>130</sup>Marc J. Cohen, Taiwan at the Crossroads: Human Rights, Political Development and Social Change on the Beautiful Island (Washington, D.C.: Asia Resource Center, 1988), p.17; also see Paul K.T. Sih, Taiwan in Modern Times, pp.370-73.



system, with greater emphasis on the former.<sup>131</sup> The political system was a unitary one, yet with many of the characteristics of a federal system, such as allowing local government special prerogatives.<sup>132</sup> The separation of powers and checks and balances were written into the constitution even more strongly and clearly than in Western constitutions. The system was based on neither executive nor legislative supremacy.<sup>133</sup>

Because of the war with the Communists as well as ethnic tension in Taiwan during the 1945-1949 period, the constitution was amended by the so-called "Temporary Provisions".<sup>134</sup> The Temporary Provisions gave the president emergency powers to deal with threats to national security as well as financial or economic crisis. Based on this authority, the executive branch of government pushed through the Legislative Yuan "emergency decrees"--a euphemism for martial law--which remained in effect until July 1987.<sup>135</sup> Martial law

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<sup>131</sup>Marc J. Cohen, Taiwan at the Crossroads, pp.17-29.

<sup>132</sup>Paul K.T. Sih, Taiwan in Modern Times, pp.373-78.

<sup>133</sup> In practice the system favors executive authority, for details see Ray S. Cline and Hungdah Chiu, eds., The United States Constitution and Constitutionalism in China (Washington, D.C.: U.S. Global Strategy Council, 1988).

<sup>134</sup> The "Temporary Provisions" will be effective during the period of Communist rebellion; for further details, see Hung-mao Tien, The Great Transition, pp.108-112, and the appendix, pp.273-275.

<sup>135</sup>Article 1 of the Temporary Provisions.

gave the military and intelligence agencies a special political role and curtailed freedom of the press, though these restrictions were mostly lifted or weakened in the 1970s and early 1980s.<sup>136</sup> The Temporary Provisions also nullified the two term limit on the president (article 47 of the constitution) and empowered the president to set up ad hoc organizations to mobilize the nation and to appoint representatives to the elected organs of government.<sup>137</sup> The National Assembly was authorized to amend or abrogate the Temporary Provisions, but it took no steps to do so before 1990.

Those who argued that the process of democratization in Taiwan was too slow condemned the Temporary Provisions.<sup>138</sup> Others, however, say that Taiwan is successfully attaining democracy precisely because the Temporary Provisions slowed the process.<sup>139</sup> The public is certainly aware of the fact that most of the developing countries that democratized quickly during the 1950s and 1960s failed.<sup>140</sup> But people also know that Taiwan must democratize in order to satisfy the needs of

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<sup>136</sup>Article 4 of the Temporary Provisions.

<sup>137</sup>Article 3, and 4 of the Temporary Provisions.

<sup>138</sup>Such as Hung-mao Tien, in The Great Transition, p.111.

<sup>139</sup>Such as John F. Copper, in A Quiet Revolution, see introduction and chapter 1.

<sup>140</sup>Ibid., chapter 2.

an expanding economy and a middle-class society. Moreover, with Taipei engaged in a struggle to win support internationally for its sovereignty, it is thought democracy will help the cause.<sup>141</sup>

The organization of government in the Republic of China is a mixed Western and Chinese system. The constitution provides for an elected National Assembly; members are chosen for six-year terms. The National Assembly functions to elect the president and vice-president, recall them, amend the constitution, and exercise initiative and referendum.<sup>142</sup>

The three branches adopted from Western political systems--the Executive, the Legislative, and the Judicial Yuan--perform functions similar to their counterparts in Western systems.<sup>143</sup> However, they are not as independent nor are they as effective (except for the Executive branch). The Judicial Yuan and other two Yuans are less important in terms of decision-making so that the author will not discuss in

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<sup>141</sup>Op.cit. Peter R. Moody, Jr., Political Change on Taiwan: A Study of Ruling Party Adaptability, pp.35-60.

<sup>142</sup>The ROC's Constitution, article 25-34; for more details information on the structure of the ROC's government system, see The Chinese Year Book, 1980, part II: Government System, and part III: Taiwan Province, Taipei and Kaohsiung Municipalities, pp.89-170; also see Annual Review of Government Administration, Republic of China, (Taipei: Research, Development, and Evaluation Commission, Executive Yuan, annually since 1973).

<sup>143</sup>Hung-mao Tien, The Great Transition, p.106.

details. The Examination Yuan handles matters of administration relating to examinations for hiring government employees, making appointments, evaluating performance, and deciding salary and pension issues.<sup>144</sup> The Control Yuan has the powers of impeachment, censure, and audit.<sup>145</sup>

Of the five Yuan of government, the Executive Yuan is certainly the most powerful. Although positions in it are not elective, this branch of government is considered the most responsive to public opinion and the most efficient.<sup>146</sup> This branch is headed by a premier who is nominated by the president. Under the premier are twelve ministries (Interior, Foreign Affairs, National Defense, Finance, Education, Justice, Economic Affairs, Communications, Culture, Labor, Agriculture, and Health) and three commissions (Mongolian and Tibetan Affairs, Overseas Chinese Affairs, and Mainland Affairs). The ministers perform functions similar to those of their counterparts in other political systems.<sup>147</sup>

Attached to the Executive Yuan are a number of other government organs, such as the Government Information Office;

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<sup>144</sup>See the Constitution, article 83.

<sup>145</sup>Ibid., article 90.

<sup>146</sup> John F. Copper, A Quiet Revolution: Political Development in the Republic of China, pp.9-16.

<sup>147</sup>See the Constitution, article 53-61; for further details, see The Chinese Year Book, 1980, part II, Government System.

Council for Economic Planning and Development; National Youth Commission; Research, Development and Evaluation Commission; National Science Council; Atomic Energy Council; Central Bank; Central Election Commission; Directorate General of Budget Accounting and Statistics; and Central Personnel Administration.<sup>148</sup>

The many government organs that are part of the Executive Yuan give evidence that it oversees a host of administrative duties. In fact, this is where most political decisions are made and implemented.<sup>149</sup> In addition, officials of the Executive Yuan work closely with the president and top leaders of the ruling party to formulate policy.<sup>150</sup> Actions of the Executive Yuan are checked by the Legislative Yuan, which has the power to interpret, reject, or alter them. These checks, which in the past (before Chiang Ching-kuo's political reforms) were rather weak, have been strengthened over the

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<sup>148</sup>Pong Huai-en, Chung-hua ming-kuo ch'eng-chih t'i-chih ti fen-hsi, 2nd edition, (An Analysis of the ROC's Political System) (Taipei: China Times Publishing Inc., 1984), pp.304-312.

<sup>149</sup>Ibid., also see the Constitution, article 53.

<sup>150</sup>See the Constitution, article 58; and John F. Copper, "Political Development in the Republic of China, 1949-1981," in Hungdah Chiu with Shao-chuan Leng, eds., China: Seventy Years after the 1911 Hsin-hai Revolution (Charlottesville: University Press of Virginia, 1984), pp. 130-131.

last few years.<sup>151</sup>

The Legislative Yuan is the foremost lawmaking body in Taiwan. In addition to its legislative functions, it confirms emergency orders, approves budgets (submitted by the Executive Yuan). The Legislative Yuan approves the appointment of the premier, confirms Executive Yuan policy statements and reports, and serves as a check on the Judicial, the Control, and the Examination Yuans. It has some lesser powers, such as providing grants-in-aid to provincial government organs and settling disputes between the national and local governments.<sup>152</sup>

The Legislative Yuan has twelve standing committees: Home Affairs, Foreign Affairs, National Defense, Economic Affairs, Finance, Budget, Education, Communications, Frontier Affairs, Overseas Chinese Affairs, Judiciary, and Organic Law and Statutes. In addition, there are five special committees: Credentials, Discipline, Rules, Accounts, and Publications.<sup>153</sup>

The Legislative Yuan is less important than the Executive Yuan in terms of decision-making authority, though its influence and power are expanding. It is increasingly becoming a body of government that is in touch with the public pulse

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<sup>151</sup>Tun-jen Cheng, and Stephan Haggard, eds., Political Change in Taiwan, pp.105-109.

<sup>152</sup>See the Constitution, article 62-76.

<sup>153</sup>Hung-mao Tien, The Great Transition, p.143.

and represents the forces of change and democracy.<sup>154</sup> Nevertheless, many view the Legislative Yuan as lacking in experience and serious purpose. Moreover, abnormal activities that go on in legislative sessions and the behavior of some of its members arouse public ridicule and satire in the press.<sup>155</sup> Legislative Yuan sessions have been exploited by opposition politicians who use various tactics to make their voice heard, thus reflecting the growth of democracy in its negative aspects.<sup>156</sup>

Local government in Taiwan includes the provincial government and county and city units. Counties are subdivided into villages and towns and cities into city districts. The provincial government, which has overlapping jurisdiction with the national government (except for control over Quemoy and Matsu, which are under military jurisdiction), consists of a popularly elected Provincial Assembly, whose members serve four-year terms, and an appointed governor.<sup>157</sup> The main policy-making body of the provincial government is the Provincial Government Council, consisting of 23 of the 77

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<sup>154</sup>Ibid., pp.141-151.

<sup>155</sup>Tun-jen Cheng, and Stephan Haggard, eds., Political Change in Taiwan, p.109.

<sup>156</sup>Ibid.

<sup>157</sup>See the Constitution, article 112-128; also see Hung-mao Tien, The Great Transition, pp.129-133.

members of assembly and a chairman appointed by the governor. Though the powers of the Provincial Assembly are not considerable, the body is elected in full every four years and represents only Taiwan.<sup>158</sup> Those who demand more democracy in Taiwan--like those who reject the claim to represent China--advocate a greater role for the provincial government. In particular, they seek broader responsibilities and powers for the Provincial Assembly and an elected rather than a nominated governor.<sup>159</sup>

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<sup>158</sup>Ibid.

<sup>159</sup>For more details, please see the footnote 60.



**CHAPTER IV**  
**SYSTEMIC LEVEL**

James Lee Ray indicates that "one of the main functions of national governments is making policy decisions about how to deal with the international environment."<sup>1</sup> Charles McClelland also argues, "organized complexity prevails" in international relations. What often appears to the layman or casual observer to be complex, nonpatterned, and "crazy" behavior, in fact fits into certain organized patterns. In addition, "repetitive patterning and deterministic processes in the world are mixed with accidental, idiosyncratic, and random elements". Thus of all the events that occur every day in foreign affairs, some can be viewed as "random" in that they are a function of small-scale, idiosyncratic elements. However, says McClelland, "any specific phenomena, entity, trait, relationship, or process should be considered in its context or milieu rather than in isolation".<sup>2</sup>

Bruce Russett has investigated patterns in the international system in terms of trade, U.N. voting, and membership in international organizations, and has found that

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<sup>1</sup>James Lee Ray, Global Politics (Boston, Houghton Mifflin Company, 1992), p.141.

<sup>2</sup>Charles McClelland, Field Theory and System Theory in International Politics, (Los Angeles, Cali.: University of Southern California, 1968); also see "Action Structures and Communication in Two International Crises: Quemoy and Matsu," Background 7, 1964, PP. 201-215.

over moderately long periods of time--thirteen years in some cases--the behavior of countries, grouped by regions, has exhibited strong patterns.<sup>3</sup>

Another example of a way in which to regard the international system is offered by Charles McClelland. He asserts that the daily actions that occur in the international system constitute what he calls the "flow of events". Histories of the Cold War, for instance, may describe the formation of NATO and the Marshall Plan, the Warsaw Pact, the Berlin Blockade, the Korean War, the numerous East-West crises, and finally the Vietnam War. The descriptions of events are sometimes considered in conjunction with other information on trade, cultural exchanges, or changing alignments.<sup>4</sup>

A final underlying element of these theories is that by looking at large-scale, aggregated behavior such as "integration" and "coalition or alliance," or at the sequences of international behaviors demonstrated by states as patterns, theorists are not beholden to the momentary interests and attention spans of crisis-oriented daily newspapers. The basic assumption of the systemic approach is that states behave as

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<sup>3</sup>Bruce Russett, International Regions and the International System, A Study in Political Ecology (Chicago: Rand McNally, 1967), P.88.

<sup>4</sup>Charles McClelland, Field Theory and System Theory in International Politics, 1968, PP.15-44.

a function not of internal attributes, individuals, or decision-making process, but rather as a function of their position in the international system or subsystems, or as a function of how other states behave toward it.<sup>5</sup> The Republic of China on Taiwan is by practice included in the system of the East Asia area and influenced by other states' behaviors.

As depicted by Figure 1 in chapter one, this chapter examines the "external/systemic sources" in "inputs" stage, including U.S. policy toward the ROC and the PRC diplomatic isolation strategies.

#### UNITED STATES POLICY TOWARD THE REPUBLIC OF CHINA

Although Beijing reiterates that reunification of China is a domestic issue which does not tolerate outside interference, it is obvious that the international environment, especially the politics of the major powers, wields considerable influence on developments in the Taiwan Strait issue. Among the major powers, the United States has strong links with China and Taiwan and could play a role in reunification. In fact, Beijing has asked the United States to

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<sup>5</sup>Morton Kaplan, System and Process in International Politics (New York: Wiley Published, 1957), Chap 1.

promote the reunification of China.<sup>6</sup> Reunification of China directly involves a major power, the PRC, and an economic upstart friendly toward the United States, Taiwan, making an extremely delicate and sensitive situation. It is the purpose of this section to examine, from the American and Taiwan perspectives, U.S. policy since 1950s.

Of all the nations with which Taipei carries on foreign relations, the United States is the most important; indeed, it is probably fair to say it is more important than all the others combined.<sup>7</sup> The United States was Nationalist China's ally in World War II and supplied it with arms and economic assistance in return for Nationalist help against the Japanese. With the onset of the Korean War, U.S. aid, which had been cut when the Nationalists appeared to lose the civil war with the Communists, was resumed, totaling \$1.5 billion up to 1965. The United States has been and remains Taiwan's

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<sup>6</sup> In April 1984, President Ronald Reagan, in an interview with PRC journalists, responded to the question, "Will the U.S. be helpful to the Chinese unification?" President Reagan said: "We are not going to turn our backs on old friends in order to strengthen or make new friends...The problem between the People's Republic and the people on Taiwan is one for the Chinese to settle between themselves. We will do nothing to intervene...". See Robert L. Downen, To Bridge The Taiwan Strait: The Complexities of China's Reunification, (Washington, D.C.: The Council for Social and Economic Studies, Inc., 1984), p.101.

<sup>7</sup>Alan J. Cohen, Edward Friedman, Harold C. Hinton, and Allen S. Whiting, Taiwan and American Policy: The dilemma in U.S.-China Relations, (New York: Praeger, 1981), Chapter 2, 3, and 4.

leading trading partner and source of investment capital.<sup>8</sup>

Accordingly, Taipei has expended considerable effort over the years to preserve this relationship. During the 1950s and 1960s, it maintained close ties with the so-called China lobby in the United States, although Chinese-Americans do not constitute a meaningful voting bloc there. Still, public relations efforts helped lay the groundwork for the U.S.-Republic of China defense pact signed in 1954 and helped keep military and economic assistance at a high level for many years. These efforts also delayed U.S. plans to establish relations with Beijing.<sup>9</sup>

American policies toward and relations with the Republic of China have a long history which has sometimes been painful to one side or the other, and sometimes to both. Changes in Taiwan and in East Asia as a whole over the last forty years have altered the dimensions of the problem and increased its already considerable complexity. The issue of Taiwan is no longer exclusively a bilateral concern of the United States. The interests of other governments are involved and can be affected by U.S. actions. The following discussions will bring out many such complexities.

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<sup>8</sup> Ramon H. Myers, "The Economic Development of Taiwan," in Hungdah Chiu, ed., China and the Question of Taiwan: Documents and Analysis, (New York: Praeger Publishers, 1973), pp.49-64.

<sup>9</sup> Hungdah Chiu, "China, The United States, and the Question of Taiwan," *Ibid.*, pp.142-76.

From 1954 to 1978 the basic policies of the U.S. government toward the ROC was fairly constant: to insure the security of Taiwan and Pescadores against external attack, to maintain diplomatic relations with the government of the Republic of China and cooperate with that government in those areas where the interests of the United States and Taiwan are compatible, and to support the government of the Republic of China internationally.<sup>10</sup>

Over time, however, the specific policies and positions that have been taken within this framework and the interests that these broad policies have been intended to serve have shifted. In the context of an earlier policy of isolation and containment of Communist World, U.S. policy toward the Republic of China seems to have been designed with at least three objectives in mind. First of all, it assigned a special militarily strategic importance to the island of Taiwan, as a possible base of operations in the event of direct conflict with mainland China.<sup>11</sup>

Second, U.S. policies were designed to support the Republic of China as a Chinese alternative to what was called

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<sup>10</sup> Ramon H. Myers, ed., Two Chinese States: U.S. Foreign Policy and Interests, (California: Stanford University, Hoover Institution Press, 1978), pp.69-73.

<sup>11</sup> Richard Moorsteen, and Morton Abramowitz, Remaking China Policy: U.S.-China Relations and Governmental Decisionmaking, (Cambridge, Mass.: Harvard University Press, 1971), pp.12-13.

the "Communist experiment" on the mainland.<sup>12</sup> Involved here seemed to be a judgment, or a hope, that Communism was a passing phase in China's history, to which the Republic of China remained an alternative.

Finally, U.S. support of the government of the Republic of China provided a justification for denying international recognition to the People's Republic of China.<sup>13</sup> Within this framework, the United States extended substantial amounts of economic and military assistance to the Republic of China and supported the Republic's position internationally as the only legitimate government of all China.

However, U.S. interests in the mid-1960s began to shift as the United States moved very cautiously toward some improvement, or toward an effort to develop a basis for some improvement, in its relations with mainland China.<sup>14</sup> This shift in the outlook of the U.S. government toward the government on the mainland coincided with changes in the situation on Taiwan and in Taiwan's international position.

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<sup>12</sup> William M. Bueler, U.S. China Policy and The Problem of Taiwan, (Boulder, Colo.: Colorado Associated University Press, 1971), p.74.

<sup>13</sup>James A. Gregor and Maria Hsia Chang, "Taiwan: The 'Wild Card' in U.S. Defense Policy in the Far Pacific," In James C. Hsiung and Winberg Chai, eds., Asia and U.S. Foreign Policy, (New York: Praeger, 1981), Chapter 2, and 4.

<sup>14</sup> Richard Moorsteen, and Morton Abramowitz, Remaking China Policy: U.S.-China Relations and Governmental Decision-making, pp.xxxiv-xxxvi.

At the same time, there was a gradual change in the U.S. perspective concerning the nature and degree of the Chinese Communist military threat. As the threat of direct, massive Chinese Communist aggression across its borders came to seem less imminent, the significance of Taiwan as a possible base for the contingency of a direct U.S.-PRC confrontation decreased.<sup>15</sup>

During the 1960 presidential election debates, Democratic candidate John F. Kennedy strongly disagreed with Republican candidate Richard Nixon on U.S. policy toward the defense of the offshore islands. Kennedy believed that it was unwise "to take the chance of being dragged into a war which may lead to a world war over two islands which are not strategically defensible."<sup>16</sup> However, the Kennedy administration did not bring any significant change in U.S.-PRC relations.

Secretary of State Dean Rusk reaffirmed the U.S. commitment to defend Taiwan, at a news conference on February 6, 1961.<sup>17</sup> In response to troop movements by the PRC in

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<sup>15</sup> William M. Bueler, U.S. China Policy and the Problem of Taiwan, (Boulder, Colo.: Colorado Associated University Press, 1971), pp.81-97; also see A. James Gregor, The China Connection: U.S. Policy and the People's Republic of China, (Stanford: Hoover Institution Press, 1986), ch 4.

<sup>16</sup> Kwan Ha Yim, ed., China and the U.S.: 1955-1963, (New York: Facts on Files, 1973), P.138.

<sup>17</sup> Hungdah Chiu, ed., China and the Question of Taiwan: Documents and Analysis, p.304, see the document 71.



mainland areas near Taiwan, President Kennedy on June 27, 1962 reiterated the policy, established by Eisenhower, that the United States would take all actions necessary to ensure the defense of Taiwan and the Pescadores.<sup>18</sup>

It was Richard Nixon who raised the issue of improving Sino-American relations in an article in Foreign Affairs in October 1967. Unlike his previous anticommunist stand, Nixon questioned the utility of the decades-old U.S. policy of containment and isolation toward the PRC. Nixon recommended a positive policy of "pressure and persuasion" together with the policy of "containment without isolation" toward the PRC.<sup>19</sup>

On February 1, 1969, less than two weeks after his inauguration, Nixon wrote a memorandum to Henry Kissinger, then national security council adviser, urging that "we give every encouragement to the attitude that the administration was exploring possibilities of rapprochement with the Chinese....This, of course, should be done privately and should under no circumstances get into the public prints from

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<sup>18</sup> News conference, June 27, 1962, in Public Papers of the Presidents of the United States, John F. Kennedy, 1962 (Washington D.C.: United States Government Printing Office), p.510.; Relevant studies also see William M. Bueler, U.S. China Policy and the Problem of Taiwan, pp.46-48.

<sup>19</sup>Richard Nixon, "Asia After Vietnam," Foreign Affairs 46, no. 1, (October, 1967): P.123.

this direction."<sup>20</sup>

### SYSTEMIC SITUATION CHANGES

On the other hand, the growing tension between the Soviet Union and the Chinese Communists convinced the Nixon administration that the United States was in the best position to develop a triangular Washington-Beijing-Moscow relationship.<sup>21</sup> Sino-Soviet relations had deteriorated after Krushchev's failure to support China more resolutely during the 1958 Quemoy crisis. In 1960, the Soviets had pulled out their technical advisers and ended all economic aid to China. The Soviet Union also withdrew its promise to assist China in developing Chinese nuclear weapons.<sup>22</sup>

Border incidents had begun around 1959. The Soviet Union increased the number of troops stationed along the 4,000-mile border with China after signing a 20-year "Treaty of Friendship, Cooperation, and Mutual Aid" with Mongolia in January 1966.<sup>23</sup> The treaty allowed the Soviet Union to station troops and to maintain bases in Mongolia. In 1964, the Soviet

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<sup>20</sup>Richard Nixon, The Memoirs of Richard Nixon. Vol. 2, (New York: Warner Books, 1979), P.8.

<sup>21</sup> John F. Copper, China Diplomacy: The Washington-Taipei-Beijing Triangle, (Boulder, Colo.: Westview Press, 1992), pp.1-16.

<sup>21</sup> Ibid., pp.3-5.

<sup>23</sup>Henry Kissinger, White House Years, (Boston: Little Brown & Company, 1979), P.167.

Union had about 12 understrength divisions along the Chinese border, but by the late 1960s, more than 40 modernized divisions were in place.<sup>24</sup> The problem of how to deal with Soviet aggression and hostility emerged as the primary Chinese foreign policy concern of the late 1960s.

In addition, President Nixon had many reasons to improve Sino-American relations. He believed that an isolated China would be more dangerous to world peace than if it were involved in international affairs.<sup>25</sup> Since China had joined the nuclear weapons club in 1964, it was felt that Beijing had to be drawn into international disarmament talks. It also appeared as if improved relations with the PRC would permit the U.S. to withdraw more easily from Vietnam. Nixon's Guam Doctrine, which postulated a reduced U.S. military role in the Far East, required that China play a more constructive role in the region. And Nixon believed that China in the future could be an important trading partner of the U.S. in the Asia-Pacific region.<sup>26</sup>

From the outset of Sino-American discussions aimed at normalization of relations, it was clear that Taiwan would be an issue over which little agreement could be found. The

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<sup>24</sup>Ibid, P.167.

<sup>25</sup> A. James Gregor, The China Connection: U.S. Policy and the People's Republic of China, pp.85-89.

<sup>26</sup>Richard Nixon, "Asia After Vietnam," PP.113-117.

reunification issue was central. Despite fundamental disagreement over the future of Taiwan, the Chinese were careful not to allow the Taiwan Issue to spoil the delicate opportunity to improve Sino-American relations after twenty years of mutual hostility. During Nixon's February 1972 trip to China, Mao Tse-tung and other Chinese leaders conveyed the impression that the Taiwan Issue, while important to China, could wait a considerable length of time before resolution.<sup>27</sup>

Although the Taiwan issue was handled carefully by both sides in discussions, the issue proved to be very difficult when it came to agreeing to language in a joint communique issued at the conclusion of the Nixon trip. Normally, communiqués contain language on which both sides agree. Over the Taiwan issue, there remained major unresolved differences. As Nixon said: "Taiwan was the touchstone for both sides. We felt that we should not and could not abandon the Taiwanese; we were committed to Taiwan's right to exist as an independent nation. The Chinese were equally determined to use the communique to assert their unequivocal claim to the island".<sup>28</sup>

When the Shanghai Communique was signed in February 1972, the United States acknowledged and did not challenge that "all

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<sup>27</sup> Chun-yi Ch'ao, "Yi-kuo Liang-ch'i Gai-ran (A General Treatise of One Country, Two Systems), People's Daily, April 17, 1972, P.19.

<sup>28</sup>Richard Nixon, The Memoirs of Richard Nixon, P.70.

Chinese on either side of the Taiwan Strait maintain there is but one China and that Taiwan is a part of China."<sup>29</sup> It reaffirmed the U.S. intention for "a peaceful settlement of the Taiwan question by the chinese themselves".<sup>30</sup> The emphasis on "a peaceful settlement of the Taiwan question by the Chinese themselves" actually has become the cornerstone of U.S. policy toward the reunification of China, although the term reunification was not used by the United States.<sup>31</sup> On the surface, it seems that the United States would like to adopt a detached attitude toward reunification. However, the very fact that the United States had asked for a "peaceful settlement" made U.S. detachment from the Chinese civil war impossible: its preference required involvement, not datchment.

#### **THE UNITED STATES POSITION IN CHINA'S UNIFICATION ISSUE**

It was expected that Nixon would normalize U.S.-PRC relations during his second term in office. But domestic political problems in both the U.S. and China, as well as the difficulty in finding an acceptable solution to the Taiwan issue, delayed the establishment of diplomatic relations until

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<sup>29</sup>Peking Review, March 3, 1972, P.5.

<sup>30</sup>Ibid.

<sup>31</sup> Robert L. Downnen, To Bridge the Taiwan Strait: The Complexities of China's Reunification, (Washington D.C.: The Council for Social and Economic Studies, Inc., 1984), pp.52-53.

the end of the decade.<sup>32</sup>

When Jimmy Carter became president in 1977, he made it clear that normalization with China should not endanger the security of the people of Taiwan and that the United States did not want to see the Taiwanese people punished or attacked.<sup>33</sup> However, because of his wider strategic concern, especially the triangular relations among the United States, the USSR, and the PRC, Carter eventually decided to establish diplomatic relations with Beijing in January 1979, as announced by the United States and by the PRC in December 1978. By that time, many of the noncommunist states had moved faster than the United States in establishing formal ties with Beijing.<sup>34</sup> The U.S. announcement thus was not a big surprise to its allies. In the announcement, the United States reiterated its stand that it "acknowledges the Chinese position that there is but one China and Taiwan is part of

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<sup>32</sup> Michael Schaller, The United States and China in the Twentieth Century, (Oxford, New York: Oxford University Press, 1979), pp.173-180.

<sup>33</sup> Lai To Lee, "The PRC and Taiwan: Moving Toward a More Realistic Relationship," in Robert Scalapino, Seizaburo Sato, and Sung-joo Han, eds., Asian Security Issues: Regional and Global, (Berkeley: Institute of East Asian Studies, 1988), pp.182-186.

<sup>34</sup> Hungdah Chiu, ed., China and the Question of Taiwan: Documents and Analysis, pp.166-67.

China."<sup>35</sup>

In that connection, the United States would sever diplomatic relations with Taipei, terminate its Mutual Defense Treaty with Taiwan a year from January 1979, and withdraw U.S. forces from Taiwan within four months.<sup>36</sup> The announcement did not mention a unilateral U.S. commitment to Taipei's security nor did it require the PRC to refrain from the use of force in reunifying China. However, it did reiterate that the "United States continues to have an interest in the peaceful resolution of the Taiwan issue and expects that the Taiwan issue will be settled peacefully by the Chinese themselves."<sup>37</sup> This was apparently rebuffed by the Chinese in a statement accompanying the announcement. In it, Beijing stated that "as for the way of bringing Taiwan back to the embrace of the motherland and reunifying the country, it is entirely China's internal affair."<sup>38</sup>

However, it was clearly understood that the U.S. could

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<sup>35</sup>The word 'acknowledges' in the Communique was translated as *cheng-ren*, which, if retranslated into English, means "recognizes." However, the United States did not challenge this linguistic discrepancy.

<sup>36</sup> John F. Copper, China Diplomacy: The Washington-Taipei-Beijing Triangle, pp.9-11.

<sup>37</sup>Peking Review, December 22, 1978, P.12.

<sup>38</sup> John F. Copper, China Diplomacy: The Washington-Taipei-Beijing Triangle, see the document of "U.S.-China Joint Communique," August 17, 1982, pp.169-170.

maintain unofficial relations with Taipei and the PRC would not object to that. As stated in the joint communique, "the people of the United States will maintain cultural, commercial and other unofficial relations with the people of Taiwan."<sup>39</sup> The acceptance of people-to-people and unofficial relations between Washington and Taipei did not conceal the fact that there were serious differences between Beijing and Washington on arms sales to Taiwan. As disclosed by Premier Hua Guofeng in a press conference, "the U.S. side mentioned that after normalization it would continue to sell limited amount of arms to Taiwan for defensive purposes."<sup>40</sup> The difference on arms sales to Taiwan proved to be a major conflict between China and the subsequent administration.

The United States government decided early on in its development of contacts with the PRC that it had nothing to gain by becoming enmeshed in the reunification issue between Beijing and Taipei. Instead, Washington would continue to acknowledge, as it had since the Cairo Conference of 1943, that Taiwan was part of greater China; furthermore, it expressed its interest in a "peaceful" settlement of the KMT-CCP competition over China's territory.

Nevertheless, the U.S. Department of State has monitored

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<sup>39</sup> Peking Review, December 22, 1978, P.8.

<sup>40</sup> Ibid, P.10.



the Beijing "peace overtures" to Taipei with interest. While Washington has stopped short of endorsing the proposals, President Reagan did attract attention when he wrote to Teng Hsiao-p'ing on April 5, 1982: "We fully recognize the significance of the nine-point proposal of September 30, 1981, and the policy set forth by your government as early as January 1, 1979...[We appreciate] the new situation created by these developments."<sup>41</sup> This expression was formalized in the U.S.-PRC Joint Communiqué of August 17, 1982 in which Washington affirmed: "it has no intention of...interfering in China's internal affairs, or pursuing a policy of 'two Chinas' or 'one China, one Taiwan'. The United States government understands and appreciates the Chinese policy of striving for a peaceful resolution of the Taiwan question."<sup>42</sup>

The new situation which has emerged with regard to the Taiwan issue also provides favorable conditions for the settlement of United States-China differences over the question of United States arms sales to Taiwan. Ostensibly on that basis, Washington agreed not to "carry out a long-term policy of arms sales to Taiwan"; not to "exceed...the level of those supplied in recent years"; and to "reduce gradually its

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<sup>41</sup>Washington Post, May 10, 1982.

<sup>42</sup> John F. Copper, China Diplomacy: The Washington-Taipei-Beijing Triangle, see Appendix 4, "U.S.-China Joint Communiqué, August 17, 1982", pp.169-170.

sales of arms to Taiwan...".<sup>43</sup>

In an interview with the U.S. media afterward, President Reagan explained that "In that communique, the People's Republic has agreed that they are going to try and peacefully resolve the Taiwanese issue. We, in turn, linked our statement about weaponry to that...If the day ever comes that those two [the PRC and ROC] find that they can get together and become one China, in a peaceful manner, then there wouldn't be any need for arms sales to Taiwan. And that's all that was meant in the communique."<sup>44</sup>

Simultaneous with announcement of the August 1982 communique, Taipei released the terms of private assurances it had received from Washington that the United States "will not play any mediation role between Taipei and Beijing" and "will not exert pressure on the Republic of China to enter into negotiations with the Chinese Communists."<sup>45</sup> Those assurances reportedly were reiterated to Taipei at the time of President Reagan's visit to the PRC in April 1984.<sup>46</sup> It was during that visit that the President reportedly rebuffed a request by PRC

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<sup>43</sup> Ibid., "U.S.-China Joint Communique," August 17, 1982.

<sup>44</sup> Martin L. Lasater, The Taiwan Issue in Sino-American Strategic Relations, (Boulder: Westview Press, 1984), PP.196-197.

<sup>45</sup> Ibid, PP.202-213.

<sup>46</sup> Washington Post, May 1, 1984.

leader Teng to pressure Taipei to come to the bargaining table.<sup>47</sup>

The United States also has established a direct record of opposition to any effort to force Taiwan to reunify politically with the Chinese mainland. In the landmark Taiwan Relations Act of 1979 now governing U.S. unofficial relations with the island, both the U.S. Senate and House of Representatives agreed that "the United States decision to establish diplomatic relations with the People's Republic of China rests upon the expectation that the future of Taiwan will be determined by peaceful means" and that the U.S. will consider "any effort to determine the future of Taiwan by other than peaceful means, including by boycotts or embargoes, a threat to the peace and security of the Western Pacific area and of grave concern to the United States."<sup>48</sup>

While the United States has scrupulously avoided direct involvement in the complex Chinese reconciliation issue, and warned against efforts to force Taipei to negotiate, it appears ready to support statements or actions conducive to an ultimate voluntary settlement. In the wake of former ROC premier Sun Yun-hsuan's June 1982 statement alluding to a

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<sup>47</sup>Washington Post, April 29, 1984.

<sup>48</sup>Taiwan Relations Act (Public Law 96-8), enacted April 10, 1979.

"gradual maturing" of conditions for reunification,<sup>49</sup> the U.S.

Department of State responded supportably:

We are very interested in the import of [Sun's] speech, which appears to be consistent with the concept of peaceful settlement of the [KMT-CCP] differences...We welcome any moves in this direction. We reiterate, however, our firm policy that the resolution of those differences is a matter for the Chinese people themselves, and our only interest is that any resolution be peaceful. We do not see a role for the United States in promoting arranging such a settlement.<sup>50</sup>

However, the U.S. policy shift toward Beijing was seen by those leaders in Taipei as an aggressive move intended to ensure U.S. security interests in East Asia and the western Pacific.<sup>51</sup> In contrast, U.S. relations with the ROC fell to an all time low until the passage of the Taiwan Relations Act (TRA) in 1979 which established the mechanism for maintaining "unofficial" relations with Taiwan and demonstrated continuing U.S. concern over the security of Taiwan.<sup>52</sup>

Between Washington and Beijing, the Taiwan issue has been

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<sup>49</sup> Hung-mao Tien, ed., Mainland China, Taiwan, and U.S. Policy, (Cambridge, Mass.: Oelgeschlager, Gunn & Hain, Publishers, Inc., 1983), see the Document in Appendix P, pp. 260-65.

<sup>50</sup>China Post, June 13, 1982.

<sup>51</sup> Ramon H. Myers, "A United States Policy," in Ramon H. Myers, ed., Two Chinese States: U.S. Foreign Policy and Interests, pp.61-67.

<sup>52</sup> John F. Copper, China Diplomacy: The Washington-Taippei-Beijing Triangle, pp.23-24; the contents of the TRA, please see China and the Taiwan Issue, Hungdah Chiu, ed., pp.266-275, Document 35.

an overhanging area of contention with strong security implications. For more than a decade, the United States has been bound to the two sides of the Taiwan Strait. On the one hand, there is a less stable but strategically more important "new friend" on the Chinese mainland; on the other, there is a more stable but conceivably less important "former ally" on the island of Taiwan. While an open American manipulation of this triangular relationship is neither desirable nor feasible in the foreseeable future, the United States remains a key player.

#### THE MILITARY PERSPECTIVE

For a long time, the U.S. government has made it clear that it will oppose any use of military force in resolving the Taiwan issue. Meanwhile, it has consolidated more sustainable ties with Beijing. Against this background, U.S. military ties (arms sales) with both Taipei and Beijing should be considered as an important element in the Taiwan Strait balance, as well as in the security of East Asia and the Western Pacific.

A. Doak Barnett argued that in developing its relations with Beijing, the United States should give priority to political and economic areas, rather than military and strategic ties in the foreseeable future.<sup>53</sup> It is perceived, though in varying degrees, that Washington-Beijing military

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<sup>53</sup>Doak A. Barnett, U.S. Arms Sales: The China-Taiwan Tangle, (Washington, D.C.: Brookings Institution, 1982), P.70.

ties, if overextended to make China strong enough to be a local hegemony, are bound to have a negative impact not only on the East Asian region, but also on the Washington-Beijing relationship in the long run. Moreover, pressures will arise to increase the level and the sophistication of arms sold to Taiwan in order to maintain a kind of balance in the Taiwan Strait, thus escalating the severity of a potential crisis.<sup>54</sup>

The crucial issue, therefore, is how the United States can regulate its military relations, in particular its arms sales, with both Taipei and Beijing in such a manner as to diffuse existing tensions and avoid potential conflicts. It is clearly in the interest of the U.S. to neither encourage nor acquiesce in any attempt by using forces to solve the unification issue between the two sides of the Taiwan Strait.<sup>55</sup> Moreover, as Doak Barnett argues, in formulating its security policy in East Asia, the United States may consider the full implications of the Taiwan issue for the entire

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<sup>54</sup> Leslie H. Gelb, "U.S. Defense Policy, Technology Transfers, and Asian Security," in Richard H. Solomon, ed., Asian Security in the 1980s: Problems and Policies for a Time of Transition (Cambridge, Mass.: Oelgeschlager, Gunn & Hain, 1980), pp.264-65.

<sup>55</sup> Martin L. Lasater, Policy in Evolution: The U.S. Role in China's Reunification (Boulder, Colo.: Westview Press, 1989), p.96.

region, not just China on both sides of the Taiwan Strait.<sup>56</sup>

However, the issue of military balance in the Taiwan Strait and Beijing's possible military threat to the ROC are also subject to open argument. Even before the completion of normalization, Richard H. Solomon had asserted that "Beijing's air and naval forces do now have the capability to blockade Taiwan and thus to try to 'liberate' the island through a combination of military pressure and negotiations."<sup>57</sup> He considered that blockade, rather than direct assault, was likely to be the primary threat to Taiwan's security. In addition to naval blockade, however, the possibilities of air attack, amphibious invasion, and direct assault against the islands of Quemoy and Matsu certainly cannot be ruled out. Aside from military considerations, the issue of Beijing's military threat is also complicated by many political, economic, and psychological factors, as well as by possible international reactions. Taipei, therefore, is always counting the threats from Beijing and scrupulously making its security

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<sup>56</sup> A. Doak Barnett, The FX Decision: "Another Crucial Moment" in U.S.-China-Taiwan Relations (Washington, D.C.: Brookings, 1981), pp. 67-86.

<sup>57</sup> Richard H. Solomon, "Thinking Through the China Problem," Foreign Affairs 56, (January 1978), P.347.

policy.<sup>58</sup>

Since the establishment of Washington-Beijing relations and thereafter, U.S. assessments of the threat from Beijing have been consistently low. Officials and policy analysts in the Carter and Reagan administrations all testified that mainland China was not perceived as a near-term threat.<sup>59</sup> It stands to reason that Washington, in its efforts to pursue strategic cooperation with Beijing, would have to minimize the chances of a security threat to Taiwan and to divert public attention on the issue. Yet, the real concern is whether such a threat does exist and may be growing as the arms race between Taipei and Beijing intensifies with the passage of time, not whether it will come up in the short term.<sup>60</sup> There is no doubt that a Beijing military threat will be a possibility as long as Taipei refuses to accept reunification under Beijing's terms.

With regard to military strength, from Table 1, one can

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<sup>58</sup>To assess the possible use of forces in the Taiwan Strait and its implications for the U.S. and Taiwan, please see If China Crosses the Taiwan Strait: The International Response, Parris H. Chang and Martin L. Lasater, eds., (Lanham, New York.: University Press of America, Inc., The Center for East Asian Studies, 1993).

<sup>59</sup>Martin L. Lasater, Taiwan: Facing Mounting Threats, (Washington, D.C.: The Heritage Foundation, 1987), PP.2-3.

<sup>60</sup> Martin L. Lasater, "Military Milestones," in Stephen P. Gilbert and William M. Carpenter, eds., America and Island China: A Documentary History (Lanham: University Press of America, 1989), pp.30-46.



see that the PRC clearly occupies massive quantitative superiority over the ROC in most categories except destroyers (18 vs. 24), not to mention Beijing's overwhelming advantage in strategic forces.<sup>61</sup> Such a real quantitative imbalance obviously cannot be narrowed in view of the disparity in population and land size between the two sides of the Taiwan Strait.<sup>62</sup> However, Beijing's quantitative advantage is much reduced if one only considers its military forces deployed in the areas near the Taiwan Strait.<sup>63</sup> This also shows how considerable naval and air superiority in the Taiwan Strait on the part of the ROC can constitute an adequate deterrence in time of crisis.<sup>64</sup>

Therefore, the immediate requirements for Taiwan's security depend on the ROC defensive capability to maintain a regional military balance in the Taiwan Strait and to "thwart a limited PRC air-sea-land attack on the island."<sup>65</sup> This

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<sup>61</sup>The Military Balance, 1988-1989, (London: International Institute of Strategic Studies, 1988), PP.147-51, and 178-79.

<sup>62</sup> Edwin K. Snyder, A. James Gregor, and Maria Hsia Chang, The Taiwan Relations Act and the Defense of the Republic of China (Berkeley: University of California, Institute of International Studies, 1980), pp.155-64.

<sup>63</sup> Martin L. Lasater, "Military Milestones," in America and Island China: A Documentary History, p.31.

<sup>64</sup> Ibid.

<sup>65</sup> Martin L. Lasater, "Military Milestones," in Gilbert and Carpenter, eds., America and Island China, P.33.

military balance, however, not only remains fluctuating and unstable, particularly at a time when Beijing is implementing a military modernization program, but also affects the ROC main theme of foreign policy to guarantee its survival.

**Table 1. Comparison of Military Capabilities**

Categories	PRC	ROC
Destroyers	19	24
Frigates	37	9
Missile Patrol Craft	215	52
Mine Warfare Vessels	128	8
Amphibious Ships	61	26
Fighters	4,000	487
* All Other Areas (Approximate Ratio)	10	1

Source: The Military Balance: 1991-1992 (London: International Institute for Strategic Studies, 1991), pp. 151-153 (China), and 180-181 (Taiwan).

\*=such as total armed forces, total troops, submarines, fast attack craft, etc.

In past years, Beijing has often stated that it will use military force to attack Taiwan should certain situations arise. Presumably such situations might include widespread domestic strife, or the development of nuclear weapons in Taiwan, a declaration of independence, or alignment with the Soviet Union.<sup>66</sup> Despite such stereotyped threats, it has to be stressed that the use of military force against Taiwan would

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<sup>66</sup> Tun-jen Cheng and Stephan Haggard, eds., Political Change in Taiwan (Boulder, Colo.: Lynne Rienner Publishers, 1992), p.209.

certainly involve tremendous costs and have serious implications. It seems possible that neither Taipei nor Beijing seriously believes that the United States or any other nation such as Japan would intervene militarily in the case of a military confrontation in the Taiwan Strait.<sup>67</sup> In addition, almost no sensible person would presume that, within the TRA framework, Taiwan is still under the umbrella of America's alliance guarantee as it was before 1979.<sup>68</sup> Under the circumstances, the ROC has to secure comparative qualitative superiority in keeping the military balance in the region of the Taiwan Strait. Only such adequate deterrence can make the Beijing regime rethink the extremely high political risks, such as internal riots and power struggle, and military costs involved in an offensive. It is for this reason that continued U.S. sales of modern weapons, such as the 150 F-16 fighters, play a crucial role in strengthening Taiwan's defensive capability and bolstering its national will in the potentially unstable environment in the Taiwan Strait and the surrounding region. It is also for this reason that procuring adequate advanced weapons becomes a crucial factor to the ROC in forming its mainland policy.

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<sup>67</sup> See Parris H. Chang and Martin L/ Lasater, eds., If the PRC Crosses the Taiwan Strait: The International Response (Lanham, Maryland: University Press of America, 1993), pp.155-64.

<sup>68</sup> Ibid., p.167.

Based on the foregoing, it is clear that Taipei's U.S. relations since 1950 cannot be set aside from those with Beijing. They are intertwined and interlocked and together create an unprecedented scenario capable of affecting peace and security in the Taiwan Strait and, in a larger sense, United States national interests in East Asia.

The principal reason the U.S. adheres so closely to its policy of noninvolvement in the unification issue is that the existing policy serves so many interests. The policy enables Washington to pursue a dual-track China policy finely tuned to maintain friendly, cooperative relations with the PRC and close, nondiplomatic ties with ROC. The policy allows American businessmen to profit in both China and Taiwan. It maintained the usefulness of the PRC as a strategic counterweight to the former Soviet Union in Asia. It reduces China's threat to U.S. interests in Asia, and it contributes to regional peace and stability by reducing tensions in the Taiwan Strait. Furthermore, U.S. reunification policy increases U.S. credibility and prestige in Asia since most American friends in the region want the U.S. to maintain close ties with both Beijing and Taipei. U.S. allies in the region do not want Washington to strengthen PRC national power by promoting China's reunification. And there is also a domestic political interest served by the policy in that it enables a consensus

to exist in support of overall U.S. China policy.<sup>69</sup> The broad range of U.S. interests served by the current policy is the best explanation, and best guarantee, for its continuity.

#### DIPLOMATIC ISOLATION STRATEGY

On October 3, 1949, only two days after the People's Republic of China was established, Beijing and Moscow began formal diplomatic relations. On that day, the ROC announced the severance of its diplomatic ties with the Soviet Union. Thus, the zero-sum confrontation between the ROC and the PRC in the course of international legitimacy began. The PRC also established official relations with North Korea, Outer Mongolia, Poland, Hungary, Bulgaria, Albania, Romania, Czechoslovakia, and East Germany later that year,<sup>70</sup> and with Switzerland, Sweden, Denmark, Vietnam, Burma, and Finland in the following year.<sup>71</sup>

The establishment of formal diplomatic ties between Beijing and a total of sixteen countries in 1949 and 1950 caused considerable damage to ROC foreign relations. Beijing,

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<sup>69</sup> Ramon H. Myers, "A United States Policy," in Two Chinese States: U.S. Foreign Policy and Interests, pp.61-67.; also see Martin L. Lasater, "Bill Clinton and the Security of the Republic of China," in Issues and Studies 29, (January 1993), pp.39-58.

<sup>70</sup> See *Wo-kuo yu shih-chieh ko-kuo kuan-hsi i-lan-piao* (Relations between the ROC and all countries of the world) (Taipei: Department of Treaty and Legal Affairs, Ministry of Foreign Affairs, 1991), 3-22.

<sup>71</sup> Ibid.

however, seemed to lack the initiative to launch an all-out diplomatic battle against the ROC. It obviously thought that as soon as it could occupy Taiwan by force, the diplomatic victories would naturally follow.

The international environment at that time was, in fact, favorable to Beijing's use of force against Taiwan. On December 23, 1949, the U.S. Department of State sent a secret memorandum on Taiwan to its diplomatic and consular officers in the Far East, informing them of the hands-off policy of the United States toward Taiwan. The memorandum pointed out that the fall of Taiwan to the Chinese Communist forces was widely expected, the island had no special military significance and it was politically, geographically, and strategically a part of China.<sup>72</sup> In January 1950, both President Truman and Secretary of State Dean Acheson made it clear that the United States had no intention of interfering if Beijing should use force against Taiwan.<sup>73</sup> The Truman administration was also prepared to recognize the Beijing regime after a considerable delay.<sup>74</sup>

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<sup>72</sup>"U.S. Department of State's Policy Memorandum on Formosa, December 23, 1949," in China and the Taiwan Issue, Hungdah Chiu, ed., see Document 4, pp. 215-218.

<sup>73</sup> William M. Bueler, U.S. China Policy and the Problem of Taiwan, (Boulder, Colo.: Colorado Associated University Press, 1971), pp.5-20.

<sup>74</sup> Ibid.

Beijing, however, lost this opportunity because, due to the outbreak of the Korean War, the United States changed its position and dispatched its Seventh Fleet to help defend Taiwan. Apart from causing a radical change in the attitudes of the United States and its allies, Beijing's participation in the Korean War and its involvement in direct military conflict with the United States were also harmful to its international image. Consequently the PRC failed to take over the seat of the ROC in the United Nations.<sup>75</sup>

In the period from 1954 to 1960, a total of twenty countries were added to the list of nations with formal diplomatic ties with Beijing. However, only thirteen were added to the list from 1960 to 1970.<sup>76</sup> Obviously, the turbulent Cultural Revolution that swept across mainland China, especially its radical anti-foreign campaign, dissuaded many nations from cementing ties with Beijing.<sup>77</sup> But after the Cultural Revolution had subsided and the PRC joined the United Nations in 1971, Beijing's efforts to expand diplomatic ties

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<sup>75</sup> Hungdah Chiu, China and the Question of Taiwan: Documents and Analysis, (New York: Praeger Publishers, 1973), pp.117-121.

<sup>76</sup> Kung-fei tui-wai chien-chiao kuo-chia chi hu-p'ai shih-chieh hsien-k'uang tiao-ch'a (A survey of the countries with diplomatic ties with Beijing and their exchanges of diplomatic personnel) (Taipei: Intelligence Bureau, Ministry of National Defense, 1990), pp.1-15.

<sup>77</sup> Harold C. Hinton, China's Turbulent Quest, (Bloomington & London: Indiana University Press, 1970), pp.153-161.

produced fruitful results. From 1971 to 1980, Beijing persuaded a total of sixty-nine countries to establish formal diplomatic relations with it, and the ROC, in 1979, only had twenty-two countries left with formal relations.<sup>78</sup>

The 1970s were a critical time in the diplomatic confrontation between Beijing and Taipei. During this period, Beijing not only won formal diplomatic recognition from sixty-nine countries, it also took over the ROC UN seat in 1971, and established diplomatic ties with the United States, the most important ROC ally, in 1979.

Since the United States severed diplomatic relations with the ROC and terminated the Sino-American Treaty of Mutual Defense, Beijing has adopted a policy of international isolation against the ROC and the two sides of the Taiwan Strait have engaged in increasingly serious diplomatic confrontation.

#### **A. STRATEGY AND MEASURES**

Through this strategy, Beijing aims to establish itself internationally as the sole legal government of China. The United Nations and its peripheral organizations are all intergovernmental organizations (IGOs) which play an important role in world affairs. Therefore, the takeover of the ROC

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<sup>78</sup> See Kung-fei tui-wai chien-chiao kuo-chia chi hu-p'ai shih-chieh hsien-k'uang tiao-ch'a, (Taipei: Intelligence Bureau, Ministry of National Defense, 1990). pp.16-21.



membership of these organizations became one of Beijing's top diplomatic priorities in its early years. This objective was realized with Beijing's admission into the United Nations in 1971.<sup>79</sup>

Beijing also wants to become a member of other important IGOs and to exclude the ROC from these organizations. For instance, the ROC membership in the International Committee of Military Medicine (ICMM) and Interpol has already been transferred to Beijing. Moreover, Beijing will seize any opportunity to exclude ROC groups from, or replace their membership in, nongovernmental international organizations, such as the World Federation of United Nations Associations (WFUNA) and the International Political Science Association.<sup>80</sup>

Another of the PRC long-term diplomatic strategies is to make friends with countries which recognize the ROC and to wait for the opportunity to establish formal diplomatic ties with them, forcing them to sever such ties with the ROC.<sup>81</sup> Beijing usually tries to promote friendly relations by offering trade opportunities, economic aid, and military

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<sup>79</sup> Robert G. Sutter, Chinese Foreign Policy: Developments After Mao, (New York: Praeger Publishers, 1986), pp.140-142.

<sup>80</sup> The ROC membership in the Chinese Association of Political Science was retained only after great efforts.

<sup>81</sup> Deng-ker Lee, "Relations between the ROC and Saudi Arabia: Review and Prospects," Issues and Studies 28, no. 5 (February, 1989): pp.9-10.

equipment. For instance, the sale of Tung-feng No. 3 medium range ballistic missiles was the most important move in Beijing's attempt to win over Saudi Arabia.<sup>82</sup> In its attempt to develop friendly ties with South Korea, economic and trade benefits were used as the main bait.<sup>83</sup> Almost without exception, countries that want to establish diplomatic relations with the PRC must first recognize Beijing as the only legal government of China and further recognize, respect, or acknowledge that Taiwan is part of China.<sup>84</sup>

Beijing also makes it an important point to establish formal diplomatic ties with newly independent countries, regardless of their size or ideology. It has already established formal diplomatic relations with the Marshall Islands, Estonia, Lithuania, Latvia, Kazakhstan, Ukraine, and Russia. It has also tried its utmost to persuade these countries to recognize in relevant communiques that the PRC is

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<sup>82</sup> Ibid, p. 10.

<sup>83</sup> When President Roh Tae Woo announced that South Korea would establish formal diplomatic ties with Beijing, he made it clear that economic and trade benefits were the chief consideration. For details, see "Full Text of the Speech of South Korean President Roh Tae Woo," Lien-ho wan-pao (United Evening News) (Taipei), August 24, 1992, 3.

<sup>84</sup> Some countries do not want to recognize Beijing's stand on Taiwan, but have nonetheless agreed to respect or acknowledge it in a communique. For instance, in the communique on establishment of diplomatic relations with Beijing, South Korea said that it would "respect" Beijing's stand that there is only one China and that Taiwan is part of China.

the only legal government of China and to accept its stand on Taiwan.<sup>85</sup>

#### **B. SUPPRESSING TAIPEI'S INTERNATIONAL ACTIVITIES**

Faced with frustration on the diplomatic front, the ROC, under the leadership of President Lee Teng-hui, has since the late 1980s pursued a "pragmatic foreign policy" (also referred to as a "flexible foreign policy"). It has worked for the development of intergovernmental relations with other countries whether or not they have formal diplomatic relations with Beijing. In other words, if a country which has formal diplomatic ties with Beijing wants to establish or resume formal relations with the ROC, then Taipei will not refuse to do so. Similarly, if the ROC is allowed to use an appropriate name and given appropriate status, it is willing to join or rejoin various international organizations even if Beijing is already a member.

The implementation of pragmatic diplomacy has enabled the ROC to launch an offensive on the diplomatic front. From 1989 to 1990 it established or resumed formal diplomatic relations

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<sup>85</sup> For these joint communiques, see Ta Kung Pao (Hong Kong), November 17, 1991, 2; People's Daily, January 8, 1992, 2; Chung-kung kuang-po chi-yao (A Collection of Important Mainland Radio Broadcasts) (Taipei: Intelligence Bureau, Ministry of National Defense), no. 10528 (February 27, 1992): p.20.

with seven countries.<sup>86</sup> These diplomatic successes have caused Beijing such considerable concern that it considers it necessary to further curb the diplomatic activities of the ROC and isolate it internationally.

Beijing's first step was to criticize the ROC's pragmatic diplomacy. It charged that Taipei is trading money for diplomatic recognition and that its purpose is to create "two Chinas" or "one China, one Taiwan"; that is, to transform Taiwan into an independent political entity.<sup>87</sup> Public opinion in the ROC has been quoted to back up its claim that Taipei is deviating from the "one China" stand.<sup>88</sup>

Beijing has also tried to refute the "one country, two regions" formula that has recently been proposed in the ROC. One mainland Chinese scholar has said that the aim of this formula is also to create two Chinas.<sup>89</sup> Another scholar has criticized the idea as inaccurate and unrealistic. He has

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<sup>86</sup> The seven countries that have established or resumed diplomatic relations with the ROC are the Bahamas, Grenada, Liberia, Belize, Lesotho, Guinea-Bissau, and Nicaragua.

<sup>87</sup> Liu Kuo-fen, "The Taiwan Authorities Strengthen Their Pragmatic Diplomacy Activities," Liao-wang chou-k'an (Outlook Weekly) (overseas edition), 1992, no. 13: 20; Ta Kung Pao, October 27, 1990, 2; Ming Pao (Hong Kong), October 28, 1990, p.9.

<sup>88</sup> Liao-wang chou-k'an (overseas edition), 1990, no. 44:46.

<sup>89</sup> Li Shui-wang, "A Period in Which a Breakthrough in Cross-Strait Relations Is Being Fomented," Liao-wang chou-k'an (overseas edition), 1992, no. 28:5.

given three reasons for this. First, the concept of "one country, two regions" can apply, at most, to the field of civil law. Any law governing cross-Strait relations worked out unilaterally on the basis of this concept has no binding force for the opposite side. Second, due to the great difference in their sizes, it is unrealistic to maintain that Taiwan and the entire mainland are two equal regions. Third, the concept will not help to solve the problems relating to cross-Strait relations, but will instead complicate them because the "theory of legal conflict" is not applicable to cross-Strait relations.<sup>90</sup>

Obviously, Beijing attacks the ROC's pragmatic diplomacy and the "one country, two regions" formula in order to mislead Chinese people at home and abroad into believing that the ROC has already abandoned its "one China" policy. Beijing wants to persuade them with this to oppose the ROC's pragmatic diplomacy.

In recent years, the strong ROC economic and trade power has caught more and more international attention. Many countries, therefore, are willing to support its admission to newly established international organizations or its readmission to already existing ones. For instance, on July 9, 1992 the ROC joined the South Pacific Forum using the name

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<sup>90</sup> Li Jiaquan, "Comment on One Country, Two Regions," Beijing Review 33, no. 48 (November 12-18, 1990): 14-16.

"Taiwan/Republic of China."<sup>91</sup> The ROC is also seeking to become a member of the General Agreement on Tariffs and Trade (GATT).

Beijing has spared no effort to prevent the ROC from joining or rejoining international organizations. It will have great difficulty in forcing Taiwan into submission if it succeeds in expanding the scope of its diplomatic activities. Beijing's greatest concern is the continuous ROC efforts to rejoin the United Nations and its peripheral organizations. Therefore, when the Legislative Yuan on June 18, 1991 adopted a resolution requesting the government to apply at an appropriate time for readmission to the United Nations under the name of the "Republic of China", there was a very strong reaction from Beijing; severe criticism of the resolution was published in the mainland Chinese media.<sup>92</sup> T'ang Shu-pei, the then spokesman of Beijing's Taiwan Affairs Office, claimed in a public speech that the essential aim of this resolution was to create "two Chinas" or "one China, one Taiwan". The attempt of some people on Taiwan to squeeze into the United Nations in order to realize their objective of splitting China and the

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<sup>91</sup>Lien-ho Pao (United Daily News) (Taipei), July 11, 1992, 1.

<sup>92</sup> For Beijing's criticism of the "return to the United Nations" resolution, see Wen Wei Pao (Hong Kong), June 15, 1991, 7; June 23, 1991, 7; and July 4, 1991, 2; Ta Kung Pao, July 5, 1991, 6.

Chinese nation, he asserted, will be unsuccessful.<sup>93</sup> Moreover, all of the PRC embassies and consulates were ordered to do their utmost to stop Taiwan from participating in any UN-related organizations or conferences.<sup>94</sup>

Beijing also wants to make sure that the countries it has formal diplomatic ties with will not establish or resume formal relations with the ROC. For this purpose, it uses economic and trade benefits to entice Western industrialized countries. For instance, Beijing has resorted to "purchasing diplomacy" by dispatching two purchasing delegations to West European countries, the first one in June 1991 and the second one in June 1992. The second delegation was the largest sent abroad in the past five years.<sup>95</sup> Beijing also makes full use of its status as a permanent member of the UN Security Council and the fact that it possesses nuclear weapons and ballistic missiles to persuade Western countries to take its influence into full account and thus not to change their China policy. For instance, as soon as former U.S. President George Bush approved in September 1992 the sale of 150 F-16 fighters to the ROC, Beijing warned that it would have difficulty in attending the five-power arms control conference on the Middle

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<sup>93</sup> People's Daily (overseas edition), July 10, 1991, 1.

<sup>94</sup> See Tzu-li wan-pao (Independence Evening News) (Taipei), January 10, 1992, 2.

<sup>95</sup> People's Daily, June 20, 1992, 1.

East.<sup>96</sup>

The methods that Beijing uses to improve its relations with Third World, especially those African countries during the 1960s and 70s, are to offer them economic aid (see Table 2), sell them military and technological equipment, promote exchanges of high-level visits, and to support the Third World's stand in international affairs (such as the formation of a new international economic order and South-South Cooperation).<sup>97</sup> Although Beijing is having serious economic difficulties and has a total foreign debt of more than US\$60 billion, it still gives a sizable amount of economic aid to Third World countries.<sup>98</sup> According to data collected by the ROC Ministry of Foreign Affairs, by the end of 1985, Beijing's bilateral aid promises added up to US\$9.3 billion.<sup>99</sup> Li Tao-

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<sup>96</sup> See Chung-kung kuang-po chi-yao (A Collection of Important Mainland Radio Broadcasts), no. 10718 (September 4, 1992): p. 4; The five powers are the United States, Britain, France, Russia, and PRC.

<sup>97</sup> For Beijing's position on South-South Cooperation, see "Li P'eng's Report on Government Work Delivered at the Opening Ceremony of the Fifth Session of the Seventh National People's Congress," in Chung-kung kuang-po chi-yao (A Collection of Important Mainland Radio Broadcasts), no. 10551 (March 21, 1992): 27-28.

<sup>98</sup> Beijing's total foreign debt was US\$41.3 billion in 1989, US\$52.5 billion in 1990, and US\$60.5 billion in 1991, see U.S. Department of State, Country Report on Economic Policy and Trade Practices, March 1992 (Washington, D.C.: Government Printing Office, 1992), 72; Chung-kuo shih-pao (China Times) (Taipei), august 22, 1992, 10.

<sup>99</sup> See Lien-ho wan-pao, December 29, 1990, 3.



yu, Beijing's permanent representative to the United Nations, stated on September 4, 1991 that from 1986 to 1990, Beijing had provided economic or technological aid to forty-seven African countries, helping them to complete the construction of 117 projects and undertaking a total of 459 technical cooperation projects.<sup>100</sup>

**Table 2. Vicissitude of diplomatic contest in African countries with the two Chinese regimes (March 1979).**

Country & Category of Mission	Number of missions	Date of dispatching & withdrawal	Diplo-ties & aid with the PRC
Botswana: Agricultural	13	Est: Feb. 1968 Wit: Apr. 1974	Jan. 1975
Cameroon: a) Fishery b) Agricultural	6 25	Est: Mar. 1964 Wit: Aug. 1965 Est: Nov. 1964 Wit: Mar. 1971	Mar. 1971
Central African Republic: a) Handicraft b) Agricultural c) Highway	5 37 37	Est: Aug. 1964 Wit: Nov. 1964 Est: Nov. 1968 Wit: Aug. 1976 Est: Dec. 1970 Wit: Aug. 1976	Sep. 1964
Chad: a) Agricultural b) Veterinary c) Vegetable oil	31 4 7	Est: Apr. 1965 Wit: Dec. 1972 Est: Jun. 1976 Wit: Sep. 1969 Est: Aug. 1968 Wit: Jun. 1971	Nov. 1972
Dahomey: (Benin) Agricultural	41	Est: Oct. 1963 Wit: Feb. 1973	Nov. 1964

<sup>100</sup> People's Daily, September 6, 1991, 6.

Ethiopia: a) Veterinary	2	Est: Aug. 1963 Wit: Dec. 1970	Nov. 1970
Gabon: a) Agricultural b) Sugar-cane factory	38 2	Est: Oct. 1963 Wit: Apr. 1974 Est: Feb. 1974 Wit: Apr. 1974	Apr. 1974
The Gambia: a) Agricultural	31	Est: Jun. 1966 Wit: Dec. 1974	Dec. 1974
Ghana: Agricultural	24	Est: Nov. 1968 Wit: May. 1972	Feb. 1972
Ivory Coast: a) Agricultural b) Seed multiplication c) Handicraft	48 4 7	Est: Mar. 1963 Est: Apr. 1968 Est: Oct. 1973	
Lesotho: Agricultural	33	Est: Jan. 1969	
Liberia: a) Agricultural b) Veterinary c) Sugar-cane factory	64 5 61	Est: Nov. 1961 Wit: Mar. 1977 Est: Dec. 1972 Wit: Mar. 1977 Est: Dec. 1973 Wit: Mar. 1977	Feb. 1977
Libya: a) Agricultural b) Medical	5 1	Est: Dec. 1966 Wit: Apr. 1969 Dispatched from 1962 Wit: Sep. 1978	Aug. 1971
Malagasy Republic: a) Agricultural b) Bamboo handicraft	18 4	Est: Dec. 1966 Wit: Dec. 1972 Est: Dec. 1966 Wit: Dec. 1972	Nov. 1972
Malawi: Agricultural	42	Est: Dec. 1965	
Mauritius: Agricultural	8	Est: Oct. 1969 Wit: Oct. 1974	Apr. 1972
Niger: a) Agricultural b) Farm machinery	47 9	Est: Jul. 1964 Wit: Jul. 1974 Est: Oct. 1973 Wit: Jul. 1974	Jul. 1974

Rwanda:	30	Est: Jan. 1964	Nov.
a) Agricultural		Wit: May. 1972	1971
b) Sugar-cane factory	4	Est: Aug. 1968	
c) Alcohol distillery	3	Wit: May. 1972	
d) Handicraft	5	Est: May. 1965	
		Wit: Dec. 1966	
		Est: Nov. 1964	
		Wit: Jan. 1967	
Senegal: Agricultural	36	Est: Apr. 1964	Dec.
		Wit: May. 1973	1971
Sierra Leone: Agricultural	47	Est: Jun. 1964	Jul.
		Wit: Aug. 1971	1971
Swaziland:	37	Est: Sep. 1969	
a) agricultural			
b) Handicraft	7	Est: Mar. 1973	
Togo: Agricultural	32	Est: Aug. 1965	Sep.
		Wit: Nov. 1972	1972
Upper Volta: Agricultural	42	Est: Apr. 1965	Sep.
		Wit: Sep. 1973	1973
Zaire: Agricultural	83	Est: Aug. 1966	Nov.
		Wit: Dec. 1972	1972
Total	954		

**Sources:** the ROC Relations with the World, Ministry of Foreign Affairs, (Taipei: March, 1979): Sino-African Technical Cooperation, Secretariat, Sino-African Technical Cooperation Committee, (Taipei: October, 1979).

Est=Established.

Wit=Withdrawn.

According to R. Bates Gill, from the 1950s through the 1970s, Beijing was the fifth largest arms supplier to developing countries. In the 1980s it overtook Britain to become the fourth largest, and in 1990 it became the third largest, next only to the United States and Russia. Its arms

sales in that year totalled US\$2.59 billion.<sup>101</sup> Therefore, it is an open secret that Beijing has sold large quantities of military equipment to Third World countries in order to ensure their friendship and earn foreign exchange. Gill also concludes that in the future Beijing will play a greater role as the third largest arms suppliers in the world.<sup>102</sup>

Beijing also tries to improve or strengthen its relations with neighboring countries by expanding economic and trade ties and by portraying itself as a seeker of peace and stability. In recent years, the leaders of almost all its neighboring countries have visited the PRC.<sup>103</sup> Expanding trade along the border has been made one of the four most important points of the newly adopted "four along" strategy of reform and opening-up.<sup>104</sup> Beijing is obviously making strenuous efforts to promote border trade.

If any country which has formal diplomatic ties with

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<sup>101</sup> R. Bates Gill, "Curbing Beijing's Arms Sales," Orbis, Summer 1992, 379-80.

<sup>102</sup> *Ibid.*, p.380.

<sup>103</sup> See Ma Sheng-jung, "Visits that Strengthen Our Relations with Our Neighboring Countries," Liao-wang chou-k'an (overseas edition), 1992, no. 1: 4.

<sup>104</sup> This new strategy involves the opening-up of areas along the coast, along the border, along the Yangtze River, and along the railway from Lienyunkang in Kiangsu to the Alataw Pass in Sinkiang. See "China is Fermenting a New 'Four Along' Development and Opening-up Strategy," Liao-wang chou-k'an (overseas edition), 1992, no. 29: 2.

Beijing decides to establish or resume formal diplomatic relations with the ROC, and if Beijing is unable to stop it, its usual reaction is to sever relations with that country immediately so as to uphold its stand that there is only one China and that it is the only legal government of China. When Grenada, Nicaragua, Liberia, Lesotho, the Central African Republic, and Niger established or resumed diplomatic relations with the ROC, Beijing did not hesitate to sever ties with them. Take the resumption of diplomatic relations between Niger and the ROC as an example. Beijing announced the severance of diplomatic relations with Niger and strongly condemned Niger for breaking its promise made when cementing formal diplomatic ties with Beijing, including its recognition of Beijing as the only legal government of all Chinese people and of Taiwan as an "inseparable part of the territory of the PRC."<sup>105</sup>

In the past three years, Beijing has also tried hard to prevent those countries it has formal ties with from developing official contacts with the ROC.<sup>106</sup> These countries invariably provoke protests or intervention from Beijing if

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<sup>105</sup> Chung-kung kuang-po chi-yao (A Collection of Important Mainland Radio Broadcasts), no. 10684 (August 1, 1992): p. 2.

<sup>106</sup> Fredrick F. Chien, "The International Status and Role of Our Country in the New World Order" (A report made on January 8, 1992 to the KMT Central Standing Committee on the behave of ROC's Minister of Foreign Affairs), 10.

they exchange visits of important officials (especially those at or above ministerial level) with the ROC, if they try to upgrade their substantive relations with the ROC to a quasi-official level (such as the establishment of consulates-general), if they grant navigation rights to China Airlines, the ROC flag carrier, or allow their own flag carriers to fly to Taiwan, or if they allow the ROC to set up economic and trade offices under its official name or to add its official name to existing unofficial organizations in their countries.<sup>107</sup> In one well-known example, official protests from Beijing were behind Japan's refusal in December 1988 to grant a visa to Shaw Yu-ming, who at that time was director-general of the ROC cabinet-level Government Information Office. Shaw had been invited to address the Foreign Correspondents Club in Tokyo.<sup>108</sup> In 1991 China Airlines was twice forced to suspend flights to and from Vietnam, also because of Beijing's protests and obstructions.<sup>109</sup> In May 1991 the protest which CCP General Secretary Chiang Tse-min made personally to Mikhail Gorbachev induced the Soviet Union to revoke the visas already issued to three members of an

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<sup>107</sup> Wo k'ai-feng ts'o-shih yu Chung-kung kan-jao wo tui-wai kuan-hsi shih-li tui-chao-piao (Our opening-up measures and Beijing's attempts to disrupt our foreign relations) (Taipei: Mainland Affairs Council, Executive Yuan, 1992), 3-30.

<sup>108</sup> Ibid., 3.

<sup>109</sup> Chung-kuo shih-pao (China Times), August 24, 1991, 7.

official ROC trade and economics delegation.<sup>110</sup>

**C. THE STRATEGY OF LOCAL VERSUS CENTRAL:**

As the ROC is a strong economic and trade power, it is impossible for Beijing to cut off completely Taiwan's economic and trade ties with foreign countries. Beijing has, therefore, attempted to create the impression that the ROC government is only a local government of the PRC. The objective of this tactic is to further isolate the ROC government, to reduce the scope of the ROC's diplomatic activities, and to persuade foreign countries to accept Beijing's stand toward Taiwan.

Beijing insists that only with its approval and in the capacity of a local government of the PRC can Taiwan join international organizations or participate in international activities. A well-known example of this is Beijing's attempt to keep the ROC out of GATT. Beijing's foreign minister, Ch'en Ch'i-ch'en, said that only after the PRC has become a GATT member and with Beijing's approval may Taiwan apply to join GATT as a customs area of the PRC.<sup>111</sup>

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<sup>110</sup> The three officials who had their visas revoked were P.K. Chiang, administrative vice minister of economic affairs, John Ni, director-general of the Industrial Development and Investment Center of the Ministry of Economic Affairs (MOEA), and Sheu Ke-sheng, director-general of the MOEA's Board of Foreign Trade. The delegation eventually visited Moscow at the end of May 1991 as scheduled under the leadership of Augustin Ting-tsu Liu, secretary-general of the China External Trade Development Council (CETRA). See Chung-kuo shih-pao (China Times), May 31, 1991, 3.

<sup>111</sup> People's Daily, March 28, 1992, 4.

Even though the PRC agreed to allow the ROC to keep its membership in the Asian Development Bank, to join the Asia Pacific Economic Cooperation Forum, and, sometime earlier, to return to the international Olympic movement under the title "Chinese Taipei," Beijing still found a way to downgrade the Taipei government's status.<sup>112</sup> Although the official ROC Chinese translation of "Chinese Taipei" is "Chung-hua T'ai-pei," implying "the Taipei government of the Republic of China (Chung-hua min-kuo)", Beijing deliberately translates the title as "Chung-kuo T'ai-pei", which means "the Taipei government under the People's Republic of China since "Chung Kuo" becomes political shorthand for the PRC (Chung-kuo jen-min kung-ho-kuo."<sup>113</sup>

In fact, if Beijing's approval is a prerequisite for Taiwan's participation in international organizations or activities, and even for the title, flag, and anthem that the ROC uses, the ROC government will look more and more like a local government under the PRC in terms of getting a permission from the central government.

Beijing tries hard to prevent countries it has relations with from developing any official relations other than economic, trade, and people-to-people ties with the ROC.

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<sup>112</sup> Chung-kuo shih-pao (China Times), November 14, 1991, 2.

<sup>113</sup> Ibid.



Beijing claims that since Taiwan is not an independent country but only a part of China, it is obvious that it cannot have any kind of relations with other countries.<sup>114</sup> T'ang Shu-pei, vice chairman of the China Association for Relations Across the Taiwan Strait, has made it clear that in Beijing's eyes, there is only one China with Beijing as its capital, that Taiwan is part of China, and that China must be unified.<sup>115</sup>

Beijing is also trying to persuade all of Taipei's remaining diplomatic partners to sever diplomatic relations with the ROC so as to force it to accept Beijing's "one country, two systems" formula. This formula is an effective way to downgrade the status of the ROC because under it Taiwan would become a "special administrative region" of the PRC.<sup>116</sup> Currently, the ROC has formal diplomatic relations with twenty-nine countries. It would be difficult for Beijing to persuade all these countries to switch diplomatic recognition at one stroke, especially as the ROC will do its utmost to maintain its relations. Therefore, Beijing will first try to

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<sup>114</sup> "Foreign Minister Ch'ien Ch'i-Ch'en's Answers to Questions of Chinese and Foreign Journalists," *People's Daily*, March 28, 1991, 4; T'ang Shu-pei, "Actively Promoting Cross-Strait Relations to Create Conditions for Peaceful Unification of the Motherland," Liao-wang chou-k'an (overseas edition), 1992, no. 29: 3-4.

<sup>115</sup> Liao-wang chou-k'an (overseas edition), 1992, no. 31:4.

<sup>116</sup> *Ibid.*, 4-5; also see Leng Jung, "Teng Hsiao-p'ing's 'One Country, Two System' Concept: Origin and Development," Liao-wang chou-k'an (overseas edition), 1992, no. 29: 3-4.

win over these big countries, such as Saudi Arabia, South Korea, and South Africa in order to show its diplomatic power and to suppress the independent movement in the island.<sup>117</sup>

#### D. REDUCING THE ROC MILITARY POWER

Beijing also prevents other countries from selling military equipment, especially advanced weapons systems, to the ROC. This is to weaken the ROC defense capability and also to prevent industrialized countries from developing military cooperation ties and diplomatic relations with the ROC.

In a joint communique issued together with the PRC on August 17, 1982, the United States promised to reduce gradually its arms sales to Taiwan both in qualitative and quantitative terms. Beijing has repeatedly cited this joint communique to dissuade the United States from supplying the ROC with relatively advanced arms and equipment.<sup>118</sup> Take the recent decision of former President Bush to sell F-16 fighters to the ROC for example, as soon as the decision was announced, Beijing strongly condemned the United States for violating the principle set forth in the August 17 Communique. Liu Hua-

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<sup>117</sup>See footnote 84, 85 and the explanation above; Beijing has also clearly indicated its intention of winning over South Africa. See Wen Wei Pao, (March 20, 1992): 4.

<sup>118</sup> For an analysis of how Beijing and Washington drew up the August 17 Communique, see Jaw-ling Joanne Chang, "Negotiation of the August 17, 1982 U.S.-PRC Arms Communique: Beijing's Negotiating Tactics," in R.O.C.-U.S.A. Relations, 1979-89, ed., Jaw-ling J. Chang (Taipei: Institute of American Culture, Academia Sinica, 1991), pp.63-90.

ch'iu, Beijing's vice foreign minister, protested that this decision flagrantly obstructed and disrupted China's reunification and would therefore surely encounter strong opposition from all Chinese people and the world as a whole.<sup>119</sup> It is probably due to Beijing's opposition that in the past ten years the United States has rarely agreed to sell relatively advanced weapons or military equipment to the ROC. Effective renewal of the ROC military equipment, especially that of its air force and navy, has thus been prevented.

To force other countries to abandon plans to sell arms to the ROC, Beijing usually lodges strong protests or threatens to downgrade its diplomatic relations with them. The most outstanding example involves the Netherlands. When, in the face of Beijing's threats, the Dutch government decided to proceed with the sale of two non-nuclear submarines to the ROC in 1981, Beijing downgraded its diplomatic relations with the Netherlands from ambassadorial to charge d'affaires level. It was not until the Netherlands pledged in 1984 not to sell any more arms to the ROC that Beijing restored relations with the Hague to their original level. Beijing also launched strong protests when Belgium decided to sell rocket engines to the ROC in May 1992. Beijing claimed that this deal would endanger

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<sup>119</sup> Chung-kung kuang-po chi-yao (A Collection of Important Mainland Radio Broadcasts), no. 10718 (September 4, 1992): p. 3.

the safety of mainland China.<sup>120</sup>

Beijing realizes that economic and trade benefits or domestic economic factors (such as ensuring jobs in military industries) are the principal considerations of countries willing to sell arms to the ROC. Therefore, it also uses economic and trade benefits or opportunities as a bargaining chip to prevent countries from selling arms to the ROC. For instance, Beijing recently decided to increase its purchases from the Netherlands mainly because it had refused to sell more submarines to the ROC.<sup>121</sup> When France began considering the sale of Mirage 2000-5 fighter jets to the ROC, Beijing warned against such a deal and also canceled the visit of a purchasing delegation to France. Beijing made it clear that due to the plans to sell advanced fighters to Taiwan, France was losing trade opportunities with mainland China.<sup>122</sup>

#### **ROC ALTERNATIVES**

Faced with threats of such harrowing magnitude, the ROC may well be compelled to explore alternative ways to defend itself against military assault launched by the PRC to assure

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<sup>120</sup> Chung-kuo shih-pao (China Times), May 19, 1992, 9.

<sup>121</sup> The industrial products that Beijing has bought from the Netherlands include ten Fokker F-100 planes, three dredgers, and equipment for a salt refinery. See Wen Wei Pao, May 13, 1992, 2.

<sup>122</sup> *Ibid.*, July 25, 1992, 2; also see International Herald Tribune, June 20, 1992, 13.

its survival. To accomplish that--once it is convinced that the United States and the Western countries will not provide the deterrence or help for a credible defense--there are two desperate and destabilizing options that are open to them. The first one is the Russian option, and the second is pursuing the nuclear weapon.

As early as July and August of 1977 there were hints from a variety of Taiwan sources that the ROC might conceivably enter into a secondary relation with the USSR, if the U.S. proved to be too compliant to Communist Chinese pressure.<sup>123</sup> In the same year the People's Daily warned of Soviet "provocations" in the Taiwan Strait.<sup>124</sup> Whatever substance there might have been to such hints, it is reasonably clear that the defunct Soviet Union had not been totally devoid of interest in the ROC at that time. The availability of bases in Taiwan or Penghu have given Soviet naval and air units commanding reach over the length of the archipelagic barrier with anchor points on the Kamchatka peninsula, in Vietnam, and

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<sup>123</sup>John W. Qarver, "Taiwan's Russian Option: Image and Reality," Asian Survey, 18 (July 1978): 753-58; also see William R. Kintner and John F. Copper, A Matter of Two Chinas (Philadelphia: Foreign Policy Research Institute, 1979), pp.86-88.

<sup>124</sup>"Hold Chairman Mao's Banner High, Build a Powerful Navy...", Renmin Ribao (People's Daily) (June 24, 1977): 3.

Taiwan.<sup>125</sup>

Secondly, the ROC has no nuclear capabilities at present. However, to attempt a deterrent defense, the ROC might well traverse the boundary between "near nuclear" capability, where it now stands, and advance to nuclear military potential.<sup>126</sup> In that regard, it is common knowledge that the ROC has developed the technology for the production of guided missiles.<sup>127</sup> Given the availability of such a system, the next step in any desperate effort to insure the security of Taiwan without U.S. support, would be the final development of a deliverable nuclear device.

At present the ROC government officially excludes any such possibility of those options, because either of these alternatives would have serious destabilizing effects on the

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<sup>125</sup>L. Bruce Swanson, "The Navy of the People's Republic of China," In Guide to Far Eastern Navies, Barry M. Clechman and Robert P. Berman, ed., (Annapolis: Naval Institute, 1978), pp.139-148.

<sup>126</sup>William E. Overholt, "Nuclear Proliferation in Eastern Asia," Pacific Community, An Asian Quarterly Review 8, no. 1 (October 1976): 50; also see Ernest Lefever, "U.S. Security Ties and the Nuclear Option: South Korea and Taiwan," in Forum on the U.S. and East Asia (Taipei: Asia and the World Forum, 1977), pp.133-235. For estimate of the military capabilities of the ROC, see Military Balance 1991/92, (Table 1) (London: International Institute for Strategic Studies, 1992).

<sup>127</sup>Ibid., at the Chung-shan Institute of Research and Technology on Taiwan, an advanced weapons research and development program has been under way for some time, calculated to produce a surface-to-surface missile (Hsiung Feng II) with a range of 960 kilometers.

Taiwan Strait region as well as Taiwan's survival. The risk propensity for Taipei leaders' decision-making is very narrow and costly.

Regional rivalry has been a fairly common phenomenon since World War II. It is a situation where two states or regimes, significantly influenced by superpower politics, are engaged in a long-standing competition over regional issues that could easily escalate into war.<sup>128</sup> Leaders in these countries are usually facing serious demands to resolve long-standing controversies not only from the rivalry side but also from domestic political groups involved in a internal power struggle. Besides, "recovering territory" or "reunification" have become such salient issues that they are given high priority on the domestic political agenda and have created severe tensions between the regional rivals.

The Taipei-Beijing confrontation seems to be a particularly interesting case of regional rivalry because it involves not only a long-standing controversy between two rivals but also superpower intervention. However, it is also a special case on account of its imbalance attributes.<sup>129</sup> One

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<sup>128</sup>Michael D. McGinnis, "A Rational Model of Regional Rivalry," International Studies Quarterly 34 (1990): 111.

<sup>129</sup>For imbalance regional rivalry, see Chi Huang, Woosang Kim, and Samuel S.G. Wu, "Regional Rivalry: A case of North and South Korea," (Paper presented at the 1991 Annual Meeting of the American Political Science Association, Washington D.C., August 29-September 1, 1991).

side is much stronger in terms of national capabilities than its rival. The ROC on Taiwan, controlling only 0.38 percent of Chinese territory as a whole and less than 2 percent of the Chinese population, is clearly at a disadvantage, not to mention the military differences between Taipei and Beijing. In an unequal regional rivalry like this, one can expect the stronger side to be more aggressive than the weaker, and one can also expect that alliance politics will have a more significant impact on the conflict behavior of the weaker side.

Throughout the above analysis, one can see that the ROC mainland and foreign policy can be viewed as a narrow field with few options. The only consideration for the decision-makers is the struggle for survival. That is why the ROC foreign policies before the 1980s were based on "four firm and unchangeable principles," as following:

- a. The system of the state of the Republic of China as established under Article 1 of the Constitution will never be changed. [Article 1 of the Constitution reads: The Republic of China, founded on the Three Principles of the people, shall be a democratic republic of the people, to be governed by the people, and for the people.]
- b. The Republic's overall goals of anti-Communism and national recovery of the Republic of China will never be changed.
- c. The Republic of China will always remain within the democratic bloc. And its dedication to the upholding of righteousness, justice, safeguarding peace, and security of the world will never be changed.
- d. The resolute stand of the Republic of China in



never compromising with the Chinese Communist rebel group will never be changed.<sup>130</sup>

Since the establishment of the PRC in October 1949, confrontation in the diplomatic field between Beijing and the Taipei has never ceased. Beijing's chief objective has always been to gain the status of sole legal representative of China and then to force the ROC government to yield by isolating the latter from the international community.

Beijing gained all-out victory in the fight for the right to represent China when it joined the United Nations in 1971 and subsequently established diplomatic relations with all the Western industrialized countries, including the United States. However, Beijing's subsequent proposal of the "one country, two systems" formula for China's unification met with resolute opposition from the ROC. To force Taipei to accept this formula, Beijing has tried to isolate Taiwan completely, blocking its pragmatic foreign policy, downgrading the status of its government, and preventing it from purchasing arms.

Beijing's isolation strategies have produced considerable results, but their original objectives have, on the whole, yet to be achieved. For instance, Beijing has not made much recent progress in reducing the number of countries maintaining

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<sup>130</sup>The Ministry of Foreign Affairs (ROC), "A Reference Book" (Taipei: United Pacific International, Inc., July 1983), P.293.

formal diplomatic ties with the ROC. It has also had difficulty preventing other countries from upgrading their substantive relations with the ROC or exchanging high-level visits. The U.S. decision on the sale of F-16 fighters to the ROC was, of course, a serious blow to Beijing. Besides, the PRC policy to isolate Taiwan from the international community would ironically help the elements of the "Taiwan Independence Movement" to promote their cause. They can make a seemingly convincing, though unrealistic, argument that only when Taiwan becomes independent can it break its present international isolation (please see chapter 5 "Societal Issues").

## CHAPTER V

### NATION-STATE

As shown in Figure 1 in chapter 1, the author examines the "domestic/societal sources" in the "inputs" stage, including changes in Taiwan and the mainland, the PRC unification strategy, changes in ROC decision-making, and societal issues in Taiwan.

#### CHANGES IN TAIWAN AND THE MAINLAND

During the past ten years, Taiwan and mainland China have experienced major political and economic structural transformations. These changes include the rise of a new generation of leaders, and various political and economic innovations.<sup>1</sup> Because of these immense changes on both sides of the Taiwan Strait, Taiwan-mainland relations have become more complicated and mutable than before.

#### A. FLUCTUATIONS IN TAIWAN

For a long time, China watchers saw the ROC on Taiwan as an authoritarian state under the control of Generalissimo Chiang Kai-shek and his family. The confrontation between the ROC and mainland China was seen as an extension of the Chinese civil war.<sup>2</sup> On account of their struggle for power in the

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<sup>1</sup>Thomas B. Gold, "The Status Quo Is Not Static: Mainland-Taiwan Relations," Asian Survey 27, no. 3 (March 1987): 301-15.

<sup>2</sup>Ching-yao Yin, "The Bitter Struggle between the KMT and the CCP," Asian Survey 21, no. 9 (September 1981): 19-23.

past, their conflicting ideologies and aims, the leaders of both the KMT and the CCP continued to distrust each other; and yet it seemed that the peaceful reunification of Taiwan and the mainland could only be achieved through agreement between the leaders of the dominant parties on either side of the Strait.

However, the vast political and economic transformation that has taken place in Taiwan during the past decade has made the above (peaceful unification through agreement between the leaders of the CCP and the KMT) argument outdated.

**(1). CHANGE IN TOP LEADERSHIP:** The first great change in Taiwan came with the end of the Chiang dynasty upon the death of President Chiang Ching-kuo on January 13, 1988. Chiang Kai-shek and then his son, Chiang Ching-kuo, had ruled Taiwan for nearly forty years. Their unchallenged leadership enabled them to act as the final adjudicators in all state affairs.

Thus, there were two reasons why Beijing assumed that the demise of President Chiang Ching-kuo would constitute a major setback to unification. First, Chiang had absolute authority to decide whether or not to negotiate with the CCP. The new leaders would be unlikely to effect any radical change in the KMT anti-Communist policy for fear of encountering domestic opposition. Consequently, with the end of the Chiang era, it seemed unlikely that there would be any dramatic change in Taiwan-mainland relations. Second, even though Chiang Ching-

kuo refused to the last to compromise with Beijing, he was strongly attached to the mainland. He always insisted on the principle of "one China" and rejected independence for Taiwan. On this, he and Communist leaders shared a common stand, so when he died, Beijing expressed concern about the new leaders' attitude toward the "one China" principle.<sup>3</sup>

From another point of view, no matter how determined an anti-Communist he was, Beijing had known Chiang Ching-kuo for several decades. In contrast, Chiang's successor, Lee Teng-hui, is a native Taiwanese who has never set foot on the mainland. The CCP leaders had little knowledge of him before he became president.

By the above account, the end of the age of strongman rule and the advent of democratic leadership in Taiwan has introduced a new variable into the reunification issue.

**(2). THE RISE OF A NEW GENERATION:** For most of the past forty years, political power in Taiwan has been in the hands of mainlanders who migrated to the island with the KMT government in 1949. But as this official class has aged and gradually faded out of the political arena, a new political elite has arisen. The new generation of political leaders in

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<sup>3</sup>On Chiang's death, Beijing sent a message of condolence which praised him for upholding the "one China" principle and opposing Taiwan independence; see Robert Delfs, "Kind Words from Zhao Cut No Ice in Taiwan," *Far Eastern Economic Review*, (January 28, 1988): 20.

Taiwan has several salient features: in the first place, these leaders are well-educated and reform-minded; second, they have little experience of struggle with the Chinese Communists; and third, more than half of them are native Taiwanese.

This transfer of power to a new generation of leaders will influence the issue of Taiwan-mainland relations in at least two ways. For one, the new political elite will treat the unification question in a more pragmatic way; ideology is likely to play a less important role in decision making. In this case, it is conceivable that relations between Taipei and Beijing will improve. On the other hand, the new elite, having grown up in Taiwan, does not have such strong ties to the mainland as do the old politicians. Even though these leaders still regard themselves as Chinese, unlike the old mainlanders they do not see reunification as an urgent problem. This is why Beijing fears that Taiwan will one day declare independence.

**(3). POLITICAL DEMOCRATIZATION AND LIBERALIZATION:** In October 1986, Chiang Ching-kuo initiated a number of important reforms in Taiwan. He announced his intention to lift martial law, which had been in force for thirty-seven years; prepared the legal framework for the formation of new political parties; set about reforming the parliamentary structure; and lift certain restrictions on the press. These measures were likely to have the effect of broadening political

participation and relaxing the state's control over society, bringing about an unprecedented change in Taiwan's social and political system. The broadening of political participation came about through the emergence of new political parties and parliamentary reform. At present, sixty-one political parties have registered;<sup>4</sup> the KMT is the largest with 2.5 million members, while its main rival, the Democratic Progressive Party (hereafter DPP), has a membership of approximately 30,000.<sup>5</sup> The other parties are so small that their role in determining the island's future is likely to be negligible. The emergence of rival parties will undoubtedly change the KMT from a directive to a competitive party.

Reform of the legislative bodies is another significant issue that transforms the power structure of Taiwan. At present, all of the legislators are locally elected and liable for reelection every three years.

Apart from political democratization, the lifting of martial law on July 1, 1987 and the termination of the ban on newspapers constitutes the second thrust--liberalization. In carrying out these reforms, the KMT loosened its control over social and economic affairs. A few basic rights, included in

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<sup>4</sup>Figures obtained from the Ministry of Interior in August 1992.

<sup>5</sup>Figures provided by the Ministry of the Interior, respectively, in August 1992.

the constitution but frozen for decades under martial law, such as the freedom to demonstrate and strike, were restored, and sixteen other regulations were abolished. This relaxation largely changed the authoritarian nature of the KMT regime.

As a result of political democratization and liberalization, social forces in Taiwan appear stronger and more diverse. Various elements of society have gained more ability to check and balance the activities of the state. In these circumstances, the ruling KMT will find it impossible to make any arbitrary decisions on the unification issue. As far as Beijing is concerned, this transformation of Taiwan will complicate relations between the two sides of the Strait.

(4). **DIPLOMATIC FRUSTRATIONS:** Diplomatic frustrations have left the ROC international status uncertain, and uncertainty have had a direct impact on domestic politics. The opposition DPP advocates self-determination, explaining that this is different from independence. Both the ruling KMT and the CCP, however, assert that independence is the DPP's real goal.<sup>6</sup>

Currently, the independence question is an uncertain variable in the issue of reunification. As its diplomatic isolation has increased, the KMT leadership has been eagerly seeking an identity in the international community. If Beijing

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<sup>6</sup>Shim Jae Hoon, "The Independence Issue," Far Eastern Economic Review, (February 18, 1988): 22.



continues to block Taiwan's participation in international affairs, independence sentiment is likely to grow, and this will erode the improved relations between Taiwan and the mainland.<sup>7</sup>

(5). **THE ECONOMIC ISSUE:** From an economic standpoint, Taiwan has performed very well over the past four decades. In 1992, its per capita income, for the first time, reached US\$10,000, almost fifteen times that of the mainland.<sup>8</sup> In recent years, Taiwan has maintained a huge trade surplus--in 1992 it amounted to approximately US\$18 billion, which has enabled the government to accumulate foreign exchange reserves of US\$82 billion, the largest in the world.<sup>9</sup> Over the past decade, the island's annual economic growth rate has averaged 7.6 percent.<sup>10</sup>

Although Taiwan's economic achievements have become a

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<sup>7</sup>As far as the author knows, the Ministry of Foreign Affairs received 40 to 150 telephones everyday from residents in Taiwan as well as the overseas Taiwanese to complain that not only face "visa problems" when they travel around the world, but also feel humiliated that they do not have a national identity. The situation becomes worse when they talk to the MFA's officials face to face. It seems very troublesome during the past few years because the MFA also set up an ad hoc group to solve this problem. Most of those complainants are willing to declare independence.

<sup>8</sup>The Free China Journal, (Taipei: September 30, 1992): 71.

<sup>9</sup>Lien-ho pao, (United Daily) (Taipei: November 11, 1992): 2.

<sup>10</sup>Jugen Domes, "Taiwan in 1992: On the Verge of Democracy," Asian Survey, no. 1, January 1993, pp. 54-60.

model for many other developing countries, the island is, however, facing pressure from international protectionism and demands of its changing economic structure. As far as protectionism is concerned, Taipei is attempting to diversify its export markets, although this is difficult in the present world trade climate. For this reason, the huge market on the mainland is very attractive for Taiwan's businessmen. From another point of view, many of Taiwan's light industries are losing their competitive edge in the world market. High wages and a shortage of labor are widespread problems. These problems are prompting some businessmen to move their factories to the mainland to take advantage of the cheap labor available there. Taiwan businesses have been engaged in indirect trade with the mainland for years, mainly through Hong Kong. In other words, coupled with other changes, Taiwan's economic difficulties are driving it to build up contacts with the mainland.

Thus, as a result of the change in leadership and the transformation of the political and economic structure of Taiwan, some factors which previously influenced the "character of thinking about China's unification" have gradually faded away, although new factors have rapidly emerged to take their place. These changes have greatly complicated Taiwan-mainland relations.

According to the foregoing discussion, the ROC national

interests can be defined as security and prosperity. Three factors are at the center of these interests, namely democratization, diplomatic relations, and mainland policies, which all affect the ROC legitimacy internal and external legitimacy. How to keep the balance among democratization, international recognition, and not provoking the hard feeling of the PRC is the highest task of the government on Taiwan.

#### **B. CHANGE ON THE MAINLAND**

While Taiwan society has been undergoing a substantial change, mainland China has been experiencing a second revolution--the sweeping political and economic reforms undertaken by Teng Hsiao-p'ing and his followers.<sup>11</sup> These reforms, which started in 1978, have become so complex and immense in scope that the entire society has been reshaped.

(1). **SUCCESSION PROBLEM:** Like Taiwan, the mainland is approaching the end of strongman rule. Teng Hsiao-p'ing, 89 years old and the last supreme leader of the CCP, has been trying for some years to arrange for a transfer of power to second and third generation leaders. There is no doubt that in the post-Teng period, no leaders will enjoy the same authority as Teng. In such circumstances, the future collective leadership is unlikely to make any bold changes--such as further concessions to Taiwan--for fear of opposition from the

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<sup>11</sup>Harry Harding, China's Second Revolution: Reform After Mao (Washington, D.C.: The Brookings Institution, 1987), pp.1-7.

conservatives. For this reason, some scholars suggest that Taipei should start negotiations with the mainland while Teng is alive, as he would offer Taiwan a better deal than his successors.<sup>12</sup>

(2). **GENERATION CHANGE:** During the last decade, there have been great changes in mainland China. Most of the first generation of CCP cadres have either died or retired and the new generation of leaders has begun to undertake the major tasks of running the government and party. These new political leaders are better educated than their predecessors, they exhibit less ideological fervor, and have no experience of the struggle with the KMT. These differences in background make it likely that the new leaders will treat the Taiwan-mainland question more pragmatically--as long as Taiwan does not declare itself independent. Still, on the other side of the coin, there is unlikely to be any sudden breakthrough in the Taipei-Beijing rivalry under such a collective leadership.

(3). **POLITICAL AND ECONOMIC REFORMS:** Viewed from the standpoint of China's unity, one implication of Beijing's reforms is that the authority of the central government has been diminished as a result of political and economic

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<sup>12</sup>Kuo-chi jih-pao (International Daily News) (New York: August 16, 1988): 1.

decentralization.<sup>13</sup> If this tendency persists, the Communist regime could become less authoritarian, and the differences between Taiwan and the mainland, at least as far as the degree of social pluralism is concerned, are likely to be reduced. Nevertheless, political reform on the mainland encountered severe setbacks in 1989, and since the Tienanmen incident of June 4, 1989 the conservative faction has gained the upper hand and is attempting to recentralize power in the hands of the authorities in Beijing. Consequently, the fate of political reform remains in the balance.

Mainland China's economic modernization is another factor in the unification issue. Currently, Beijing is giving top priority to economic reform, and as Teng has often said, this is something that requires a peaceful international environment. In these circumstances, reunification by force is not a feasible alternative. Furthermore, capitalist Taiwan, in Beijing's view, can make a great contribution to the mainland's modernization in terms of technology, management skills, foreign exchange, and so on. This is why Beijing hopes to solve the Taiwan issue peacefully through the "one country, two systems" formula.

In sum, changes in mainland China's political and

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<sup>13</sup>Daniel Southerland, "Some Chinese Fear 'Economic Warlordism'," The Washington Post (December 12, 1988): A1, A20.

economic structure have created a new background for reunification. This situation will produce new opportunities for reconciliation between Taiwan and the mainland.

(4). **DETENTE WITH ITS NEIGHBORS:** One of Beijing's most important achievements in recent years has been the improvement in relations with China's neighbors. Improved relations with India were symbolized by the visit of the country's prime minister, Rajiv Gandhi, to mainland China at the end of 1988. This was the first visit of an Indian prime minister to mainland China since 1954.<sup>14</sup>

Another significant diplomatic achievement for Beijing in 1990 was the establishment of diplomatic ties with Indonesia and Singapore. Beijing's relations with Vietnam have also improved since Vice Premier Vo Nguyen Giap attended the Asian Games in Beijing in September 1990.<sup>15</sup>

Needless to say, improving ties with neighboring countries will help mainland China create a secure and peaceful environment for its economic modernization. In addition, reducing pressure from surrounding countries will help Beijing gain more leverage regarding the unification issue.

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<sup>14</sup>"Sino-Indian Relations Usher a New Era," Beijing Review 32, no.1 (January 2-8, 1989): 5-6.

<sup>15</sup>Robert Delfs, "Carrots and Sticks," Far Eastern Economic Review, (October 4, 1990): 11-12.

From the above analysis, it is obvious that the extraordinary changes that have taken place on both sides of the Taiwan Strait have made the old thinking on Taiwan-mainland relations outdated. In practice, the political leaders in both mainland China and Taiwan have begun to perceive that this change will have a deep impact on bilateral relations. Both parties at present are slowly adapting their strategies to this new situation.

#### THE PRC'S UNIFICATION STRATEGY

**Table 3: The PRC Taiwan Policy (1979-1991)**

Year	Policies
Jan. 1979	The Standing Committee of the National People's Congress issued a "Message to Compatriots on Taiwan," urging Taiwan authorities to allow contacts and exchanges between the two sides and the development of mutual economic ties
Sep. 1981	Yeh Chien-ying issued a "Nine Point Opinion" for the unification of China, urging Taiwan to allow "three links and four exchanges"
June. 1983	Teng Hsiao-p'ing proposed allowing Taiwan to be a special administrative region with its own system, military, and judicial authority
May. 1984	Premier Chao Tzu-yang proposed "one country, two systems" as Beijing's policy for China's peaceful unification
June. 1984	Teng elaborated on the "one country, two systems" policy as meaning having socialism on the mainland and capitalism in Taiwan and Hong Kong

July. 1989	CCP general secretary, Chiang Tse-min, reaffirmed the "one country, two systems" policy; he also reassured that Beijing would not impose the socialist system on Hong Kong and Taiwan
Dec. 1990	Yang Shang-k'un outlined two working principles on the Taiwan issue: a) insisting on peaceful unification, "one country, two systems," and rejecting Taiwan independence, and b) promoting a political solution through economic activities, and encouraging people-to-people exchanges. Wu Hsueh-ch'ien, deputy chief of the CCP Central Committee's Leading Group for Taiwan Affairs, urged "immediate" talks between the CCP and the KMT. He and other officials expressed their welcome of Taipei's firm "one China" policy, but "strongly opposed" its flexible diplomacy. They also said Beijing would not tolerate "Taiwan independence" activities on the island
Jan. 1991	Yang Shang-k'un urged talks between the CCP and the KMT on unification
Feb. 1991	Beijing reiterated that it would not recognize Taiwan as a political entity
July. 1991	Beijing outlined in detail the context of its "one country, two systems" policy

Sources: Chung-kuo shih-pao (China Times), May 23, 1990, 9; Shih-chieh jih-pao (The World Journal), July 27, 1991, 8; Free China Journal, December 17, 1990, 1; Cheng Ming (Hong Kong), September 1991, 5.

From table 3, one can see that 1979 was an important turning point in Beijing's Taiwan policies. Before 1979, although Beijing was firm in its determination that China should be reunified, it did not have any concrete, "forward-looking" policies, let alone a detailed approach for reunification. To Beijing, Taiwan was just a chunk of



territory which it was determined to bring back under its control by any means. Beijing did not care much whether the people on Taiwan wanted to be reunited with the rest of China. Taiwan's situation and the well-being of its people were of little concern to Beijing at that time.

It was not until the establishment of diplomatic relations between Beijing and Washington in 1979 that a peaceful Taiwan policy was formed. On January 1, 1979 the Standing Committee of the National People's Congress (NPC) issued a message to Taiwan, hoping that "Taiwan returns to the embrace of the motherland at an early date so that we can work together for the great cause of national development."<sup>16</sup> Meanwhile, the NPC Standing Committee announced that the shelling of the two offshore islands of Quemoy and Matsu on alternate days had ceased. Beijing proposed opening commercial, postal, and travel links (the "three links") with Taiwan, and suggested that people should be allowed to visit relatives or travel as tourists between the two sides and that academic, cultural, and sports exchanges (the "four exchanges") should be established.

Following the January 1 statement, Beijing deliberately stopped using the offending term "liberation" in reference to Taiwan, replacing it by more neutral terms, such as "return to

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<sup>16</sup>"NPC Standing Committee Message to Compatriots in Taiwan," Beijing Review 22, no.1 (January 5, 1979): 17.

the embrace of the motherland" or "reunification". Later, Beijing included Taiwan's return to mainland rule as one of its three nationally important objectives for the 1980s.<sup>17</sup>

On September 30, 1981 the chairman of the NPC Standing Committee, Yeh Chien-ying, issued a nine-point proposal for peaceful reunification, the most comprehensive and important move ever made by the mainland toward Taiwan. While Yeh's proposal for the most part was a repetition of previous documents of its kind, it also included a suggestion for talks between the CCP and the KMT so that the two parties could cooperate as they had done in the 1920s and 1930s to realize "the great cause of national reunification".<sup>18</sup>

The CCP's reunification blueprint gradually developed into the "one country, two system" formula, under which two different political and economic systems would exist side-by-side following reunification: the capitalist system would continue unchanged for a specified number of years in Hong Kong, Macao, and Taiwan, while the rest of China would remain socialist. The designated capitalist areas would be allowed a high degree of autonomy after reuniting with the mainland. On many occasions, Beijing has offered Taiwan more generous terms than those offered to Hong Kong and Macao, stating that Taiwan

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<sup>17</sup>The three national objectives for the 1980s were: four modernizations, national unification, and anti-hegemonism.

<sup>18</sup>Beijing Review 24, no.40 (October 5, 1981): 11.

would be permitted to retain its own armed forces and purchase its own defensive weapons from overseas. In contrast, Beijing insists that it must station troops in Hong Kong after 1997 as a symbol of its regaining sovereignty over the territory.

Moreover, Beijing has also offered the KMT party-to-party negotiations on an equal basis, rather than treating Taipei as a subordinate local authority.<sup>19</sup> Taipei has shown little interest in this offer, however, considering "one country, two systems" to be no more than a "united front ploy".<sup>20</sup> Beijing has adopted four strategies to cause Taipei to accept its reunification plan: an appeal to nationalistic sentiment, the offer of economic benefits, coercion, and the isolation of the ROC in the international community ("isolation" please see Chapter 3).

**(1). Nationalistic Appeal:**

Beijing understands that most of the senior mainlanders and soldiers in Taiwan are nostalgic. Despite their hostility toward the Communists, the old cadres of the ROC have retained a strong identification with mainland China. For this reason, Beijing often appeals to their nationalistic sentiment as a

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<sup>19</sup>Taipei has recently expressed the hope that negotiation will be carried out on a government-to-government basis.

<sup>20</sup>According to Taipei, Beijing sees the "two systems" as a central and a local government. Consequently, acceptance of this formula would mean sacrificing the title, the Republic of China.

way of undermining their stand on the issue of reunification, encouraging two beliefs rooted in Chinese nationalism: the desirability of a unified China, and the idea that dividing China is analogous to treason.

As far as the first belief is concerned, Beijing asserts that although China has known many dynastic changes, divisions, and even separatist regimes, it has preserved a degree of unity unique among the world's oldest civilizations.<sup>21</sup> Because of this consciousness of a unified country, China has been able to survive many destructive forces, such as warlordism and imperialism, in its development. By virtue of this myth, according to Beijing, the division of the Chinese motherland is unbearable and causes suffering to its people; only through reunification can China become strong and prosperous.

Another idea concerning national unification presumes that anyone who contributes to Chinese unification will go down in history as a national hero, while anyone who fails to work for unification is a traitor. In its 1979 "Message to Compatriots in Taiwan," Beijing stated:

The important task of reunifying our motherland, on which hinges the future of the whole nation, now lies before us all; it is an issue no one can evade or

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<sup>21</sup>Lin Ganquan (Lin Kan-ch'uan), "On Splits and Unification in Chinese History," Renmin Ribao (People's Daily), May 27, 1985: 5, trans. in Foreign Broadcast Information Service (FBIS), Daily Report--China, 85-109 (June 6, 1985): k2-k5.

should try to. If we do not quickly set about ending this disunity so that our motherland is reunified at an early date, how can we answer our ancestors and explain to our descendants? This sentiment is shared by all. Who among the descendants of the Yellow Emperor wishes to go down in history as a traitor?<sup>22</sup>

**(2). Economic Benefits:**

Due to pressure from world protectionism and the transformation of its own economic structure, Taiwan urgently needs to exploit new markets. The mainland, on the other hand, needs capital and production skills from Taiwan. In view of this situation, Beijing is urging Taipei to allow direct trade across the Strait. Moreover, Beijing also claims that Taiwan will gain even more economic benefits after reunification.

Despite government restrictions, Taiwan's businessmen have managed to conduct trade with the mainland through third parties, mostly in Hong Kong. Taiwan's indirect exports to the mainland, which between 1979 and 1991 increased from US\$21 million to 4,679 million, or nearly 6.14 percent of Taiwan's total exports.<sup>23</sup> Thus, it is estimated that after 1997 when Hong Kong reverts to rule from Beijing, exports to the mainland as a whole will amount to at least 15 percent of

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<sup>22</sup>"N.P.C. Standing Committee Message to Compatriots in Taiwan," Beijing Review 22, no. 1 (January 5, 1979): 16-17.

<sup>23</sup>Charng Kao, "Economic Interdependence Between Taiwan and Mainland China," Issues and Studies, (Taipei: April, 1993): p. 54.

Taiwan's exports.<sup>24</sup> Other data shows that from 1989 to 1992, a total of 4.5 billion investment went to the mainland.<sup>25</sup>

Beijing is pleased by the increase in economic exchanges between the two sides of the Strait on two counts. First, these exchanges will increase Beijing's leverage over Taiwan on the unification issue, and second, economic cooperation among the mainland, Hong Kong, and Taiwan will be beneficial to the mainland's economic development.

**(3). Coercion:**

While appealing to nationalist sentiment and holding out economic carrots to Taiwanese businessmen, Beijing is not averse to threatening Taiwan with unification by force as seen in Chapter 3. Beijing has made it clear that there are four circumstances in which it would resort to force against Taiwan: (1) if Taipei forged an alliance with now defunct the Soviet Union; (2) if Taiwan declared independence; (3) if Taiwan developed nuclear weapons; and (4) if chaos broke out on the island. In recent years, changes that have taken place in Taiwan have caused Beijing to fear that it will lose control of the situation where Taiwan is concerned. Consequently, the CCP has added a fifth condition, continued

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<sup>24</sup>Ibid., pp. 52-55.

<sup>25</sup>"Commentary on Taiwan Investments on Mainland," Chung-kuo Hsin-wen She, trans. in FBIS-CHI-89-002 (January 4, 1989): 77; also Chung-kuo Shih-pao (China Times) (Taipei: September 19, 1992): 3.

refusal to negotiate reunification with the mainland.<sup>26</sup>

**A. THE ROC RESPONSE TO "NATIONALISTIC APPEAL"**

The PRC overture for "three links" and "four exchanges" has great appeal to many people in Taiwan. Those who have family ties with people on the mainland would naturally like to visit their relatives. For others who only learned about China from books, there is a natural curiosity and nationalistic feeling toward visiting the Chinese mainland. Taiwan businessmen are attracted by the opportunity of opening a vast new market on the mainland without language problem. Under such circumstances, the ROC government is in a dilemma. A categorical rejection of the overture, would definitely cause popular discontent in Taiwan. If it responds positively to this overture, it may be seen as implicitly acceding to the PRC sovereign claim to Taiwan. There is also the security concern that extensive contacts with the mainland may facilitate the communists infiltration of Taiwan and undercut the people's anti-communist will and vigilance. This concern is especially important from the ROC point of view, because the risk propensity is very narrow for those decision-makers in Taipei, and the PRC has refused to renounce the use of force against Taiwan. Moreover, on August 17, 1982, under the PRC strong request, the United States signed a joint

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<sup>26</sup>Shih-chieh Jih-pao, (December 22, 1988): 1.

communiqué to limit the quality and quantity of its arms sales to Taiwan.<sup>27</sup> In view of this dilemma, the ROC has taken an indirect and limited, yet positive, response to the PRC's overture for "three links and four exchanges."

In the early 1980s, the ROC quietly allowed indirect trade between Taiwan and the mainland to develop and finally legitimized such trade in 1985. It also permitted scientists and others from Taiwan to sit down with their PRC counterparts at international meetings. The ROC allowed indirect mail exchanges and did not prosecute ordinary people who quietly visited their relatives on the mainland. On March 23, 1981 the ROC agreed to have the Republic of China's Olympic Committee renamed as the Chinese Taipei Olympic Committee,<sup>28</sup> thus making it possible for athletes from both the mainland and Taiwan to compete in international sports activities.

After the signing of the 1982 Taiwan arms sales restriction communiqué, the ROC confronted a serious security problem. One can expect the military balance in the Taiwan Strait to gradually shift in the PRC favor as Taiwan's weaponry ages and the PRC gains access to U.S. and European weaponry. This concern was partially resolved in 1985-86 when the United States permitted its industries to transfer

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<sup>27</sup>New York Times, August 18, 1982, A12.

<sup>28</sup>See Hungdah Chiu, ed., Chinese Yearbook of International Law and Affairs 1, (1981): 145-46.



military technology to Taiwan.<sup>29</sup>

With the partial resolution of this basic security issue and generally favorable response from indirect contacts with the mainland, Taipei moved toward a more positive response to the PRC "three links and four exchanges."

On July 16, 1987 the ROC government formally lifted the ban on direct tourist visits to Hong Kong to facilitate people from Taiwan meeting their relatives from the mainland.<sup>30</sup> On October 15, 1987 the Central Standing Committee of the KMT approved a new policy to allow people living in Taiwan to visit their relatives on the Chinese mainland. On November 2, 1987 the Red Cross Society of the ROC began to handle the applications for mainland visits and to provide assistance to people who want to locate their relatives on the mainland.<sup>31</sup> Soon after, mail exchanges through Hong Kong were permitted. On June 10, 1989 direct mail exchanges with the mainland

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<sup>29</sup>"U.S. Industry Aiding Taiwan in Developing National Fighter to Meet Threat from the PRC," Aviation Week & Space Technology, March 31, 1986, 31.

<sup>30</sup>"Restrictions Lifted on Hong Kong Travel in Wake of ROC's 'Momentous Day'," Free China Journal 4, no. 28 (July 20, 1987): 1.

<sup>31</sup>See "Mainland Visits Policy Comes from 'Heart'," FBIS-China, October 19, 1987, 38; "Red Cross Begins Mainland Contacts Service," *ibid.*, October 21, 1987, 30; Hsia-mian Ma, "Thousands of Taiwan Residents Packing for Trip to Mainland," Free China Journal 4, no. 42 (October 26, 1987): 1; and Hsint-i Mei, "Red Cross Society Starts Check on Thousands of Mainland Kin," *ibid.*, no. 44 (November 9, 1987): 3.

began.<sup>32</sup> In 1988 the ROC began to allow a limited number of mainland Chinese to visit their sick relatives in Taiwan or to attend their funeral services.<sup>33</sup>

Trade between the mainland and Taiwan has flourished since the early 1980s. The total volume of trade from 1979 to 1986 was about US\$4 billion. In 1987 alone it was US\$1.6 billion; in 1988 it jumped to US\$2.4 billion; and from 1989-1992 it was estimated about US\$15 billion.<sup>34</sup> In addition, in April 1989, the ROC began to allow its reporters to visit the mainland, and also permitted mainland reporters to visit Taiwan.<sup>35</sup>

Indeed, in view of the above developments, it appears that the PRC unification strategies have been relatively successful. But would such developments lead, as the PRC expects, to unification under Yeh's nine-point proposal?

The PRC's terms for unification and its promise for a

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<sup>32</sup>Chung-kuo shih-pao (China Times) (Taipei: July 28, 1989): 2.

<sup>33</sup>In 1988, there were 389 Chinese from the mainland who went to Taiwan to visit their sick relatives or attend funerals. See "Press Conference of Ding Guangen, Director of the Taiwan Affairs Office of the State Council," Tai-sheng (Voice of Taiwan), 1989, no. 3:6.

<sup>34</sup>International Trade Bureau, the Ministry of Economic Affairs, "Statistics of Taiwan's import and export annual report, 1992," (Taipei: The Ministry of Economic Affairs Published, 1992), pp.3-7.

<sup>35</sup>On August 1, 1990, the ROC lifted the ban on PRC reporters visiting Taiwan. See Free China Journal 7, no. 60 (August 9, 1990): 1.

"high degree of autonomy" after unification are preconditioned on the ROC relinquishment of its sovereignty and its agreement to become a "special administrative region" of the PRC. There is no credible guarantee to prevent the PRC from repudiating its promise after unification. The so-called guarantee of the Basic Law and Article 31 of the PRC's 1982 Constitution,<sup>36</sup> as demonstrated by the history of the drafting of the Hong Kong Basic Law, is nothing but a farce from the viewpoint of Taipei's decision makers.<sup>37</sup> As a matter of fact, how long any PRC Constitution will last is highly questionable; the present Constitution is the fifth official text since the establishment of the PRC.<sup>38</sup>

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<sup>36</sup>Editorial "Some Key Points in the New Constitution," Inside China Mainland (Taipei: January 1983). Article 31 of Communist China's Constitution is the basic melody in the Communists' orchestrated effort to solve the "Taiwan problem," i.e., destroy the Republic of China and establish Communist China's "sovereignty" over Taiwan. What deserves special notice is this: the "special administrative districts" are to be established "when necessary" and when the necessity is no longer operative, they may be abolished. The entire system to be practiced there will be "stipulated by law" by the Chinese Communists. In due course it may be revised or eliminated "by law." The strategy employed here is one of absolutely gradual, step-by-step encroachment. The ambition and the cunning that lie behind it need no comment.

<sup>37</sup>During the Hong Kong negotiation, PRC leaders first announced that no troops would be sent to Hong Kong after 1997, but they later changed their minds. In the case of Taiwan, the PRC leaders have stated that no military or administrative personnel will be sent to Taiwan after unification. There is, however, no credible guarantee to prevent the PRC from doing so.

<sup>38</sup>1954, 1970, 1975, 1978, 1982 till now, totally five editions.

Moreover, since 1979, PRC leaders have spoken of using force against Taiwan on a number of occasions. There are, furthermore, wide political economic, social, and cultural gaps between the mainland and Taiwan; unless such gaps narrow with the passage of time, the conditions for peaceful unification can hardly mature. Unfortunately, since the suppression of the student movement for more democracy and press freedom in late 1986,<sup>39</sup> which eventually stimulated the June 4, 1989 incident of student demonstrators in Beijing, the gaps between the mainland and Taiwan have been widening rather than narrowing.

Finally, the ROC has been steadily moving toward a democratic system,<sup>40</sup> and the ROC government cannot ignore public opinion and popular will when reaching a unification agreement on the PRC terms.

#### **B. AN ANALYSIS OF "ECONOMIC BENEFITS"**

From the economic point of view, one is justified in asking whether Beijing will be able to use the two sides' increasing interdependence, especially where trade is concerned, to its advantage to affect the Taiwan's mainland

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<sup>39</sup>Edward A. Gargan, "Thousands Stage Rally in Shan-hai Demanding Rights," New York Times, December 21, 1986, 1, 19; "China Denounces Student Protests as 'Illegal Acts'," ibid., December 22, 1986, A1, A14.

<sup>40</sup>Tun-jen Cheng and Stephan Haggard, eds., Political Change in Taiwan, (Boulder: Colo.: Lynne Rienner Publishers, 1992).

policy-making. It is obvious that Taiwan is becoming increasingly dependent on the mainland Chinese market for its exports (see table 4).

**Table 4. Taiwan-mainland Trade Interdependence**

Year	T exports to M (total %)	T imports from M (total %)	M exports to T (total %)	M imports from T (total %)
1980	1.19	0.39	0.24	1.17
1981	1.70	0.35	0.34	1.74
1982	0.88	0.44	0.38	1.01
1983	0.63	0.44	0.40	0.74
1984	1.40	0.58	0.49	1.55
1985	3.21	0.58	0.42	2.34
1986	2.04	0.60	0.46	1.89
1987	2.28	0.83	0.73	2.84
1988	3.70	0.96	1.01	4.06
1989	4.37	1.12	1.12	4.09
1990	4.88	1.40	1.23	6.14
1991*	5.79	1.64	1.60	7.56

Source: Chung-kuo shih-pao (China Times) (Taipei: February 11, 1992): 11.

Notes: T=Taiwan;

M=Mainland China;

\*=1991 count only from January to September.

This trend may very well continue since (1) the rise of protectionism in the industrialized countries is prompting Taiwan to diversify its export markets and (2) mainland China's comparative advantage in land and labor complements Taiwan's comparative advantage in capital, technology, and

management, so trade would be beneficial to both. If Taiwan continues to increase the share of its total exports to the mainland and to inject more and more capital into its economy, will the tail not eventually wag the dog? Many economic studies have addressed this question, but there is no conclusive evidence one way or the other.<sup>41</sup> To be sure, whether Taiwan investment will help mainland China out-trade Taiwan hinges on the terms of trade, the trade pattern (inter or intra-industry trade), and the demands of both sides' export markets. But diverse econometric methodology, different specifications of key variables, and a lack of reliable statistics on Taiwan-mainland trade keep us from passing conclusive judgments on the arguments of these economic studies. We have yet to feel the economic impact of this trade on both Taiwan and the mainland.

The same is true for studies of the political impact of trade on both sides. According to Albert Hirschman's classic study (mentioned in chapter I) of the distribution of power and trade patterns, in an asymmetrical interdependence situation, the stronger party (defined as the less dependent party) is able to extract political concessions from the weaker party (defined as the more dependent party) by

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<sup>41</sup>Tzung-ta Yen, "Taiwan Investment in Mainland China and Its Impact on Taiwan Industries," Issues and Studies 27, no.5 (May 1991): 10-42.

threatening an interruption of trade.<sup>42</sup> This implies that mainland China could coerce Taiwan into making political concessions by threatening to close its market to Taiwan. And indeed this is an argument frequently heard in Taiwan. But Harrison Wagner does not agree.<sup>43</sup> He argues that trade interdependence is neither a necessary nor a sufficient condition for political influence, because the relationship between asymmetrical interdependence and political power is better represented by the game of bargaining than by the game of threat. Thus the implication of Wagner's argument is that the ROC need not worry about any adverse effects of its bilateral trade with mainland China. When Taiwan's trade with mainland is put in perspective (see figure 2), Taiwan's "Hirschmans" see only the growth in Taiwan's trade with the mainland, and the "Wagners" see the difference between Taiwan-U.S. trade and Taiwan-mainland trade.

Current conditions seem to support, slightly, the latter's point of view. The superior economic development of Kwangtung and Fukien has given these two provinces, in which are concentrated the main bulk of Taiwan trade and investment,

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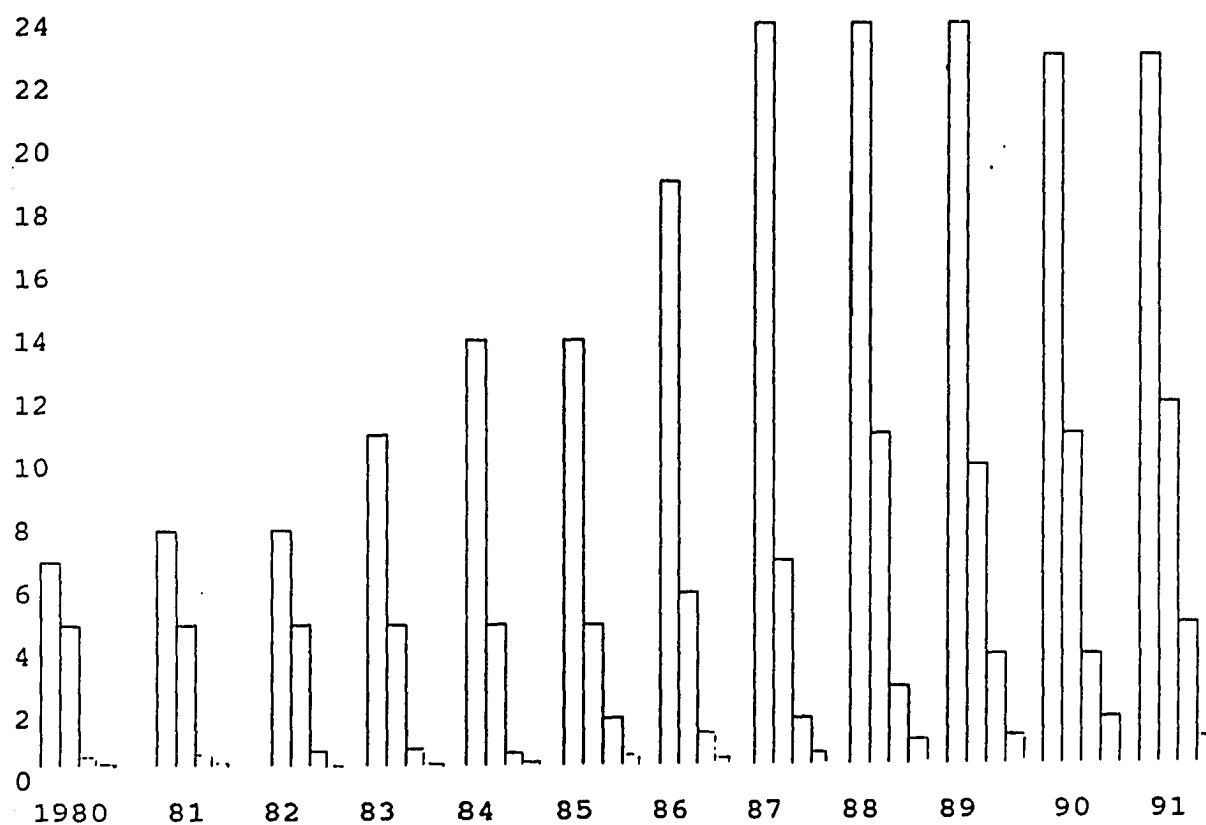
<sup>42</sup>Please see chapter I, footnote 14; Albert Hirschman, National Power and the Structure of Foreign Trade (Berkeley: University of California Press, 1945), esp. 3-41.

<sup>43</sup>R. Harrison Wagner, "Economic Interdependence, Bargaining Power, and Political Influence," International Organization 42, no. 3 (Summer 1988): 461-83.

some autonomy from Beijing.<sup>44</sup> Hence Beijing may find it impossible to carry out any threat to halt economic exchanges should it decide to try to extract political concessions from Taipei.

**Figure 2. Taiwan-U.S./Mainland Trade Relations**

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Notes: 1st bar: Taiwan Exports to U.S.  
 2nd bar: Taiwan Imports from U.S.  
 3rd bar: Taiwan Exports to mainland China  
 4th bar: Taiwan Imports from mainland China  
 Vertical indicators: US\$ billion dollar

Source: International Trade Bureau, The Ministry of Economic Affairs, Annual statistics reference, (Taipei).

<sup>44</sup>Emerson M.S. Niou, "Contradictions Between Central and Local Economies in China," Far East Economic Review, (February 14, 1992): 3-5.



In addition, if Beijing considers economic development to be more vital than extracting political concessions, it may opt not to use economic means to achieve political ends. So far at least, Beijing has shown no sign of exploiting Taiwan's dependence on the mainland market.

#### CHANGES IN THE ROC DECISION-MAKING

##### **A. THE ROLE OF THE KMT IN DECISION-MAKING**

The political foundation of the Taiwan government is essentially an authoritarian, one-party state. Its overall organizational structure bears strong resemblance the Leninist system.<sup>45</sup> The ruling Nationalist Party views itself as a missionary revolutionary party, although it is in a process of transition, with a professed goal of national unification with the mainland.<sup>46</sup> As the guiding ideology it adopts *San Min Chu-i* (Three Principles of the People), doctrines originally put forth by the party's founding father, Sun Yat-sen (please see chapter 2). The party's decision-making and operational code are heavily influenced by the Leninist doctrine of democratic centralism, which the party expressly adopted during the

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<sup>45</sup>Constance Squires Meaney argues that the KMT regime is more akin to a Leninist party than that authoritarian one; please see Constance S. Meaney, "Liberalization, Democratization, and the role of the KMT," in Political Change in Taiwan, Tun-jen Cheng and Stephan Haggard, eds., pp.95-116.

<sup>46</sup>Hung-mao Tien, The Great Transition: Political and Social Change in The Republic of China, (Hoover Institution Press, 1989), PP.65-70.

course of its reorganization in 1950-52.<sup>47</sup> At first glance, such a party would appear not to be well-suited to function as a democratic party. Yet, over the decades, it has adapted in structure and policy to many changes that have taken place in Taiwan.<sup>48</sup> The issue at the moment is no longer whether the KMT is susceptible to change, but what kind of change it could accept without putting its governing position at risk.

Under the existing political system, the KMT and the state are often inseparable. In general, the party establishes primacy over the state in most aspects of policy and personnel matters, with major issues in these areas handled by the party's Central Standing Committee.<sup>49</sup> The party forms cell and branch organizations in all aspects and at all levels of the government administration, the judiciary, the armed forces, and the legislatures. Through these branches and cells, the party enforces political loyalty, but not very effectively in recent years.<sup>50</sup> Practically all leaders in these state institutions are party members. Political careers of the party

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<sup>47</sup>Ibid, P.67.

<sup>48</sup>John F. Copper, A Quiet Revolution: Political Development in the Republic of China, (Washington, D.C.: Ethics and Public Policy Center, 1988), PP.9-16.

<sup>49</sup>John F. Copper, "Political Development in Taiwan," in Hungdah Chiu, ed., China and the Taiwan Issue, pp. 47-49.

<sup>50</sup>Tun-jen Cheng and Stephan Haggard, "Regime Transformation in Taiwan: Theoretical and Comparative," Tun-jen Cheng and Stephan Haggard, eds., Political Change in Taiwan, p. 6.

members show substantial crossover between party and state positions, and state funds have been channeled into the support of party-related activities.<sup>51</sup>

However, unlike ruling parties in communist China, the KMT is more a mass party than an elite party. At present the KMT has 2.5 million members, or 13 percent of the population, 21 percent of the adult population, and more than 71 percent are Taiwanese. Its membership represents virtually all classes and segments of the population.<sup>52</sup> In addition, from tables 5 and 6, one can see that Taiwanese are recently a majority in the CSC and military.

**Table 5. The members of Taiwanese in the CSC (1973-1993):**

Year	Total Members	Taiwanese	Percentage
1973	21	3	14%
1976	22	4	18%
1979	27	9	33%
1981	27	9	33%
1984	31	12	39%
1986	31	14	45%
1988	31	16	52%
1993	31	18	58%

Source: Nan Min, "Tui Kuo-min-tang san ch'ung chuan-hui ti

<sup>51</sup>Hung-mao Tien, The Great Transition: Political and Social Change in The Republic of China, PP.59-61.

<sup>52</sup>Chung-yang jih-pao (Central Daily News) (Taipei: September 5, 1992): 2.

kuan-ch'a (The KMT Third Plenum: A Commentary), Chiu Shih Nien-tai (The Nineties), no. 196, (May, 1986), p. 43; also Chung-kuo shih-pao (China Times) (Taipei: July 15, 1988): 2; Chung-yang jih-pao (Overseas edition), Aug 25, 1993.

**Table 6. Composition of Taiwanese-Mainlander in the military (1950-1991)**

Years	General		Colonel		Lieutenant		Soldier	
	Mai	Tai	Mai	Tai	Mai	Tai	Mai	Tai
1950-65	97.7	1.3	90.4	9.6	86.2	13.8	47.2	52.8
1965-78	92.6	7.4	81.2	18.8	65.3	34.7	31.6	68.4
1978-87	84.2	15.8	67.4	32.6	51.7	48.3	21.3	78.7
1991	62.4	37.6	51.1	48.9	42.3	57.7	19.2	80.8

**Notes:** Figures in the table are percentage distribution in that particular category of military ranks.

Mai: Mainlanders

Tai: Taiwanese

**Source:** Chian Liang-jen, "T'ai-wan-jen ti erh ke shang-chiang," (The second military general of Taiwanese origin), Hsin Hsin-wen (The News Journal), no. 39, (December 7, 1991), pp. 7-10.

Party work is carried out by various departments: Organizational Affairs, Mainland Operations (the main body of the policy-making unit toward PRC), Overseas Affairs, Cultural Affairs, Social Affairs, Youth Activities, Women's Activities, and commissions dealing with financial affairs, party history,

and discipline.<sup>53</sup> Party activities are broad in nature and involve such activities as welfare, recruitment for government jobs (including overseas students), and guiding practices of many organs of government. Thus the KMT is much more than a political party, and is typical of political parties in one-party systems, but the situation has been changed after Chiang Ching-kuo (see chapter VI).<sup>54</sup>

The KMT operates eighteen major business enterprises, including eight in the media and cultural fields. Among those are the Central News Agency, the Central Daily News, the Broadcasting Corporation of China, and the Chung Cheng Book Company.<sup>55</sup> The party is also indirectly linked to many more businesses.<sup>56</sup> This involvement does not mean, however, that the KMT controls the media or monopolizes business.<sup>57</sup> Its past influence over the news, publishing, and movie industry in fact amounted to censorship, but that is fading with the increasingly pluralistic nature of the society and

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<sup>53</sup>Marc J. Cohen, Taiwan at The Crossroads, (Washington, D.C.: Asia Resource Center, 1988), PP.25-29, and Chapter 7.

<sup>54</sup>Ibid.

<sup>55</sup>Ralph N. Clough, Island China, p. 49.

<sup>56</sup>Marc J. Cohen, Taiwan at the Crossroads, pp. 25-29.

<sup>57</sup>Ralph N. Clough, Island China, p. 50.

democratization.<sup>58</sup> The KMT is itself trying to restrict its activities in these areas in order to shed the image of an overreaching party.<sup>59</sup>

In short, the KMT has been playing several important roles, which can be summarized under six headings: a) governing; b) political recruitment; c) political socialization; d) political mobilization; e) political integration; f) social services and social control.<sup>60</sup> the KMT has grown beyond a single-minded Leninist party. At the same time it performs far more functions than political parties in most democratic systems.<sup>61</sup> Unlike the Leninist party in communist countries, the KMT does not rely principally on coercion and control to secure its dominant position anymore. It has modified its control to fit more efficiently into a society where social and political diversity call for persuasion and conciliation. The KMT methods of securing power ultimately affect the political stability of the system; they also determine the character of Taiwan's party system and

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<sup>58</sup>Robert G. Sutter, Taiwan: Entering the 21st Century, (New York: University Press of America, Inc., 1988), PP.45-60.

<sup>59</sup>Ralph N. Clough, Island China, (Cambridge: Harvard University Press, 1978), PP.49-54.

<sup>60</sup>Hung-mao Tien, The Great Transition, 1989, PP.71-72.

<sup>61</sup>Tun-jen Cheng and Stephan Haggard, "Regime Transformation in Taiwan: Theoretical and Comparative Perspectives," in Tun-jen Cheng and Stephan Haggard, eds., Political Change in Taiwan, pp. 1-27.

decision-making.<sup>62</sup>

At the top of the party's organizational hierarchy is the Central Standing Committee (hereafter CSC). The CSC is a centralized small group that meets once a week. Its members are elected by the Central Committee according to the principles of democratic centralism to exercise party decision-making authority when the larger body is not in session.<sup>63</sup> How the CSC conducts its weekly business is not public knowledge. Hung-mao Tien indicates that:

In status and power it resembles the Politburo in the Leninist parties of the Soviet Union and the People's Republic of China. It has 31 members who have the most prestigious positions in the KMT hierarchy. The party chairman or a senior member designated by the chairman presides over the weekly meeting.<sup>64</sup>

At the central government level, the Policy Coordination Committee is charged with resolving conflicts among and within the Legislative Yuan, the Control Yuan, and the National Assembly. It provides an institutional link between the CSC and these three representative bodies, where party branches

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<sup>62</sup>Edwin A. Winckler, "Taiwan Transition?" in Tun-jen Cheng and Stephan Haggard, eds., Political Change in Taiwan, pp. 221-254.

<sup>63</sup>Constance S. Meaney, "Liberalization, Democratization, and the Role of the KMT," in Tun-jen Cheng and Stephan Haggard, eds., Political Change in Taiwan, pp. 111-113.

<sup>64</sup>Hung-mao Tien, The Great Transition, pp. 75-76.

carry out directions from the party center.<sup>65</sup>

Generally speaking, according to recent studies, the CSC has not exercised institutional authority efficiently or creatively. Rather, with its steadily increasing size and the periodic formation of informal power groups, it has become an archaic approval body. Although it is a decision-making center under the party constitution, its importance should not be overemphasized.<sup>66</sup>

From the above discussion it is evident that the KMT plays crucial roles in the ROC political process. There are interlocking relations among leaders of the party, the government, and the legislative institutions; personnel appointments often overlap and follow a path of inter-institutional circulation. In recent years KMT authorities have tried to reduce the level of party domination over administrative and legislative matters. Government administration is becoming more independent, but the KMT continues to control the legislative process through party

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<sup>65</sup>Ibid., pp. 82-83.

<sup>66</sup>Dirk Bennet, "Chiang's Changes," Far East Economic Review, March 31, 1984, P.11. From the early 1992, since President Lee Teng-hui consolidated its power, people who attend its meetings reportedly say that the CSC (which meets on Wednesdays) rubber-stamps decisions already made in President Office, and some of the important figures, such as Shieh Tong-min and Sun Yun-hsuan were excluded from the policy-making center, Hong Kong: Chiu-shih lien-tai (The Ninety), March 18-25, 1993.



branches in the legislative chambers. The party also tried to ensure that party policy is enforced in government operations and that inter-institutional conflicts at all levels are reduced to a minimum.<sup>67</sup>

Party branches also exist within the Executive, Judicial, and Examination Yuans. In each of these central government institutions there is a political cell (*cheng-chih hsiao-tsu*) consisting of party members who hold key administrative posts.<sup>68</sup> For instance, in the Executive Yuan, cabinet members form a party political cell that reports directly to the party's CSC.

The KMT's close ties with the government administration and the legislature show strong characteristics of a corporate state. But party leaders declared in early 1988 that an internal transformation was under way toward a party of democracy.<sup>69</sup> In the future one can expect the KMT to revise its current operational procedures as well as its relations

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<sup>67</sup>Edwin A. Winckler, "Taiwan Transition?" in Tun-jen cheng and Stephan Haggard, eds., Political Change in Taiwan, pp. 221-254.

<sup>68</sup>Yen-tung Huang, Liu-shih-nien-lai Chung-kuo Kuo-min-tang Tang-cheng Kuang-hsi Chih Yen-chiu, (Six decades of KMT party-state relations), (Taipei: San-min Chu-i Institute, National Taiwan University, 1984), PP.80-81.

<sup>69</sup>President Lee Teng-hui's speech to the Central Standing Committee of KMT, September 12, 1988; see Chung-ch'ang-hui Yao Wen (CSC's Important Conference Records), (Taipei: Chung-yang wen-wu gung-ying she), pp. 261-269.

with the state and the society.

It is certainly true that if there is a dictator in the country who makes all the policy decisions, so that the number of policy-makers can be reduced to only one, then the paradox of voting will not bother us. Except for some very special cases, this is highly unlikely in real world situations.<sup>70</sup> Even in a nondemocratic society of today's world, a dictator making all the policy decisions can hardly exist.

#### **B. THE ROLE OF THE EXECUTIVE YUAN IN DECISION-MAKING**

The ROC political system is both presidential and parliamentary in character. It is presidential in that the president is elected separately, albeit indirectly, and has more political power than prime ministers in parliamentary systems generally have. It is parliamentary in that legislative and executive functions are, in working terms, not so clearly separated and because the president is, by definition, the head of the majority party.<sup>71</sup>

On the other hand, the Executive Yuan also carries out executive functions of government, sharing those functions

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<sup>70</sup>Bruce Bueno de Mesquita, The War Trap, (New Haven: Yale University Press, 1981), Chapter 1, and 2; Mesquita was developing a theory of war in his book made a very interesting assumption. He pointed out that dictator does exist in crisis situations and has a preference for going to war, even in a democratic country.

<sup>71</sup>Pong Huai-en, Chung-hua Ming-kuo Ch'eng-chih T'i-chih Te Fen-hsi (An Analysis of the ROC's Political System), 2nd edition, pp. 294-312.

with the Office of the Presidency. Under usual or normal circumstances, the president is clearly supreme and dictates policy to the Executive Yuan. But the system has at times functioned as a dual executive system, where executive authority has switched back and forth from the presidency to the premiership.<sup>72</sup>

One of the reasons that the Executive Yuan has been outstanding in terms of its efficiency and its problem-solving ability is the fact that for a number of years Chiang Ching-kuo--who is considered the driving force behind political modernization in Taiwan--was in charge of the Executive Yuan, holding the position of premier.<sup>73</sup> Or, one might argue just as cogently the reverse: that Chiang Ching-kuo sought leadership of the Executive Yuan since it was the branch of government that was most capable of problem solving, particularly of the kind that Taiwan needed, and that it was the most capable of being upgraded in terms of talent and effectiveness.<sup>74</sup> In any case, it has been the Executive Yuan that has been the center of action in terms of problem solving, planning, and policy-

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<sup>72</sup>Ibid.

<sup>73</sup>Hung-mao Tien, The Great Transition, pp. 119-121.

<sup>74</sup>John F. Copper, "Political Development in Taiwan," in Hungdah Chiu, ed., China and the Taiwan Issue, pp. 65-71.

making.<sup>75</sup>

The importance and specialization of function in the Executive Yuan is also reflected in its dealings with increased demands of more and more complicated mainland affairs and from the public for more government actions and for greater public participation in the decision-making process.<sup>76</sup> While the Executive Yuan is not an elective branch of government and is thus not responsive to the public through the election process, it nevertheless may be seen as a very responsive organ of government in the sense of reacting to citizens' demands, public opinion polls, complaints, etc. In fact, it responds to the needs and desires of the people more than any other branch of government.<sup>77</sup>

To give some examples, the Executive Yuan, more than any other branch or part of government, ignores nonsecular or ideological issues and is less influenced by ideologies and the old, "diehard" members of the party.<sup>78</sup> It has done the most to rid the system of corruption and to improve the morale

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<sup>75</sup>Hung-dah Chiu and Shao-chuan Leng, eds., China: Seventy Years after The 1911 Hsin-Hai Revolution, (Charlottesville: University Press of Virginia, 1984), P.137.

<sup>76</sup>Hung-mao Tien, The Great Transition, pp. 119-124.

<sup>77</sup>Pong Huai-en, Chung-hua Ming-kuo Ch'eng-chih T'i-chih Te Fen-hsi (An Analysis of the ROC's Political System), pp.304-312.

<sup>78</sup>Andrew J. Nathan, "The Effect of Taiwan's Political Reform on Taiwan-Mainland Relations," Issues and Studies, vol. 25, no. 12, (December, 1989), pp. 14-30.

and effectiveness of government employees. And it has established direct lines of communication with the public to hear complaints and make demands. It is believed that the decision which lifted the prohibition of mainlanders to visit relatives on mainland in 1987 was recommended by the Executive Yuan.<sup>79</sup> Several years ago Chiang Ching-kuo even had published in daily newspapers the addresses and telephone numbers of government organs that were responsible for handling certain public demands, including opening the door to visit the mainland, as well as the office that would take care of complaints when government did not respond.<sup>80</sup>

#### SOCIETAL ISSUES IN TAIWAN

To augment support from the local Taiwanese as well as to promote integration between the later and the mainlanders (in other words, to imbue the Taiwanese with the value system of the Nationalists), the ROC government has, since the 1950s, adopted several measures to meet specific demands. With respect to the Taiwanese, the ROC government's policies are, for instance, aimed essentially at a substantial improvement

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<sup>79</sup>Yung Wei, "Democratization and Institutionalization: Problems, Prospects, and Policy Implications of Political Development in the Republic of China on Taiwan," Issues and Studies, vol. 27, no. 3, (March, 1991), pp.29-43.

<sup>80</sup>This practice has been maintained. The public is now very aware of the names of officials and their office addresses and telephone numbers where complaints about government performance can be directed. Many officials' performances are now judged in part by public reaction.

of their economic position while slowly but positively responding to political aspirations for participation in government.<sup>81</sup> With respect to the mainlanders, the government has concentrated efforts on improving the life of two key groups of people: the functionaries of the National government and the retired servicemen.<sup>82</sup> The government has also encouraged integration and communication between the two communities.

The government structure of the ROC on (as well as its pattern of political participation in) Taiwan since 1949 needs here to be considered. Despite, or rather because of, the fact that Taiwan is considered only a province of China, the Nationalist government has adopted a two-phase government system on the island. On the national level the ROC on Taiwan has (a) a President (Head of State); (b) a national (central) government, dominated by the KMT and its members (mainly the mainlanders), temporarily located in Taipei; (c) the National Assembly (the electoral college); (d) the five branches of government (the Five Yuans). On the local level, one finds the

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<sup>81</sup>Ralph N. Clough, *Island China*, pp.54-68; also see Richard L. Walker, "Taiwan's Movement into Political Modernity, 1945-1972," in Paul K.T. Sih, ed., Taiwan in Modern Times, pp.359-387.

<sup>82</sup>Hung-chao Tai, "The Kuomintang and Modernization in Taiwan," in Samuel P. Huntington and Clement H. Moore, eds., Authoritarian Politics in Modern Society: The Dynamic of Established One-Party System, (New York: Basic Books, 1970), pp. 429-430.

Taiwan provincial government and two special municipal governments--all led by the Taiwanese.<sup>83</sup>

From 1948 until the mid-1980s, there was almost no popular selection of members of the national representative institutions.<sup>84</sup> These institutions include the National Assembly (the normal term being six years), the Legislative Yuan (the normal term being three years), and the Control Yuan (the normal term also being six years). Thus, the National Assembly under the Constitution was elected in November 1947 with 2,691 delegates; the Legislative Yuan was elected in December 1948, with 760 delegates; and the Control Yuan was elected in the same year, with 180 delegates. The other Yuans, which are not elected, are nominated by the president and approved by the National Assembly or Legislative Yuan.

In other words, there was a lack of popular election at the 'national' level. According to the Nationalist government, this is because a national election could only be justified if it were carried out on the mainland with all the mainland population involved. The Chinese leaders did not wish to

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<sup>83</sup>Richard L. Walker, "Taiwan's Movement into Political Modernity, 1945-1972," in Paul K.T. Sih, ed., Taiwan in Modern Times, pp.373-378.

<sup>84</sup>The Nationalist government gradually began to improve its democratic image after Chiang Ching-kuo came to power. Prior to this, elections, mainly on the local level, seemed to have only a routine function. For further details, see John F. Copper, "Taiwan's Recent Election: Progress toward a Democratic System," Asian Survey, October 1981, pp.1029-39.

absorb a large number of Chinese from one province [Taiwan] into a government intended to rule all of China.<sup>85</sup> An additional consideration has been "Right now Taiwan's survival is more important to the people than whether it has more or less democracy."<sup>86</sup> Thus the terms of the original members of these elective bodies were extended for the duration of "the Period of Communist Rebellion". Nevertheless, membership of these bodies has gradually declined (Table 7) over the years because old members slowly pass away. At the same time, it was not possible to hold new elections throughout China. By 1969 it had therefore become evident that new members would have to be added. Special elections were held in Taiwan after 1969, adding new members to all three bodies.<sup>87</sup>

By contrast, at the "local" level, the Nationalist government has, since 1949, encouraged self-rule by the Taiwanese by promoting numerous elections at provincial and local levels.<sup>88</sup>

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<sup>85</sup> Neil H. Jacoby, US Aid to Taiwan: A Study of Foreign Aid, Self-Help and Development, (New York: Praeger Published, 1966), P.112.

<sup>86</sup>Ralph N. Clough, Island China, P.57.

<sup>87</sup>See The China Yearbook, 1980, PP.93, 94, 110, 111 and 124.

<sup>88</sup>The system of local self-government in Taiwan was introduced in 1950. The KMT, however, has had the responsibility of putting forward and supporting candidates for elections as city mayors, county magistrates, provincial assemblymen, city and county councilors, and village and township chiefs. As a rule, candidates backed by the KMT members who sometimes ran



**Table 7.** New members added to the ROC's three elective bodies, taking 1969, 1972 and 1973, 1980, 1986 and 1989 as examples.  
 SOURCES: Ministry of the Interior, Statistic Data Book of Interior, 1970, 1973, 1976, 1981, 1984, 1987, and 1990.

National Elective Bodies	National Assembly		Legislative Yuan		Control Yuan	
	Seni Mem	Supp Mem	Seni Mem	Supp Mem	Seni Mem	Supp Mem
1969	1399	15	468	11	69	2
1972	1344	53	419	36		
1973					63	10
1980	1152	76	309	70	42	22
1986	880	84	224	73	37	22
1989			150	101		

Notes: Seni Mem=Senior Members  
 Supp Mem=Supplementary Members

In terms of the functions of the two phases of government, the provincial and special municipal governments are responsible for the management of local affairs; namely, to take charge of problems involving educational, social or rural developments. They should also help the central government to carry out its duties. The duties of the central government are concentrated on such matters as national

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without party approval. During elections held between 1964 and 1968, for example, the proportion of KMT-backed candidates elected at all levels ranged between 78 and 92 percent. See The Kuomintang: A Brief Record of Achievements, (Taipei: Government publication for reference), P.59.

defense (including military affairs and the policy of mainland recovery), foreign affairs, national finance, foreign trade policies, the national economy and so forth.<sup>89</sup>

The rationale behind this dual government structure is clear. If the system can be effectively implemented in Taiwan with sufficient support at home (that is, on Taiwan or even perhaps the mainland) and abroad (that is, from the Chinese overseas and the world community), then the Nationalist government's claim for legitimacy, its prospects for political survival and eventual return to power on the mainland, will have a strong basis.<sup>90</sup> The province of Taiwan is for this reason administered like a nation--the state of China--through the existence of a full fledged governmental structure. From this perspective, the Nationalist government could never afford to abandon the dual governmental structure, nor its declared policy of "mainland recovery".

Even so, when seen in these terms, the Nationalist government is faced by another profound dilemma. On the one hand, it must stick to the claim of legitimacy and the "mainland recovery" policy, regardless of the costs involved and however unrealistic these positions may have become. On

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<sup>89</sup>Ibid.

<sup>90</sup>Richard L. Walker, "Taiwan's Movement into Political Modernity, 1945-1972," in Paul K.T. Sih, ed., Taiwan in Modern Times, pp 373-78.

the other hand, in view of the political reality, it has to secure the existing power status quo on Taiwan in expectation that this will be its only remaining permanent power base in the very long run as it continues its task of searching for more support on the island. This is also why the Nationalist government has, since the late 1960s, gradually but subtly increased Taiwanese participation in the island's national affairs.<sup>91</sup>

It is essential for the Nationalist government to increase and secure its support among the Taiwanese community, to imbue Taiwan with the value system brought by the mainlanders, and to improve its own political image, damaged in the "February the 28th Uprising." It was to this end that the Nationalist government began to improve living conditions for the native Taiwanese and, especially toward the end of the 1960s, to increase slowly but progressively the percentage of their political participation in government. Through the years, tension and friction between the two communities does seem to have lessened. They have become more mutually tolerant and more cooperative.<sup>92</sup> It can, therefore, be argued that, in

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<sup>91</sup>Hung-mao Tien, "Social Change and Political Development in Taiwan," in Harvey Feldman, Michael Y.M. Kau, and Ilpyong J. Kim, eds., Taiwan in A Time of Transition, pp.11-16.

<sup>92</sup>Today over 1.5 million, or 55 percent, of the mainlanders in Taiwan were born on the island. In other words, about 93 percent of the total population is Taiwan-born; in 1974-75, more than 22 percent of the marriages were between mainlanders

view of Taiwan's internal stability (which may be seen as an expression of domestic support for the government's position), the Nationalist government has achieved some kind of consensus among the people on the island, and that its authority, though still challenged by some natives, is internally largely accepted and quite firmly established.<sup>93</sup>

The island has never come under Communist rule, the cause of the dispute being that both Chinese governments have claimed legitimacy over the island in addition to the claim on the mainland. Despite the outcome of the civil war, neither Chiang Kai-shek nor his followers regarded the 1949 retreat as permanent, but merely as tactical. They were determined to return to the mainland, to terminate Communist rule there and to reunite the country under Nationalist leadership.<sup>94</sup>

How then was it that the Nationalist government, as a defeated force, was able to secure Taiwan in the first place and then proceed to a program of modernization there after the island had been badly damaged politically, economically, socially and psychologically by the Second World War? To

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and Taiwanese. Another survey in 1987 showed that over 40 percent were intermarriages; see Mao-kuei Chang and Hsin-huang Hsiao, "Ta-hsueh-sheng te ch'ung-kuo-chieh yu T'ai-wan chieh," (College Students' ties to "China" and to "Taiwan") Chung-kuo Lun-t'an (China Forum), 25, no.1, (October 10, 1987): 34-53.

<sup>93</sup>Ibid., pp.11-33; also see Peter R. Moody, jr., Political Change on Taiwan, pp.155-176.

<sup>94</sup>Relative study please see chapter 2.

explain this it will first be necessary to say a few words about the capabilities of the Nationalist government after 1949.<sup>95</sup>

As we have seen, the Nationalist government's effective control has, since 1949, been confined to an 0.38 per cent of the whole Chinese territory, including Taiwan, the Pescadores, and the offshore island groups of Quemoy and Matsu. Thus, in comparison with the Communist regime on the mainland, the Nationalist government on Taiwan is but a minor power. Nevertheless, as a minor power, the Nationalist government has experienced both advantages and disadvantages in terms of capability. The advantages were that it made the Nationalist government's modernization program both possible and manageable, which had not been the case during the Nationalist rule on the mainland. The disadvantages were that it set a physical limit on the development and capability of the Nationalist government.<sup>96</sup>

Taiwan has very few mineral resources. But it has a good record of agricultural development. Similar to other island nations, Taiwan has depended on foreign trade. Particularly

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<sup>95</sup>'Capability' is only a relative term. This section provides no more than some very general background information about the ROC's national capability after 1949, and does not imply that the ROC's national capability is static.

<sup>96</sup>Alan P.L. Liu, Phoenix and the Lame Lion: Modernization in Taiwan and Mainland China, 1950-1980 (Stanford, Cali,: Hoover Institution Press, 1987), pp.10-13.

during the early stage of economic development, it had to make use of agricultural exports to pay for foreign raw materials or capital-intensive goods.<sup>97</sup> Such a dependence on import-export trade, though important for the economic viability and modernization of the island, could have had a negative effect on Taiwan, had there been any economic blockade from outside.<sup>98</sup>

Significantly related to Taiwan's economic situation has been its military strength. The two issues are often discussed jointly because, on the one hand, a country's military build-up is dependent upon its economy; on the other, a large military build-up could drain resources which might otherwise be available for national economic growth and development.<sup>99</sup>

The Nationalist government has always been torn by the dilemma of whether it should maintain a large armed force of, reportedly, almost 600,000 (excluding the reserve) ready for combat operations, equipped with modern, sophisticated weapons, at the expense of the island's economic development;

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<sup>97</sup>For more information on Taiwan's post-1949 economic development, see The Great Transition: Political and Social Change in the Republic of China, Hung-mao Tien, pp.17-42.

<sup>98</sup>Paul H.B. Godwin, "The Use of Military Force Against Taiwan," in Parris H. Chang, and Martin L. Lasater, eds., If China Cross the Taiwan Strait (Lanham, New York, : Pennsylvania State University, The Center for East Asian Studies Press, 1993), pp.17-21.

<sup>99</sup>Marc J. Cohen, Taiwan at the Crossroads, pp.85-87.

or whether it should abandon the "mainland recovery" program and concentrate economic efforts on improving Taiwan's economic conditions and people's living standards.<sup>100</sup>

The problems that have actually faced the Nationalist government in terms of military strength have concerned the maintenance of military supply lines from overseas, mainly from the United States; military modernization with the most up-to-date equipment; the ability of and necessity for the Nationalist government to maintain on its own such a large armed force; and internal and external support for its military program of "recovering the mainland".<sup>101</sup>

Since the 1950s, the United States has been Taiwan's major arms supplier. Under the 1954 US-ROC Mutual Defense Treaty, the United States was to assist the Nationalist government to modernize its weapons and equipment through either cooperative production or trade. The United States was also obliged to provide the Nationalist government with military advice. Nevertheless, important as it was (and still is) to Taiwan's national defense, this supply system has been interrupted several times since the early 1970s. The interruptions were caused by the changes in U.S. policies

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<sup>100</sup>Ibid.

<sup>101</sup>A. James Gregor, and Maria Hsia Chang, eds., The Iron Triangle: A U.S. Security Policy for Northeast Asia (Stanford, Cali,: Hoover Institution Press, 1984), pp.75-96.

toward the two Chinese governments which were clearly marked in the 1969 Nixon Guam Doctrine.<sup>102</sup>

Consequently, the Nationalist government has had to look to other sources of supply, including South Africa, Israel and the countries of Western Europe.<sup>103</sup> The Nationalist army is numerically large compared to the island's relatively small size, and the Nationalist government remains capable of manufacturing and repairing a limited amount of modern high-performance weaponry, ammunition, electronic communications facilities and certain types of aircraft and vessels at home, besides having the potential to produce nuclear weapons. Nevertheless the Nationalist government has suffered severely from an uncertain supply system since 1970s.<sup>104</sup>

Closely related to the military supply system has been the question of whether a large military build-up is, indeed, necessary; or whether the Nationalist government is capable by itself of maintaining such a large armed force, and if so for

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<sup>102</sup>For more information on U.S. arms sale policy toward ROC, see Chapter 3.

<sup>103</sup>There have been scattered reports that the Nationalist government has arms deals with these countries. See Fox Butterfield, "Secret Taiwan Deal for Israeli Missiles Reported," International Herald Tribune, April 7, 1977, P.5.; and Melinda Liu, "Israel Fills Nationalists Arms Gap," Far Eastern Economic Review, April 29, 1977, PP.24-26.

<sup>104</sup>Martin L. Lasater, Policy in Evolution: The U.S. Role in China's Reunification (Boulder, Colo, : Westview Press, 1989), pp.43-46 and pp.75-96.



what purpose.<sup>105</sup> In this connection, the importance of the two offshore islands, Quemoy and Matsu, to the national defense of Taiwan needs to be taken into account.

Their geographical location leaves no doubt that these two islands constitute the "front line" of Nationalist defense. This also partially explains why there were the two Quemoy crises. For the purposes of Taiwan's defense, possession of these islands by the Nationalist government has had its advantages, but it also has certain disadvantages. For both rival governments, the islands constitute a link between Taiwan and the mainland, and so symbolize the "one China" position which each maintains.<sup>106</sup> For the Nationalist government, they also serve to bottleneck the ports of Amoy and Foochou, preventing the Communist government from using them as assembly points for forces preparing to invade Taiwan.<sup>107</sup> Nevertheless, for the Communist government, the islands offer a convenient point at which to exert controlled military pressure on the Nationalist government at acceptable cost. They can be bombarded, or their resupply can be

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<sup>105</sup>Thomas E. Stolper, China, Taiwan, and the Offshore Islands (Armonk, New York, : M.E. Sharpe, Inc., 1985), pp.81-90.

<sup>106</sup>Ibid.

<sup>107</sup>Ibid.

interdicted (as happened during the second Quemoy crisis),<sup>108</sup> without the awkward international repercussions which would result from blockading or attacking Taiwan.

Here the Nationalist government faces another dilemma: if it sets about strengthening the two principal islands' defense by deploying even more troops on the already overfortified islands<sup>109</sup>, then not only will it provoke tension along the Taiwan Straits, it will also increase the risk of a Communist invasion of the islands.<sup>110</sup> On top of this, the Communist government may attempt to prevent their resupply. Consequently, the Nationalist government may risk losing one third of its army as well as international sympathy.<sup>111</sup> Paradoxically, however, if the Nationalist government reduces its garrisons on the offshore islands, which could have the effect of reducing the chances of a Communist invasion of

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<sup>108</sup>Quemoy depends heavily on Taiwan for consumer goods, military resupplies and many other things. This is because nearly 53.55 percent of the land is hilly and only 36.36 percent arable. Although Quemoy is almost self-sufficient in food (its major crops being sweet potatoes, peanuts, vegetables, soy beans and so forth), it grows no rice. Hence the supply line from Taiwan, either by sea or air, is of vital importance to the viability of Quemoy. See The China Yearbook, 1979. P.88.

<sup>109</sup>The Nationalist government reportedly stations nearly one third of its troops, all crack units, on the two islands, with about three quarters of that contingent on Quemoy.

<sup>110</sup>Thomas E. Stolper, China, Taiwan, and the Offshore Islands, p.82.

<sup>111</sup>Ibid., pp.83-87.

them, then the Communist government may mistake the purpose of this withdrawal as an attempt by Nationalist leaders to opt for independence from the mainland.<sup>112</sup> An additional factor has been that the Nationalist government has maintained a rather weak navy and air force.<sup>113</sup>

Finally, internal support for, and external opinions on, the Nationalist government's program of self-defense militarily and mainland recovery politically, are also relevant to the military strength of the ROC's national capability. If both internal and external opinion was in favor of the program--that is, if the local Taiwanese majority and mainlander minority supported the Nationalist cause and the United States and other countries were willing to supply military equipment to Taiwan--then it might be conducive to a more effective operation of the Nationalists' program. Conversely, lack of these supports might cripple the ability of the Nationalist government to carry out such a program. Thus it is essential for the Nationalist government to secure support and to get legitimacy, and hence its national position, both at home and abroad. The two issues are therefore interrelated, and also affect ROC's policy toward

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<sup>112</sup>Ibid., pp.81-82.

<sup>113</sup>Bruce J. Esposito, "The Military Viability of Taiwan," in Jack F. Williams, ed., The Taiwan Issue, (Michigan State University, Asian Studies Center, May 1976), PP.55-59.

mainland China.<sup>114</sup>

The sovereignty issue is also another problem needing clarification. Since the government in Taipei and Beijing each claim to be the legitimate ruler of China, the recognition question is indeed a zero-sum game.<sup>115</sup> If one of them is admitted to an international organization or establishes diplomatic relations with another country, it automatically excludes the other. There are two points to remember here: the first is that the sovereignty problem still exists, despite the increase in exchanges across the Strait. The second point is that although the two sides are still in conflict over the sovereignty issue, Taipei's gradual acceptance of a "one country, two governments" or "one country, two regions"<sup>116</sup> solution to the problem shows that it has accepted the reality of national division even though it has not given up the

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<sup>114</sup>Relative research please see chapter 2.

<sup>115</sup>Some scholars, such as Yung Wei and Hungdah Chiu, have suggested that the problem of recognition of divided countries might be solved by a "multi-system nation" formula which would allow the two political entities an equal right to participate in the international community. At present, no countries have adopted this formula. See Hungdah Chiu, "The International Law of Recognition and Multi-System Nations--With Special Reference to Chinese (Mainland-Taiwan) Case," in Multi-System Nations and International Law: The International Status of Germany, Korea and China, Hungdah Chiu and Robert Downen, eds., (Baltimore: School of Law, University of Maryland, 1981), pp. 41-57.

<sup>116</sup>Julian Baum, "The Mainland Dilemma," Far Eastern Economic Review, (October 18, 1990): 29.

principle of "one China."<sup>117</sup>

Because of the different interpretation of "one china,"<sup>118</sup> in Beijing's view, this change in the KMT's stance, combined with its flexible foreign policy, is a sign that it has deviated from the "one China" policy of the Chiang era. If the CCP were to accept this initiative, reunification would never take place, Beijing asserts. Taipei, however, sees "two governments" or "two regions" as temporary formulas to be applied only in the transitional period before national unification; as the social and economic gap between them shrinks, Taiwan and the mainland will merge together naturally. In other words, Taipei hopes to put the sovereignty issue aside for the time being. It believes that the two sides should make an effort to broaden functional exchanges and avoid thwarting each other's participation in international activities.

Beijing's reluctance to make any concessions on the sovereignty issue is also understandable. In spite of the easing of tensions across the Strait, unification seems even

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<sup>117</sup>To allay Beijing's suspicions, Taipei frequently reaffirms its "one China" stand. Moves such as the creation, in October 1990, of a National Unification Council (NUC), responsible for formulating policies concerning national unity, do not imply that Taipei is seeking immediate reunification, however.

<sup>118</sup>From Taiwan's point of view, "one China" is not the PRC because Communist China never has its rule on Taiwan. In addition, "one China" is for the future, so that the two sides of the Taiwan Strait should treat each other equally.

uncertain due to changes in the political climate in Taiwan. Beijing fears that the main opposition party, the DPP, supports Taiwan independence, and several important DPP leaders did make calls for independence during the 1989 election campaign. The DPP's intentions were revealed by its former chairman, Huang Hsin-chieh, when he said, "In Taiwan, something we can always talk about but not have is mainland recovery. Something we always have but can never talk about is our independence."<sup>119</sup>

Even though ROC law forbids any discussion of independence, oppositionists are becoming more and more daring in challenging the "one China" policy, and Beijing blames the KMT for allowing them to do so. On October 8, 1990, the DPP passed a controversial resolution reaffirming that "the de facto sovereignty of the government here does not cover mainland China and Mongolia."<sup>120</sup> This resolution brings the DPP into direct conflict with the KMT and will likely provoke Beijing to take a more uncompromising policy toward Taiwan.

The sovereignty problem is clearly an important source of distrust and misunderstanding that hinders the further improvement of Taiwan-mainland relations. It throws a shadow

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<sup>119</sup>Shim Jae Hoon, "Awash in a Sea of Money," Far Eastern Economic Review, (September 15, 1988): 52.

<sup>120</sup>"DPP Passes Resolution Calling for End to Sovereignty Claim," China Post (October 8, 1990): 16.

of uncertainty over functional exchanges and interaction, let alone the unification of the country. Sensitivity over sovereignty tends to reduce any constructive suggestions to a dispute over trivialities.

#### **CONCLUSION AND AN ANALYSIS**

Briefly, the ROC attitude to the Chinese Communists was summed up in its "three nos" policy--no contact, no negotiation, and no compromise. The KMT found, in the words of Chiang Ching-kuo, "not a single word of the Communists' that was not a lie and not a single move that was not political chicanery." To talk peace with the CCP was to "invite death."<sup>121</sup>

Before the 1990s, Taipei's view was that China must be unified under Sun Yat-sen's Three Principles of the People, to which the KMT attributes Taiwan's own economic achievements. According to Taipei, if the CCP really wishes to save China, it will abandon Communism and adopt Sun's doctrine. However, since Beijing launched its aggressive reunification campaign in 1979, Taipei's "three nos" have become increasingly untenable. In Taiwan, many complain that the policy is too passive and difficult to implement in the international community. The "three nos" may also cause Taiwan to lose

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<sup>121</sup>Chiang Ching-kuo, "Bitter Lessons and a Solemn Mission," in Mainland China, Taiwan, and U.S. Policy, ed., Hung-mao Tien, (Cambridge, Mass.: Oelgeschlager, Gunn & Hain, 1983), Appendix H.

sympathy of many friendly nations that cannot understand why it should remain so much at odds with the mainland.<sup>122</sup>

There are both positive and negative tendencies in the current development of Taiwan-mainland relations. On the one hand, although the two governments continue to argue over many issues, they have both adopted more realistic policies in recent years.<sup>123</sup> This is helping to build up understanding and trust between the two sides. Nevertheless, reunification is still a very distant prospect, and a divided China will continue to present a threat to regional security.

When the ROC was forced to flee to Taiwan at the end of 1949, any expectations that it could develop a successful foreign policy would have appeared rather dismal. The economy

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<sup>122</sup>Please see footnote 16; according to MFA's telephone records, those who complained about the "three nos" policy were mainly focused on national identity and visa problem.

<sup>123</sup>In July 1990, Cheng Ming carried a report of a secret Beijing meeting to formulate general principles for PRC policy toward Taiwan. According to this article, CCP leaders were deeply divided. A "dove faction," comprised of Jiang Zemin (Chiang Tse-ming), Li Ruihuan (Li Jui-huan), and Ding Guangen (Ting Kuan-ken), stressed a peaceful political solution but did not oppose the use of force if necessary. A "hawk faction," comprised of Yang Shangkun (Yang Shang-k'un), Wang Zhen (Wang Ch'eng), and some senior military cadre wanted to rely on the military option and to make no concessions to Taiwan. Reportedly, Deng Xiaoping (Teng Shiao-p'ing) endorsed Jiang Zemin's suggestions to establish more communication links with Taiwan, and the CCP will only use force to prevent the independence movement from dominating Taiwan. "Secret Meeting on New Taiwan Policy Described," Cheng Ming, August 1, 1990, in FBIS-China, August 9, 1990, pp. 23-25.



of Taiwan was a former colonial one with a low per capita income and agricultural focus--the conditions that, if dependency theory were valid, should promote the confining linkages to the world economy that ensure continued stagnation.<sup>124</sup> Moreover, Taiwan's diplomatic condition was such that extreme political and military dependency appeared inevitable. It was threatened by the much more powerful Communist regime which had inflicted a total and humiliating defeat on the mainland. Thus its only hope for even physical survival lay in the provision of support internally and externally by the people in Taiwan and by the United States.

Despite these extremely unsound conditions, the ROC prospered. Its economic growth became legendary. It navigated a largely independent path through the shoals of internal and external politics; it even survived international exile to become more stable economically and politically. Yet if from one perspective Taiwan appears an extraordinary small-state success story, it also points up the limitations inherent in weakness in mainland policy making.

The ROC attempts to maintain support through diplomacy

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<sup>124</sup>A. James Gregor, Maria Hsia Chang and Andrew B. Zimmerman, Ideology and Development: Sun Yat-sen and the Economic History of Taiwan (Berkeley, Cali.: University of California, Institute of East Asian Studies, Center for Chinese Studies, 1981), pp. 14-17; also see Martin King Whyte, "Dependency Theory and Taiwan: Analysis of a Deviant Case," American Journal of Sociology 87, no. 5 (May 1982): 1064-89.

and foreign aid had proved fruitless. Even with continued American pledges of support the ROC's position was becoming increasingly shaky. The pressure on Taipei was exacerbated by the "peace offensive" that emanated from Beijing for most of the mid-1970s. Given the disparity of power between the two sides and the existing internal situation, the ROC had little choice but to remain silent, stridently refuse to have any interaction with the mainland, and hope that time was really not on the side of the Communists.<sup>125</sup> Thus, in terms of rational choice before 1980s, the government, which took a hard line in mainland policy and based its foreign policy on the "three nos" and the "four firm and unyielding principles," was proven correct.

Although the uncompromising KMT policy appears stubborn, there are several ways in which it serves Taipei's hidden interests. First, any moves to negotiate with Beijing would likely trigger Taiwanese-mainlander conflict in Taiwan. Some Taiwanese in the opposition camp are concerned that KMT-CCP talks would result in the KMT selling out Taiwan because the DPP did not trust the old cadres in the KMT. Second, talks between the two sides would create feelings of uncertainty and

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<sup>125</sup>For more discussing about the PRC strategy to undermine the KMT regime, please see Robert G. Sutter, The China Quandary: Domestic Determinants of U.S. China Policy, 1972-1982 (Boulder, Colo.: Westview Press, 1983), pp.42-46; also see King C. Chen, "Taiwan in Peking's Strategy," in Hungdah Chiu, ed., China and the Taiwan Issue, pp.127-146.

insecurity in Taiwan mainly because of the military threat and the June 4, 1989 incident. This would affect the business community's willingness to invest and prompt many professionals to emigrate abroad, thus damaging the island's economy. Third, negotiating with the CCP would reduce Taiwan's status in the international community. At present, Taiwan still has diplomatic relations with twenty-eight countries. At the first sign of negotiations, these countries may be expected to switch recognition to Beijing. Fourth, negotiations were started with Beijing, U.S. arms sales to Taiwan would probably be cut back still further on the excuse that a relaxation of tension across the Taiwan Strait would make them unnecessary. So any move toward negotiation with Beijing would weaken the KMT's bargaining position, making it impossible for Taipei to obtain favorable terms for reunification.

Taipei is therefore at a crossroads: confrontation or conciliation. While Taipei continues to insist on the "three nos," relations with the mainland are likely to become more strained. On the other hand, negotiating with Beijing will harm Taiwan's interests.

More recently, Taipei has launched a more active policy on Taiwan-mainland relations when Lee Teng-hui assumed the presidency in 1988, which will be discussed in chapter 5. This was a sign that on the issue of unification, Taipei had

abandoned ideological fervor in favor of realism.

## CHAPTER VI

### DECISION-MAKING

According to John Spanier, one must comprehend three aspects of decision-making: the policy makers' perceptions, the different kinds of decisions made, and decision-making systems.<sup>1</sup> This chapter elaborates those elements in order to understand how mainland decisions are made and political power is exercised in the Republic of China on Taiwan.

According to Figure 1 in chapter 1, this chapter is examining the "decision processes" stage, including personality traits of leadership, decision structure (factions, interest groups), national interests, and decision-making process (bureaucratic politics model) in Taiwan. There are three cases studies in this chapter in order to explain the different decision-making processes and results.

#### POLITICAL REFORMS AND DEMOCRATIZATION IN TAIWAN

The author's argument is that political reform in Taiwan has changed the fundamental assumption on which mainland China's Taiwan policy has hitherto been based--that the KMT has the power unilaterally to negotiate the future of the island with the CCP. Democratization has so complicated the internal politics of Taiwan that it is now impossible for any

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<sup>1</sup>John Spanier, Games Nations Play: Analyzing International Politics (New York: Praeger Publishers, 1972), p.33.

deal to be struck with the mainland that does not command wide popular support in the island. Given the enormous risks that unification would pose for the people of Taiwan, this new political reality bodes ill for reunification on anything like the terms that have hitherto been offered by Beijing.

For the CCP, almost any arrangement is conceivable between the two political parties so long as it does not entail a change in the status of Taiwan as a subordinate political unit under Chinese sovereignty. Thus, Beijing has always refused to consider dealing with Taiwan as a state or government, or with the people residing on Taiwan as a distinct people or nationality. To allow negotiations on any of these bases would risk abandoning the principle that the negotiations are intended to implement--Beijing's sovereignty over Taiwan. Therefore, what the CCP seeks is negotiations not between the two "sides" but between the two (political) "parties."

CCP strategy has assumed that the ruling party in Taiwan is controlled by mainlanders committed to reunification, and that it has the power to resolve the fate of Taiwan. It is this set of assumptions which political reform has rendered untenable. Control of the party and of the island is tipping from mainlander to Taiwanese hands, and from the elite to the electorate. Four different evidences can be summed as following:

a) The "Taiwanization" of the political system has reached the highest level of party and government. For the first time in Taiwan's history the President is a Taiwanese, and the new party CSC and the new Cabinet, both formed from 1988, are each more than one-half Taiwanese in composition. The legislative Yuan came under the control of Taiwan-elected members by 1992, due to deaths and voluntary retirements among the superannuated mainland members combined with the election of increased numbers of local "supplementary" members. Although mainlanders retain the highest positions in the party apparatus and the military, Taiwanese are moving higher and higher in both.

The new party and state elite still professes loyalty to the traditional party platform of one China in order to avoid a rupture with older mainlander party members and to avoid giving Beijing a casus belli. Yet they appear to be much less emotionally committed to unification than previous leaders and more committed to the interests of the Taiwan populace.

b) Party, electoral, representative, and public opinion institutions have developed to the point where the electorate is able to enforce considerable accountability and responsiveness upon the government. The major opposition party, the DPP, has proven itself politically viable and enjoys substantial popularity. Elections are fiercely competitive despite structural constraints which load the dice

in favor of KMT candidates. An aggressive print media keeps the government under a constant barrage of opinion columns, leaks, speculation, and second-guessing.

The Taiwan electorate seems to understand that a formal declaration of independence would be a costly, risky venture with few payoffs. The voters prefer to promote continued political reform at home that will increase their power in the political system, and innovative diplomacy abroad that will increase their government's international political profile and influence and hence their own convenience in traveling around the world and doing business. The electorate would probably not be averse in principle to some sort of formal reunification with mainland China provided that its rights and freedoms were credibly guaranteed and its access to international markets protected or enhanced. But the Taiwan electorate does not want to take even the slightest risk of coming under the actual physical control of the mainland authorities. This attitude is likely to continue even if the mainland regime substantially changes its political complexion. The islanders are unlikely ever to want to put their fate in the hands of outsiders, except in the unlikely event that the outsiders are much richer than they are.

c) All kinds of alternative futures for Taiwan are being publicly debated. Although it remains illegal to discuss "Taiwan independence," or even to advocate discussing it, it



is nonetheless widely debated both as such, and in the form of discussions over the meaning of the DPP's platform of "self-determination."<sup>2</sup> Numerous other proposals have been debated, such as "two countries, two systems," "the cultural approach," "one country under separate administrations," and a "unification-pluralistic politics model."<sup>3</sup> Most of these proposals call in one way or another for legitimizing the status of the Taipei authorities within the larger Chinese national entity, and are therefore incompatible with the CCP's insistence on the Taipei government's illegitimacy. Beijing views all such proposals as going down the road of Taiwan independence either intentionally or unintentionally.

d) Beginning in late 1988, the Taipei government has adopted a loosely-defined strategy of "flexible diplomacy" under which it has tried to increase its official presence in international organizations and foreign capitals by abandoning the all-or-nothing insistence on being the only Chinese government and on being labeled the Republic of China. On this basis Taipei was able to upgrade relations with several countries, including Canada, Britain, and France, who are

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<sup>2</sup>See "Yao Chia-wen on Taiwan's Legal Status," in Chiu-shih nien-tai (The Ninetieth) (Hong Kong), July 1, 1992.

<sup>3</sup>An informative discussion (and refutation) of these and additional proposals can be found in Li Jiaquan (Lee chia-chuan), "Again on Formula for China's Reunification," in Beijing Review 31, no. 13 (March 28-April 3, 1988): 23-27.

attracted by Taiwan's growing financial clout. President Lee Teng-hui paid a state visit to Singapore in early 1989 in the capacity of "President Lee from Taiwan." Taiwan sent a high-ranking delegation to the Asian Development Bank meetings in Beijing in May 1989 despite the fact that the delegation could not carry the label Republic of China there. Eventually, flexible diplomacy is likely to confront Beijing with the unpalatable choice--most likely in an African country attracted by Taiwan's offers of generous economic aid--between coexisting in the same capital with an embassy labeled Republic of China or withdrawing its own legation in protest. Beijing chose the latter option but at some cost to its diplomatic prestige (see chapter III, "Beijing Suppressing Taipei's International Activities, footnote 107).

Flexible diplomacy is connected with political reform. It is made possible by the Taipei government's newfound self-confidence in its democratic legitimacy within the island, since it tacitly dispenses with the legitimizing fiction that the Taipei government represents all of China. And it is a sign of the government's increased responsiveness to the demands of the local electorate, that is anxious to gain better access to and security within the international system.<sup>4</sup> The CCP leaders see the new strategy as dangerous

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<sup>4</sup>Please see chapter 4, "Societal issues."

because it aims to establish a viable international personality for Taiwan that will enable it to survive indefinitely outside the motherland's control.<sup>5</sup>

Taken together, the four developments just sketched mean that it is too late for any decision on the future of Taiwan to be taken over the heads of the people of Taiwan. The Taiwan electorate has entered the reunification game as a third player, indeed as the one which holds the most valuable cards and has massive power over any agreement due to the ballot controlled by electorate who are not willing to negotiate with Beijing under the PRC's terms. This development is far more threatening to CCP strategy than the obstacles it confronted in the past: the activities of the Taiwan independence movement, which the CCP correctly regards as having limited influence; the anti-Communism of the mainlanders on Taiwan, which the CCP has always regarded as negotiable; and the economic and security interests of the United States in Taiwan, which the CCP believes it can preserve in a unified China. It means that the CCP's Taiwan strategy has failed simply due to the electoral politics on Taiwan.

#### A. PRESIDENT LEE TENG-HUI AND HIS POLITICAL REFORMS

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<sup>5</sup>For the comments to this effect of Beijing's Foreign Ministry spokesman, see Jen-min jih-pao (People's Daily, overseas edition), December 20, 1988, 1.

President Lee Teng-hui is certainly another important policy maker after Chiang Ching-kuo. He was recruited into the government by President Chiang Ching-kuo in 1972, and was selected by Chiang as Vice president in 1984. Lee assumed the presidency in January 1988 after Chiang's death, but it was only after he was elected president in his own right by the National Assembly in March 1990 that he was able to launch his institutional reform program.

The single factor that facilitated Lee's getting into and later becoming president was the favor of Chiang Ching-kuo under the Taiwanization program. To find out why he turned politician, was so highly appreciated by Chiang, and how he managed to outstrip his more politically experienced colleagues in the mid-1980s, one must take a closer look at Lee's background.

Lee's life and career may be divided into three periods of roughly equal length: his education period (1923-48), his agronomist period (1948-72), and his political career (1972 to the present).

#### **(1). Education Period**

Lee was born on January 15, 1923 in Sanchih, a small town near Tamsui county outside Taipei. Lee was one of the very few Taiwanese students who were able to receive high school education during the Japanese occupation of Taiwan. He graduated with honors from a highly competitive high school,

and then attended Kyoto Imperial University in Japan. He studied agricultural economics because he was determined to solve China's biggest problem--feeding its population.<sup>6</sup> After the end of World War II, Lee returned to Taipei and completed his college education at National Taiwan University (NTU) in 1948.

## **(2). Agronomist Period**

After completing his education, Lee was, at different period, a teacher, student, and a specialist in the field of agricultural economics. Up to 1952 he was an instructor at NTU. Then he went to the United States for advanced studies and received his master's degree in agricultural economics from Iowa State University in 1953. After returning to Taiwan, Lee worked in the Provincial Department of Agriculture and Forestry while also teaching at NTU. Three years later, Lee moved to a research position with the Taiwan Provincial Cooperative Bank, where he worked for two years. In 1957, he was assigned to work in the economic section of the U.S.-ROC Joint Commission for Rural Reconstruction (JCRR), first as a specialist, and then in 1970 as a section chief.

In 1966, Lee went to the United States where he spent two-and-a-half years earning his doctorate degree from Cornell

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<sup>6</sup>Lee Teng-hui Ti Yi-ch'ien-tien (A thousand Days of Lee Teng-hui: A brief Biography of President Lee); also see Lee Teng-hui Chuan (The Biography of Lee Teng-hui), (Taipei: Chien-kuo Publishing Ltd., 1992).

University. During his year at the JCRR, the chief organization promoting Taiwan's agricultural reform program, Lee dedicated himself to furthering rural economic growth and development. He contributed a great deal to such aspects of agricultural reform as the establishment of farmers' association, irrigation systems, warehousing, health programs, farm mechanization, and the passage of the Agricultural Department Act.

### **(3). Political Career**

Lee's political career seems to have been extremely smooth and rapid. As minister without portfolio from 1972 to 1978, he had a good opportunity to observe the workings of government as a whole. His performance won the appreciation of Chiang Ching-kuo, who had been the most powerful leader in the ROC since the death of his father in April 1975.

Lee's political pragmatism and unwavering determination won him widespread regard during his term as mayor of Taipei (1978-81) and governor of Taiwan (1981-84). As mayor, Lee pressed for a more scientific management system and the reduction of red tape. His administration accomplished a number of important projects, such as the construction of the Feitsui Reservoir, the expansion of the city freeway system, the relocation of factories to the countryside to reduce pollution, and the modernization of Taipei's sewage disposal system.

After taking over as governor, Lee worked at training the 80,000 strong agricultural work force, giving country villages a face-lift, expanding participation in provincial construction, and encouraging farmers to convert redundant rice paddies to other uses.

Lee's performance as mayor and governor showed that he was a reform conscious politician. He approached sensitive issues with caution, and planned his actions and chose his tactics carefully. Most important, he never tried to dodge responsibilities. This may be why, according to Hung-mao Tien's observation, he was picked out by Chiang as his "heir apparent".<sup>7</sup>

Lee's Vice presidency (1984-88) was functionally more ceremonial than substantive. But Lee used this period to study what course the country take in the future, and gave numerous thoughtful lectures as well as the usual ceremonial ones.<sup>8</sup>

#### **B. THE GOAL OF REFORMS**

The overarching goal of Lee's reform program is to maintain Taiwan's economic momentum and to create a modernized democratic society and state in which the public can really

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<sup>7</sup>Hung-mao Tien, "A Chance for Implementing the Constitutional Democracy," Hsu Cho-yun, ed., Jan-tsai Li-shih Ti Chuan-lieh-tien Shang (Standing on the Turning Point of History) (Taipei: Cheng Chung Book Co., Ltd, 1991), pp. 97-110.

<sup>8</sup>Lee Teng-hui Yen-lun Hsuan-chi (Selected lectures of President Lee Teng-hui) (Taipei: Chung-yang Wen-wu Gung-ying She Published, 1988 and 1989).

enjoy a high standard of living. Democracy and an equitable distribution of wealth in accordance with the doctrines of Sun Yat-sen are the program's highest objectives.

Rather than basing his reforms on abstract theory, Lee has drawn on his wide experience outside politics to design a strategy for solving economic, social, and political problems. As Lee himself has said, there is no universally accepted formula or theory that can guide a developing country in the direction of modernization.<sup>9</sup>

Lee has also argued that, contrary to what laissez-faire theory may advocate, the government should have a set of strategies at hand and should guide public investment and regional development. However, although government intervention in economic or political matters is necessary, it must be flexible.<sup>10</sup> Above all, Lee's reformist mentality is a product of his deep humanitarianism, partially because of his religious belief (he is a faithful Christian).

In a 1991 speech, Lee urged party officials to follow the worldwide trend toward democracy that began in the late 1980s.<sup>11</sup> In sum, Lee has by and large shunned meaningless

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<sup>9</sup>Ching-chi jih-pao (Economic Daily News) (Taipei: April 5, 1991): 1-2.

<sup>10</sup>Ibid.

<sup>11</sup>In Lee's lecture delivered to KMT officials on January 24, 1991, see Lee Teng-hui Yen-lun Hsuan-chi, 1992, pp. 25-31.



politicking and designed a pragmatic, problem-oriented reform program which was set out in his 1990 inaugural speech. First of all, he announced that he would terminate the Period of National Mobilization for Suppression of the Communist Rebellion as soon as possible (this was done on May 1, 1991). By doing this, Lee effectively abolished the "Temporary Provisions" attached to the constitution. After this announcement, the inaugural speech concentrated on four areas: constitutional reform, national development, cultural renaissance, and Taiwan-mainland relations, (only the latter issue will be discussed here).<sup>12</sup>

#### **Taiwan-mainland Relations:**

In his inaugural speech (May 20, 1990), Lee declared that the government would open up channels of communication with Beijing on an equal footing on the condition that Beijing a) implements democracy and a free economy; b) abandons the threat of using force to recover Taiwan; and c) does not stop Taipei from expanding its international relations under the "one China" principle.<sup>13</sup>

On May 27, 1990, in response to President Lee's speech, the CCP's General Secretary Chiang Tse-min said that two sides of the Taiwan Strait agreed that there is only one China and

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<sup>12</sup>Lee's inaugural speech, Chung-yang jih-pao (Central Daily News) (Taipei: May 21, 1990).

<sup>13</sup>Chung-yang jih-pao (Central Daily News) (May 21, 1990): 1.

that China should become rich. He said that, on this basis, all other questions could be overcome as long as the two sides tried to solve them in accordance with mutual trust and interest.<sup>14</sup> On September 24, Yang Shang-k'un told a group of Taiwan reporters that the reunification issue could wait but that priority must be given to solving practical problems resulting from exchanges across the Strait. Yang's tone was friendly, but in reality nothing he said indicated that Beijing's basic attitude toward Taiwan had changed.<sup>15</sup>

On December 6-12, 1990, the Taiwan Affairs Leading Group of the CCP Central Committee held a closed-door conference in Beijing, attended by all the top leadership, including Yang Shang-k'un, Chiang Tse-min, and Wu Hsueh-ch'ien. Yang made a secret speech which was later leaked to the Japanese newspaper, Yomiuri Shimbun. In the speech, Yang urged all mainland organizations concerned with Taiwan affairs to improve their work and continue to insist on Beijing's "one country, two systems" formula, and not to renounce the option of using force against Taiwan.<sup>16</sup> According to Yomiuri Shimbun, Beijing intends to increase economic contacts and people-to-people exchanges with Taiwan with an eye to eventually

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<sup>14</sup>Chung-kuo shih-pao (China Times) (May 28, 1990): 3.

<sup>15</sup>Chung-kuo shih-pao (China Times) (September 25, 1990): 2-3.

<sup>16</sup>Yomiuri Shimbun (Tokyo: April 12, 1991): 4; also see Chung-kuo shih-pao, (April 14, 1991): 7.

establishing official and political relations under the CCP's terms--"one country, two systems".

Meanwhile, in October 1990, Lee set up a presidential task force, the National Unification Council (NUC). Members, including all of different fields and important persons who were able to contribute toward the mainland policy (as Table 8) shows, developed a unification program that was published as the Guidelines for National Unification. The "Guidelines" clearly set out the phase of contacts with the mainland Taipei was prepared to allow in the short, medium, and long term. Although Lee has called for a free, democratic, prosperous, and unified China, Beijing has never stopped threatening of using forces to attack Taiwan.

**Table 8. Members of the National Unification Council**

Catalog of fields	Name
Five Yuans	Hao Pei-tsun, Liu Sung-fan, Lin Yang-kong, K'ung Te-cheng, Huang Tsun-chiu,
Secretary General of National Congress	Ch'eng Chin-jiang
Government Officials	Chiang Yan-shih, Chiang Wei-kuo, Huang K'un-hui
Parties	KMT: Hsu shui-te
	DPP: Hsu Hsin-liang
	Non-party member: Lee Yuan-tse
Political Figures	Liu K'uo-tsai, Chao Tzu-ch'i, Ma Soo-ley, Cheng Wei-yuan, Tao Bai-ch'uan, Kao Yu-jen

Scholars	Yu Chi-chung, Wang T'i-wu, Sun Cheng, Ying Yun-p'eng
Overseas Chinese	Lee Hai-tien
Entrepreneur	Ku Cheng-fu
Labor Representative	Hsieh Sheng-shan
Provincial Representatives	Chien Min-ching, Ch'eng Chien-tzu, Ch'eng Tien-mao, Lin Jen-te

Source: Chung-kuo shih-pao (China Times) (Feb 29, 1992): 2.

Note: those public figures are subject to change when their official titles alter.

Lee's constitutional reforms of 1991 and 1992 have substantively completed the democratization process and put an end to the period of tutelage. There is no doubt that the ROC basically meets the "preconditions" for democracy and is also undergoing the "processes by which democratic forces in society emerge, grow, and outmaneuver an authoritarian regime to establish a new institution framework."<sup>17</sup> In the final analysis, however, political leadership and economic development are critical in deciding the fate of democracy in any country.<sup>18</sup>

#### ELECTORAL POLITICS ON TAIWAN

After the political reforms, the KMT has lost the appearance of a Leninist party bloc. In fact, the most dangerous contradiction within the party is the confrontation-

<sup>17</sup>Tun-jen Cheng and Stephan Haggard, "Taiwan in Transition," Journal of Democracy 1, no.2 (Spring 1990), pp.62-63.

<sup>18</sup>Samuel P. Huntington, "Democracy's Third Wave," *ibid.*, 2, no.2 (Spring 1991), p. 33.

-not only on the national level--between the KMT upper echelons and the elected lawmakers. The latter are the modern elites who are well-educated and self-confident about their future importance in Taiwan politics. Indeed, when the constitutional reform is passed and constituency politics is fully implemented, the legislators will become even more important than they already have since 1986. A factional power base must therefore also be seen as important for blocking right-wing influence within the ruling party. In fact, the Legislative Yuan will be the most important power base outside the KMT leadership. The KMT must thus open up its major bodies to elected officials who may otherwise undermine its legitimacy and power by going their own way. Many lawmakers are stressing now their electoral base gives them legitimacy.

#### **A. CENTRAL FACTIONALISM:**

Generally speaking, Taiwan's electoral politics present three barriers to government administration: the fierce competition among central as well as local factions, the practice among elected officials of using "conflict of interest" for private gain, and constituency favoritism.

Factionalism of the KMT caucus has been increasing and indeed infected the party's authority. Taking the legislative Yuan for example, growing conflict between the caucus and the party leadership often culminate in formal or informal cooperation between the opposition and some KMT lawmakers; and

legislators are gradually considering constituency interests above party directives.

However, in the authoritarian years of 1949-1986, the factions of the KMT imported from the mainland worked behind the scenes. They also strongly supported government and party policies. This changed after the death of President Chiang Ching-kuo in January 1988. Apart from the DPP caucus and the independent legislators, more and more groups within the KMT itself have come into being since then.<sup>19</sup> They all comprise Taiwan-elected lawmakers and the representatives of occupation groups and overseas Chinese communities.

Since the 1990 Council of Grand Justices ruling that all mainland-elected deputies (of whom there were then still 138) must step down by the end of 1991, they were not involved in any of the new factions.<sup>20</sup> Factionalism within the DPP goes

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<sup>19</sup>From July 1992 to March 1993, the author took every opportunity with those legislators' assistants or secretaries to talk about the detailed of the factions. These were informal conversations since lack of research funds precluded my conducting a formal survey. The conversations were held in all sorts of circumstances. Some of these people are known to the author but most of them did not wish to be quoted by name.

<sup>20</sup>Although the term "faction" is not without methodological problems, here it is defined as an inner-party group whose members share a common interest and set up some regulations to strengthen group stability against other groups and the party leadership. For a more detailed view on the minimally researched subject of factional politics, see Frank P. Belloni and Dennis C. Beller, eds., Faction Politics: Political Parties and Factionalism in Comparative Perspective (University of California, Santa Barbara: ABC-Clio, 1978).

back to the tang-wai (meaning a political group outside the KMT) movement in the 1970s and is basically centered around the question of Taiwan independence or reform.<sup>21</sup>

Within the KMT caucus, there are two important factions which often confront each other in almost all public and mainland policies and must be described here in order to understand the factional role in policy making.

(1). **Chi-ssu-hui (CSH), (The Wisdom Coalition):** The CSH was the first new KMT faction to be established. Since its founding in April 1988, its membership has steadily increased to its current total of about fifty. The faction publishes its own newspaper (Chi-ssu chou-k'an), organizes seminars and discussions, and has widespread support from local politicians and businessmen. Unofficial information claims that one of its most important financial backers is the Evergreen (Ch'ang jung) conglomerate, one of Taiwan's biggest private companies (for its role in mainland policy making, see footnote 57 and "interest groups" below).

Although its structure seems very formalized, the CSH is far from functioning as a coherent political entity within the KMT. A huge number of its members also work in other factions and this author was told by several members' assistant secretaries that it is impossible to force anyone to stick to

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<sup>21</sup>Please see chapter 4, "Societal Issues".

the faction's decision. Nevertheless, the CSH was the first group to set up such a means of operating.

The CSH is often described as the progressive force within the Legislative Yuan, backing President Lee Teng-hui's reform program and strictly opposing any conservative pressure from within the KMT. This is assumed from the fact that, with the temporary exception of two lawmakers, all faction members are Taiwan natives and are therefore working for the diminution of mainlanders' influence in Taiwan politics. Therefore, the CSH strongly opposes the "New KMT Alliance," a faction that is said to be backed by precisely those mainlander forces. Although CSH members are well known by the broad public for their performance in the Legislature, they do not have much access to the KMT's central power organs. Factional pressure is hence a tactical means to achieve more political power.

**(2). Hsin Kuo-min-tang lien-hsien (NKA), (The New Kuomintang Alliance):** The NKA was established in February 1990. Although it only had eighteen members in the legislature in 1992, its influence on Taiwan's parliamentary politics has become striking. The NKA's members are highly educated and are largely second-generation mainlanders. Their most prominent member and chairman, Chao Shao-k'ang, gave up his seat when he was appointed director-general of the Environmental Protection Administration in a minor cabinet reshuffle in May 1991. But



he returned to the Legislative Yuan again in 1992 when he quit his job in government, and got the highest ballots (230,000 out of total 600,000) in Taipei County.

Although the NKA has regular meetings and its own conference location, it does not want to be a Japanese-style faction. Its members consider themselves a group of politicians who share the ideals of enhancing inner-party democratization and supporting nationwide political reforms. The NKA also organizes and sponsors public seminars to promote its members' aims. It has become famous for its ruthless criticizing of important KMT and Executive Yuan officials even the President Lee himself. Not surprisingly, considering NKA members' backgrounds, the faction supports the policy of a unified China.

Since its founding, the NKA has fiercely opposed the CSH. It accuses the CSH of pursuing egoistic interests, grabbing political power, and of being open to external financial influence and manipulation. However, the NKA itself is not without outside support, particularly through the Democracy Foundation (Min-chu chi-chin-hui) of former KMT deputy secretary-general Kuan Chung (John C. Kuan).<sup>22</sup> Apparently, the

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<sup>22</sup>The "Democracy Foundation" was established in November 1990 as an independent body to promote democratization within the KMT and ongoing political reforms in the ROC. It further backs Chinese unification and is supported by many KMT officials, a considerable number of KMT young turks, and scholars. Its chairman and founder, John C. Kuan, was the KMT deputy

NKA also receives help from such mainland-owned conglomerates as Hua-lung and Tai-ping-yang enterprise. Still, NKA members insist that their aim is to clean parliamentary politics of the power of money (called "chin-ch'uan cheng-chih" in Taiwan) and corrupting practices in general.<sup>23</sup>

Besides the DPP's aggressive strategies, the conflict between the CSH and the NKA is one of the driving forces in ROC parliamentary politics as well as the unification and independence issue in the whole society. During late 1992, when former premier Hao Pei-tsun was asked to resign, the conflict between the NKA and other groups was gradually developing a mainstream (referring to President Lee and Taiwanese interests) and a non-mainstream (referring to Hao Pei-tsun and mainlanders' interests) power struggle.<sup>24</sup> This power struggle also refers to the standpoint of unification or independence in the society.

Although there are some other KMT factions in the Legislative Yuan, they are overlooked here, because of their

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secretary-general when he resigned to take responsibility for the KMT's heavy losses in the 1989 national elections. With the establishment of the foundation, Kuan has built up a power base that is connected to the party apparatus and with widespread contacts in the Taiwan business world.

<sup>23</sup>Interviews with Tien-chien Chang, one of the assistants of the Shao-k'ang Chao, on January 15, 1993.

<sup>24</sup>This kind of information was scattered in major journals and magazines.

minor political influence or issue-oriented outlook.<sup>25</sup> The new KMT factionalism is only about four years old. Nevertheless, the following tendencies can be observed.

a) The position of lawmakers within the ranks of the KMT is rather low. As of late 1993, there are only thirteen KMT officials in the legislature.<sup>26</sup> This point is very important, because the KMT leadership is seriously challenged after the complete reelection of the Legislative Yuan in 1992. It is also very interesting to observe how the KMT copes with this problem, considering the many old guard members that still are in its upper ranks who will not be forced to retire.

b) Although it is hard to prove, there is no doubt that all factions receive substantial outside funding. This has led to discussions about the "power of money" in ROC politics and manipulative influence of interest groups--especially the

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<sup>25</sup>At the end of the 88th session of the Legislative Yuan in January 1992, there were some fifteen factions, with most of them being issue-oriented groups.

<sup>26</sup>As of the 88th legislative session from September 1991 to January 1992, these KMT members were Hsieh Shen-shan, member of the KMT's CSC; Jao Ying-ch'i, head of the KMT caucus in the Legislative Yuan; Hung Yu-ch'in, Li Tsung-jen, Wang Chin-p'ing, and Shen Shih-hsiung, all deputy directors of the KMT's Policy Coordination Commission; Liao Fu-pen, deputy director of the KMT's Overseas Department; and Huang Cheng-i, Hung Chao-nan, Li Yu-chi, Hsieh Mei-hui, Li Sheng-feng, and Hung Hsiu-chu, all deputy secretaries of the KMT caucus in the Legislative Yuan.

private companies.<sup>27</sup> Faction leaders tend to raise more and more funds privately to enhance their faction and political future of each faction member. In this way, it is said that future faction homogeneity will be strengthened.

c) Factionalism within the KMT, a phenomenon that appears to be gaining more and more momentum, has different reasons. First, it reflects the new power formation within the legislature itself, where different groups strive for the best strategic position to influence future Taiwan politics. Second, factionalism signals the discontent of those who lack access to the upper reaches of the party. Finally, factions respond to different public interests. As soon as all lawmakers are responsible to constituencies, this trend will probably even strengthen. Factionalism hence reflects the growing democratization and politicization of Taiwan society. Most importantly, the connections among interest groups, factions, and lawmakers are increasing, and the policy making is decentralized.

#### **B. THE RISE OF INTEREST GROUPS**

Interest groups in Taiwan have started to come to the fore in recent years. Several ways are available for interest groups to influence government decision-making. First, the

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<sup>27</sup>Even Hau Pei-tsun, former Premier, referred to this problem in a speech in June 1991. He accused Taiwan politicians of being manipulated by vested interests and the "power of money". China Times, (Taipei: June 6, 1991): 1-2.

influence can be exerted via the legislature and nearly 50% of those legislators are running private business. For example, on March 1988 the Agricultural Union led by DPP's legislators, such as Ch'en Shui-pien and Huang Hsin-chieh, strongly protested that the import of mainland agricultural products had destroyed the farmers average incomes and finally forced the government to approve the "Regulations Governing Goods from the Mainland Area" on April 1989.<sup>28</sup> And interest groups frequently use legislators as mouthpieces for their views during the policy implementation process. It should be noted that the configuration of Taiwan's current interest groups is clearly pro-business. Thus government decision seems to be biased toward organized business interests.

Second, interest groups can apply direct influence on administrative agencies. The Economic Affairs Ministry's annual allocation of the textile export quota is itself an invitation to group contention. On July 1991, the Board of Foreign Trade of the Ministry of Economic Affairs approved 24 different categories of Taiwan investment on the mainland instead of 15 items which the Board had already discussed and agreed with it. The reason why the Board changed the previous agreement was because those big enterprises, such as Hwa-Long, Kuo-Tai, and Tung-Yi wanted a broad range of investment

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<sup>28</sup>United Daily News, April 29, 1989, 3.

including their own business that they could make a profit on these policies.<sup>29</sup> A report of an investigation by the Control Yuan on the Tenth Credit Cooperative scandal showed excessive tampering with bureaucratic processes by the interest group involved. Finally, an interest group can exert pressure on the bureaucracy by arousing public opinion against the bureaucracy's stance, thus mobilizing support for its cause. For example, an interest group advocating building a free trade and direct transportation between Taiwan and the mainland publicly challenged the validity of an evaluation report on the matter by the MAC. The group also planned to hold a series of speeches to "educate" the public and mobilize people to support its cause.<sup>30</sup> The connection between those interest groups and factions can be summed as following:

**Table 9.** Summation of connection between interest groups and factions

Faction in KMT	Mainstream	Non-mainstream
Faction in Legislative	CSH	NKA
Interest Groups	Evergreen, Tung-Yi	Hwa-Long, Tai-ping-yang
	Taiwanese-owned conglomerate	Mainlander-owned conglomerate

<sup>29</sup>China Times, July 20, 1991, 2.

<sup>30</sup>China Times, December 10, 1992, 3.

Democratization of the ROC's polity has given rise to a political opposition outside as well as inside of the KMT. The outside opposition is calling for Taiwan independence (see chapter 4, Sovereignty Issue). This wild card, if uncurbed through elections, has the potential to tip the delicate balance between the ROC and mainland China. Democratization (inside factionalism, and interest group lobbies) also tends to weaken the ROC's policy-making capacity. The ROC's mainland policy has increased exchanges between the two sides of the Taiwan Strait, but the ROC government seems quite unable to regulate many aspects of these cross-Strait exchanges, especially in the field of trade and investment. It is argued that this inability should not necessarily spark concern over national security; mainland China is equally unable to take political advantage of the increasing Taiwan-mainland economic interdependence. In the foreseeable future, however, the ROC's security and prosperity will continue to hinge on the interlocking effects of democratization, pragmatic diplomacy, and flexible mainland policy, i.e., to find out the balance point among those three directions to maintain the status quo.

### **THREE CASES STUDY**

#### **A. THE ESTABLISHMENT OF THE "GUIDELINES FOR NATIONAL UNIFICATION":**

The National Affairs Conference (NAC) was held from June 28 to July 4, 1990 in Taipei. It was unprecedented in the

political history of the ROC because its participants included people holding divergent political views, ranging from those who advocate Taiwan independence to those who are in favor of unification with the PRC.

As only a limited number of people could have been invited to attend the NAC, the ROC government consulted a wide range of people to seek their opinions before the conference was held. A total of 119 discussion meetings were held in Taiwan and abroad with more than 13,000 people attending.<sup>31</sup> A National Affairs Box was set up at a Taipei post office and received 2,187 letters, and a National Affairs Hotline received 1,180 telephone calls.<sup>32</sup> Two public opinion polls were conducted to identify the attitudes of social elites (referring to those intellectuals who teach in colleges and universities) and the general public toward constitutional reform and mainland policy. The results were released on June 24, 1990, a few days before the conference.<sup>33</sup>

**Table 10. Public opinions toward the opening speed of mainland policy**

Date	just	too fast	too slow	others
June, 90	51.0	12.7	19.4	16.9

<sup>31</sup>Kuo-shih hui-i shih-lu (Faithful record of the National Affairs Conference), 3 vols. (Taipei: Secretariat of the National Affairs Conference, 1990), vol 1, pp. 9-10.

<sup>32</sup>Ibid., p. 8.

<sup>33</sup>Ibid., vol 3, 3007-3062.



Source: Kuo-shih hui-i shih-lu (Faithful record of the National Affairs Conference), vol 3, 3007-3062.

**Table 11. Public Opinions toward the "three nos" policy**

Date	Agreement	Disagreement	No opinion
Oct, 1990	12.0	66.0	21.5

Source: Kuo-shih hui-i shih-lu, vol 2, 2102-2119.

According to these results, a high degree of consensus was reached on ROC's mainland policy and the need to enact a law to regulate relations between Taiwan and the mainland in such areas as unification, trade, investment, travel, and culture. 59% of the elite and 63% of the people considered that the ROC should clarify its present seemingly inconsistent mainland policy and liberalize functional exchanges with the mainland. The government should also consider beginning functional and nonpolitical negotiations with the PRC through an "intermediate body" with authority delegated by the government.<sup>34</sup>

From August to November, 1990 the NSC reportedly held seven different meetings regarding the "Guidelines for National Unification". Who is the responsible personnel in charge of the whole process is beyond the public knowledge. But those attendants, such as Bih-jaw Lin (Director of the Institute of International Relations), Yung Wei (Professor), Edward I-hsin Chen (Professor), who were interviewed privately

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<sup>34</sup>Ibid., vol 2, 2102-2119.

by the author, mentioned that the "Guidelines" was a well developed document to regulate the relations between Taiwan and the mainland and they spent a lot of time to make different proposals during this period. On December 16 and 30, 1990 and January 9, 1991, the CSC weekly meeting widely discussed this proposal and finally a consensus was reached at the end of January 1991.<sup>35</sup> In February 1991, the President Office announced the "Guidelines" policy in a news conference. This is one case where President Lee initiated a policy based on the NAC results.

#### **B. LIFTING THE BAN ON RESIDENTS VISITING THE MAINLAND**

As early as 1979, many Taiwan residents were secretly traveling to the mainland as tourists via third countries. Beijing was willing to allow Taiwan residents to come and go and the Taipei government did not prosecute these people for humanitarian reasons, so in the period 1979-87 it is estimated that over 10,000 Taiwan residents visited the mainland.<sup>36</sup> As increasing numbers of people visited mainland China, demands that the official ban on visits be lifted became stronger. In 1984, Yu Chen Yueh-ying, a non-partisan member of the legislature, called for the government to permit veterans who

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<sup>35</sup>Chung-ch'ang-hui yao-wen hui-pien (Collective important records of the Central Standing Committee) (Taipei: Chung-yang wen-wu kung-ying she, September, 1992), pp. 14-21.

<sup>36</sup>Tzu-li wan-pao (Independence Evening News) (Taipei: March 3, 1988): 2.

had followed the Nationalists to Taiwan in 1949 to make contact with their families on the mainland.<sup>37</sup> In 1986 legislators Hsieh Hsueh-hsien and Chiang Peng-chien demanded that the government allow postal exchanges and visits. You Ching, a member of the watchdog Control Yuan, even suggested that contacts be allowed between parliamentarians on the two sides. These legislators and representatives were mostly non-KMT and native Taiwanese who took up this cause in an effort to win the support of voters of mainland origin eager to be reunited with their families.

In view of the above situation, in early 1987, President Chiang Ching-kuo, in his position as KMT chairman, instructed Mah Soo-lay, the KMT secretary-general, to study the possibility of lifting the ban on mainland visits. However, the work of policy formulation did not begin until July 1987 by which time Lee Huan had replaced Mah as secretary-general.<sup>38</sup> During this period, the Executive Yuan still insisted in public that it would be inappropriate to lift the ban. In a July 1987 reply to inquiries from parliamentarians, the Executive Yuan cautioned that Beijing was trying to create divisions within Taiwan and isolate the ROC diplomatically.

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<sup>37</sup>Li-fa yuan kung-pao (Bulletin of the Legislative Yuan) 73, no. 98 (December 8, 1984).

<sup>38</sup>Hsin hsin-wen (The New Journalist) 25, (Taipei: August 31--September 6, 1987): 9-11

According to this scheme, Beijing was encouraging its people to contact their relatives in Taiwan by mail and invite them to visit the mainland to see their families or to do business. This would create a false impression of contacts between the two sides.<sup>39</sup> By this time, secret visits to the mainland had become so popular that the prohibition could no longer be enforced.

Then on August 15, 1987 two mass-circulation dailies, the China Times and the United Daily News, published deliberately leaked information that the government was considering lifting the ban on mainland visits and carrying out an overall readjustment of its mainland policy. On August 28, the United Daily News further declared that the Executive Yuan would announce conditions for mainland visits by Taiwan residents in September.

At the regular weekly meeting of the KMT Central Standing Committee on September 16, Chiang Ching-kuo appointed a five-member ad hoc group consisting of Lee Teng-hui (Vice president), Yu Kuo-hwa (Premier), Nieh Wen-ya (Chairman of the Legislative Yuan), Wu Poh-hsiung (Minister of the Interior), and Ho Yi-wu (one of the National policy consultants) to examine the principles governing travel to the mainland proposed by the Executive Yuan. The group's report, anxiously

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<sup>39</sup>Li-fa yuan kung-pao 76, no. 52 (July 1, 1987).

awaited by the public and the media, was finally submitted one month later at the October 14 meeting of the CSC.<sup>40</sup> The Executive Yuan drew up regulations governing the visits at its 2,053rd meeting, decreeing that applications would be handled by the Red Cross. On October 15, Interior Minister Wu Poh-hsiung announced the lifting of the ban and on November 2, the Red Cross formally began accepting applications. From that time on, family visits were a part of the government's mainland policy. This is a case where public demand and legislative function affected policy making.

**C. DIRECT TWO-WAY TRANSPORTATION LINKS CASE:**

For Beijing, the establishment of direct transportation is one of the foremost tasks of its Taiwan policy, and officials at both central and local government level, as well as mainland scholars and Taiwan businessmen, have been mobilized to promote it.

In Taiwan, the question of direct transportation across the Taiwan Strait has proved controversial, although different surveys in recent years have indicated that a majority would support such links.<sup>41</sup> There is little support among shipping companies, as direct links would break their present monopoly

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<sup>40</sup>Hsin hsin-wen, no, 32 (October 19-25, 1987): 20-25.

<sup>41</sup>Fourteen such surveys were conducted between August 1980 and February 1990. See Yuan Chien (Global Views Monthly) (Taipei: May 15, 1992): 20.

on cross-Strait traffic,<sup>42</sup> but local businessmen involved in cross-Strait trade mostly endorse the link.<sup>43</sup> For instance, Wang Yung-ching, president of the Formosa Plastics Group, has proposed shipping plastic raw materials and finished products across the Strait on a trial basis, using the ports of Amoy and Fuching in Fukien.<sup>44</sup>

**Table 12.** General public opinions toward the "direct transportation across the Taiwan Strait"

Date	agree	disagree	others	pollster	conditions
Aug, 90	54.0	21.0	25.0	United Daily	
Oct, 90	66.4	19.8	13.8	* R.F.D.	
Oct, 90	16.8	66.4	16.8	NUC	Without ROC's flag
Nov, 90	87.3	5.2	7.5	* I.U.	
Jan, 91	11.9	73.6	14.4	NUC	Without ROC's flag
Apr, 91	68.0	16.0	15.2	United Daily	
Apr, 91	76.8	12.8	10.2	NUC	

<sup>42</sup> All those big shipping companies in Taiwan, such as Yang-ming, Sea-land, and Evergreen, were reportedly protesting against the "direct transportation"; see Liang-an ching-chi t'ung-chi yueh-pao (Monthly report on cross-Strait economic statistics) (Taipei: Mainland Affairs Council, June, 1992), pp. 12-17.

<sup>43</sup> *Ibid.*, pp.17-19.

<sup>44</sup> Lien-ho pao (United Daily News) (Taipei: May 14, 1992): 1.

Jun, 91	63.4	16.0	15.2	China Times	
Feb, 92	25.8	60.0	14.2	NUC	Under the threat of PRC
Feb, 92	27.9	50.3	21.7	NUC	Under the PRC's isolation
Feb, 92	11.5	76.4	12.0	NUC	Without the name of ROC
Feb, 92	21.6	62.5	15.9	NUC	
Feb, 92	66.3	22.9	10.9	NUC	Within an equal status
Feb, 92	56.7	27.2	16.2	NUC	Under the security of Taiwan, keeping indirect way

Source: Yuan Chien (Global Views Monthly) (May 15, 1992), 20.

\* R.F.D.: Research Foundation of the Development of Two Sides of the Taiwan Strait.

\* I.U.: The Industrial Union in Taiwan

In reality, direct shipping links are rumored to exist already. Hong Kong businessmen with factories on the mainland are said to ship their products directly from Kwangtung to Taiwan en route for markets in Europe and America, while the usual practice for Taiwan businessmen is to ship their goods

on foreign-registered freighters which make a detour via Ishigaki in the Ryukyu Islands before sailing on to the mainland.<sup>45</sup> Some Taiwan airlines have reportedly signed landing rights contracts with Beijing's Civil Aeronautics Administration of China (CAAC) and purchased new aircraft in readiness for the expected lifting of the ban.<sup>46</sup>

The Taipei government, however, has placed the establishment of direct transportation links in the second stage of its timetable for the reunification of China.<sup>47</sup> As ROC law stands at the moment, direct transportation links between Taiwan and mainland are forbidden. Article 28 of the "Regulations for Implementating the Statute Governing Relations between the People of Taiwan and Mainland Areas," formulated by the ROC Executive Yuan, clearly stipulates that ROC ships, aircraft, and other vehicles must not travel to mainland China without the express permission of the government. These permits would have to be issued by the ROC Ministry of Transportation and Communications (MTC) and

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<sup>45</sup>Ibid., May 8, 1992, 3.

<sup>46</sup>Ibid., June 6, 1992, 1. Taiwan's Evergreen Group has reportedly signed contracts with fourteen mainland seaports in preparation for direct shipping links. Ibid., July 1, 1992, 10.

<sup>47</sup>Please see the Guidelines for National Unification, article 4, item 2.



approved by the Executive Yuan.<sup>48</sup> Although Taipei no longer rejects the possibility of direct links out of hand, Taipei wants to wait until the time is ripe and the "necessary conditions" have been fulfilled.<sup>49</sup>

However, under the lobby of interest groups, the ROC Ministry of Transportation and Communications has already started working on the feasibility of direct transportation links. On November 23, 1991 the minister, Eugene Chien, said that Chiang Kai-shek International Airport and the ports of Kaohsiung, Mailiao (in Yunlin County), and Kuanyin (Taoyuan County) were all under consideration as possible ports of entry from mainland China. Although on February 10, 1992 the MTC rejected five proposals made by different local officials and private foundations for direct transportation links and said that direct links were out of the question for the time being, on March 30 its navigation and aviation department disclosed another plan to build a new international airport in southern Taiwan as part of the effort to establish Taiwan as

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<sup>48</sup>The regulations were approved by the Legislative Yuan on July 16, 1992 and were effective from September 18.

<sup>49</sup>President Lee made a clear remarks during a conversation with Valery Giscard d'Estaing, the former French president, please see China News (Taipei: May 8, 1992): 1; similar remarks have been made by MAC officials, Lien-ho pao, May 4, 1992; official document please see Liang-an chih-hang te wen-t'i yu chan-wang (Direct cross-Strait air and shipping links: Problems and Prospects) (Taipei: Mainland Affairs Council, Executive Yuan, 1992). p.2.

a regional transportation hub and, along with the island's two existing international airports, to handle direct flights to and from the mainland.<sup>50</sup> These plans reveal the MTC to have a much more positive attitude toward direct transportation than the MAC, which is in charge of formulating the ROC's mainland policy.<sup>51</sup> The third case shows that the process of Taiwan's mainland policy-making is too complex to make a consistent direction. It changes all the time with or without implementation. There always have interbranch conflicts (Legislative and Executive) and security debates since the 1990s.

#### INSTITUTIONS AND ARCHIVAL PROCESSES IN MAINLAND POLICY-MAKING

In 1967 the National Security Council (hereafter NSC) was established within the office of the president to coordinate national strategic policies. The NSC is an extra-constitutional apparatus under the Temporary Provisions to make policy decisions mainly concerning suppression of the Communist rebellion. The President presides over NSC meetings, and members include the ROC vice-president, the military chief

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<sup>50</sup>It was reported that this "policy" was strongly supported by the MTC because the minister of MTC--Eugene Chien was pressured by some interest group and most of those leaders are legislators.

<sup>51</sup>The reason why the MAC rejected those proposals within several weeks was not very clear, but some newspapers revealed that the National Security Council (NSC) was the hand behind the scene.

of staff, the premier and vice-premier, and the ministers of defense, foreign affairs, finance, and economic affairs.<sup>52</sup> According to a recent study, the NSC has its own bureaucratic network and supervises the National Security Bureau, which is the highest bureaucracy among the intelligence and investigation units and plans intelligence and control works over the whole country.<sup>53</sup>

Normally, the regime's major decisions are approved by the KMT's CSC. The CSC membership usually consists of top officials in the party, army, and state.<sup>54</sup> The CSC, which has taken to meeting regularly on Wednesday morning, names persons to major party office, nominates persons to major state office, and formulates and approves policy recommendations that are then sent to the Executive Council or the Legislative Council for action.<sup>55</sup>

Policies also originate from the central organs of the

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<sup>52</sup>Ibid., pp. 109-110.

<sup>53</sup>Hung-mao Tien, The Great Transition, pp. 109-111; also see Edwin A. Winckler, "Taiwan Politics in the 1990's," (Paper presented at the April 1990 Chicago meetings of the Association for Asian Studies), pp. 25-26; and Thomas Gold, State and Society in the Taiwan Miracle (Armonk, New York.: M. E. Sharpe, 1986), p. 62.

<sup>54</sup>Please see chapter 4, and table 2.

<sup>55</sup>Tsai Ch'eng-wen, Wu Jung-yi, Lin Bih-jaw, and Lin Chia-cheng, Wo-kuo Tui-wei Ch'eng-ts'e Chi Hsing-tung Ch'u-hsiang (The ROC's Foreign Policy and Implementing Orientation) (Taipei: Kuo-chia Ch'eng-ts'e Yen-chiu Chung-hsin Press, 1991), pp. 117-119.

party, which have specific functional duties. No year is typical, and 1987 was less so than most, but a record of the decisions of the CSC for that year shows that the central government and central party submitted an equal number of proposals (see Table 13). Those of the party center, however, tended to be mainly nominations and suggestions for party reorganization, whereas those of the government agencies had more substance. Substantive party initiatives include proposals on welfare and labor relations. The state reports focus on more technical matters, mainly of the economy.<sup>56</sup>

**Table 13:** Policy Initiatives to the Central Standing Committee, 1987.

PROPOSALS FROM:	NUMBERS
CHIANG CHING-KUO	22
PARTY CENTER	24
LOCAL PARTY	2
CENTRAL GOVERNMENT	24
LOCAL GOVERNMENT	3

*Source: Chung-hua Min-kuo Ch'i-shih-liu Nien Chung-kuo-kuo-min-tang Chung-ch'ang Hui Yao-wen Lu-P'ien (General Summary Record of the CSC of the Chinese Nationalist Party, Year of the Republic 76) (Taipei, 1988).*

Institutionally, on November 2, 1987, the ROC government began allowing its citizens to visit their relatives on the Chinese mainland. Later, at its July 1988 National Congress, the KMT passed a resolution authorizing the establishment of

<sup>56</sup>Hung-mao Tien, The Great Transition, pp. 136-138.

a supervisory panel under the Central Standing Committee of the KMT to formulate the ROC's mainland policy.<sup>57</sup> The supervisory panel then made policy on visitation rights and economic, athletic and cultural exchanges that a Mainland Affairs Commission (*Ta-lu kung-tso hui-pao*), an ad hoc inter-agency task force reporting to the cabinet, implemented.<sup>58</sup>

However, with the increasing trade and the expanding civilian contacts across the Strait, there was a strong need for formal agencies to be charged with mainland affairs. As a result, three organizations were created to manage Taipei's mainland policy in addition to the KMT's supervisory panel. They are the National Unification Council (*Kuo t'ung hui*), the Mainland Affairs Council (*Ta-lu wei-yuan-hui*), and the Straits Exchange Foundation (*Hai-hsia chiao-liu chi-chin-hui*).

On top of the state apparatus, support for the KMT's policy toward the mainland comes from various research institutes and civic organizations. These include, notably, the National Chengchi University's Institute of International Relations, the National Red Cross Society in Taiwan, Grand Alliance for Reunification of China under the Three Principles of the people, and some other Foundations.<sup>59</sup> With demands for

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<sup>57</sup>See table 6.

<sup>58</sup>Lien-ho Pao (United Daily News) (Taipei: August 2, 1988): 2.

<sup>59</sup>Hsin Hsin-wen (The News Journal) (Taipei: February 19-25, 1988): 4-11.

visits to the mainland and more approval for certain categories of mainland Chinese to come to Taiwan, the KMT has to rely on, or sometimes create, less politically oriented civic organizations to coordinate activities between the two sides so as to tone down the official nature of these contacts.<sup>60</sup>

In general, the making of important mainland policy has gone through the following steps during the late years of Chiang Ching-kuo and after President Lee came to power, such as "lifting the ban on residents visiting mainland policy," and the "Guidelines for National Unification."

A. As some special orders or information have been acquired, related units, such as the Ministry of Foreign Affairs, the National Security Bureau, and the Intelligence Bureau of the Ministry of National Defense, propose such information immediately to the responsible members of the National Unification Council (NUC) and the Mainland Affairs Council (MAC).

B. After receiving this information, the responsible officials are assigned to take charge of it through official paper work procedure. On the one hand, the responsible individual reports to his/her superior officials about any given subjects and gets permission to start analyzing the

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<sup>60</sup>Lien-ho pao (United Daily News) (Taipei: April 3, 1989): 2.

information; on the other hand, he/she initiates meetings, seminars, or special sessions with the participation of related government officials and relevant scholars in the shortest period of time.

C. Before the meeting, those experts, scholars (such as the Institute of International Relations, the "Asia and the World" magazine, the China Research Foundations, the National Policy Research Institute, and some of the professors in universities) and government officials survey the situation, collect related data, and combine their professional knowledge and experiences in order to write special proposals and to offer opinions for the discussion of the topic during the meeting.

D. After the meeting, the responsible individual organizes all the proposals and suggestions discussed in the meeting, summarizes them and reports to the authorities (the major leaders of decision making units such as the related ministers, President Office, and the CSC members) for their references (available information) of making decisions.

E. In addition, similar meetings or special sessions for discussing related issues to the topic may also be held by different units at different time with different scholars and interests. The consequence of such meetings or special sessions leads to further research related to the topic, which will be beneficial to the decision makers for early

precautions and adequate solutions in many aspects.

F. The KMT's Central Standing Committee holds meetings routinely every week to listen to and evaluate the reports of conducting related policies from various decision making units, to discuss and approve those important policies, and to revise and modify policies from different point of views.<sup>61</sup>

The KMT leadership and regime have been dominated by bureaucrats and technocrats, including an astonishingly high number of Ph.Ds, many of whom received their degree in the United States.<sup>62</sup> These have been responsible for competent government, and the educational level of the leadership generally is no doubt a major factor explaining the KMT's openness to democratic reform. But democratic reforms mean that the party's future will rest increasingly upon the party's ability to win elections, and this abstract increased importance of elected politicians has not been fully reflected by increased influence and respect within the party. This may come as a reaction to the party's poor showing from the 1989 to 1992 elections, as the party turns to persons with the skill and incentive to get votes. But if persons who depend for their careers more on the people back home than on the

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<sup>61</sup>This information was given by one of the authorities of the Ministry of Foreign Affairs, who was interviewed by the author on the Taiwan Mainland Conference in July 21, 1991.

<sup>62</sup>Hung-mao Tien, The Great Transition, PP. 78-80.



approval of the party and state hierarchy gain influence, there may be decreased cohesion in the party and less institutional coherence.<sup>63</sup>

#### CONCLUSION AND ANALYSIS

Political reform in Taiwan has strengthened the hand of the KMT in these public negotiations, by strengthening the KMT's legitimacy and popularity in Taiwan and demonstrating to the CCP that the Taiwan apple will not simply fall from the tree. But on the other hand, for the KMT as for the CCP, political reform has reduced its freedom of maneuver. Reform has placed new limits on the KMT's ability unilaterally to conclude a settlement with the Beijing authorities if a mutually agreeable one could be negotiated. The third player - the electorate--confronts not only the KMT, but also the CCP.

But the impact of the Taiwan electorate on the KMT-CCP relationship has not been merely that of a potential massive power. The electorate's rising power in Taiwan has given it the ability to force the KMT into acts of diplomatic flexibility that it views as risky. The KMT has faced enormous political pressure from the intra-party critics, opposition parties, members of the Legislative Yuan, and the interest groups to find a way for Taiwan to "re-enter the international

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<sup>63</sup>Fei-lung Lui, "The Electoral System and Voting Behavior in Taiwan," Tun-jen Cheng and Stephan Haggard, eds., Political Change in Taiwan, pp. 149-172.

community." The electorate has used the CCP's apparent flexibility as a goad to press the KMT to try for some new solutions to Taiwan's international isolation (so long as these do not involve a sell-out of the Taiwan residents' interests). The KMT response has fallen into two parts. In relations with the mainland, starting in late 1987 the KMT took a series of bold new initiatives, including permission for mainlanders to visit sick relatives or attend funerals in Taiwan, legalization of indirect trade, permission for academic and sports visits of Taiwan citizens to the mainland, permission for most mainland publications, films and other media to be imported into Taiwan, and permission for some mainland students and scholars studying in the United States to visit Taiwan. In relations with the rest of the world, the KMT has adopted the strategy of "flexible diplomacy" described in chapter 4.

For the KMT, these steps are risky. Externally, they risk playing into Beijing's strategy of "Hong-Kongizing" Taiwan. According to this scenario, Taiwan's economic ties with the mainland might create a pro-unification constituency among Taiwan entrepreneurs. At the same time, increased people-to-people and quasi-governmental contacts across the Strait could erode the international credibility of Taiwan's insistence on its legal personality as the sole legitimate government of China, leading to an erosion of foreign support.

Internally, the major risk lies in the possibility that relaxation of tensions with the mainland will impair the KMT's claim to a privileged position within the Taiwan electoral system. That system is currently structured in such a way that the opposition cannot win control of the government. The reforms so far proposed by the KMT, significant though they are, fall short of changing this fundamental bias. In a way that is legally intricate but politically simple, this structure derives its ultimate rationale from the fact of the civil war and the threat from the mainland.

On the other hand, the net effect of the reforms has been to weaken the appeal of Taiwan independence as a political option. Although almost all the leaders of the opposition DPP personally favor Taiwan independence, the mainstream of the leadership has decided that for the time being it is politically unwise to push for independence, mainly because of the anticipated strong reaction from the PRC. They have chosen to concentrate their efforts instead on pressing the KMT for more rapid democratization, in the expectation that this will not only bring them closer to winning power but in the meantime will strengthen the electorate's ability to block any unacceptable reunification settlement. So far, most of the electorate seems to have accepted the democratization-first strategy. The openly pro-independence New Tide movement remains a small minority within the DPP and appears to have a

relatively small base of support among the voters.

From those case studies, the field of mainland affairs provides an example of changes that have been taking place more broadly in the structure of ROC policy making. Although it is impossible to make generalizations about the entire policy process, because the situation varies from field to field, nevertheless, recent trends affecting mainland policy do throw light on how these changes are influencing the ways in which ROC policies are adopted and implemented in a variety of field.

Several findings emerge, first, from the three cases studies, one can see that there is no concrete model or pattern in the making of mainland policy. The mainland policy makers are like firefighters who go wherever the flame is burning.

Second, in the past three years, the ROC's Executive Yuan has also formulated a series of regulations governing exchanges between the two sides. Eighteen of these deal with family visits, ten concern economic and cultural affairs, and five relate to transportation.<sup>64</sup> Further regulations are expected to smooth out other problems areas in exchanges between the two sides.

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<sup>64</sup>Ta-lu kung-tso fa-kuei hui-p'ien (A collection of regulations on working with mainland China), (Published by the Mainland Affairs Commission of the ROC's Executive Yuan, September 1990), pp. 4-7.

Those policies are sometimes involved in a process of interest groups, lawmakers, and factions as the three cases studies show. From the bureaucratic process model point of view, Taiwan's mainland policy is not automatically the function of national interests concerns. Due to the rapid expansion of Taiwan-mainland relations since 1987, it is also a function of the ROC's governmental processes. The ROC's national interests are frequently subject to the interpretation of policy makers and are balanced and weighed by concerned governmental institutions, especially in the Legislative Yuan, in the process. Bureaucratic processes are responsible for transforming the mainland policy interests and preferences of different governmental institutions and agencies into policy.

Taiwan-mainland relations were institutionalized as Taiwan and the mainland China moved to develop commercial, trade, investment, cultural, sports, and other functional ties. Institutionalization rendered bureaucratic agencies more powerful in handling day-to-day bilateral matters on a regular and direct basis.

Rapid expansion of Taiwan-mainland ties led to an increasing role for the legislature in providing a legal framework for Taiwan's policy and sharing policy-making power with the executive. The executive found itself unable to enjoy the discreet mainland policy-making that so marked the

"investment case". It had to engage legislators in the new decision-making process that highlighted conflicts of mainland policy goals, bargains in approaches, and compromises on decisions. Through this interactive governmental process, the legislature was able to address its concerns over such areas as trade, commerce, communication, transportation, and investment.

**CHAPTER VII****CONCLUSION**

For more than forty years, Taiwan and mainland China have contested China's sovereignty. At times, this contest has taken the form of military confrontation. More generally, however, it has manifested itself in attempts by the mainland to isolate Taiwan in international affairs. As a consequence, Taiwan's mainland policies have been formulated to deter any military attack by mainland China, to establish good relations with the United States, and to decrease its own diplomatic isolation.

The primary focus of this dissertation is to examine the causes and processes of the KMT and the government's mainland policy under the external and internal pressure since 1950. As shown from these analyses, before the mid-1980s, Taipei mainland policy was stuck on the "three nos" (no contact, no negotiation, and no compromise) policy which made the leaders insist that this policy could not be changed under the name of "national security." But the changing political environment of the world and the more realistic views of the new generation of policy makers in Taiwan are challenging these ideological beliefs. Our three cases studies reveal that the ROC's mainland policy making is in a transitional period because there is no pattern that can be followed. Moreover there are too many factors which the decision makers have to deal with

to resolve it.

Internationally, the world appears to be shifting from military to economic competition and there has been a change in international superpower politics. With its own growing economic status, Taiwan has inevitably reevaluated its strategic alternatives, especially toward mainland China. Domestically, after a long period of authoritarian rule, the Republic of China began to democratize its political system and liberalize its mainland policy in 1987. Since then, the ROC's political democratization, pragmatic foreign policy, and more open stance toward its arch-rival across the Taiwan Strait have drastically altered the ROC's standing on China's "reunification" issue.

However, mainland policy has become very sensitive since the death of Chiang Ching-kuo. This situation has developed not only because his death marked the end of "strong man" politics but also because the internal environment has changed. Meanwhile on the other side of the Taiwan Strait, the Chinese Communists have called for "reunification" as soon as possible as a major task in the Chinese Communist Party.

This reality is awakening the new decision-makers in Taiwan to the fact that reunification is very politically complicated and involves the struggle of twenty million people to survive under the threat of its arch-rival--the PRC. Those leaders also doubt that unification is the best way to solve



the Taiwan Issue. Moreover, a more flexible mainland policy to gain back the international status for Taiwan as a "Republic of China" is contributing to the leverage in negotiation with the mainland.

The process of democratization in Taiwan also gives the opinions of the independent movement a legal basis in the ROC Legislative Yuan in Taiwan. The growing strength of the opposition party, the Democratic Progressive Party, also forces the ruling Nationalist Party to compromise in its mainland policy.

Efforts to explain Taiwan mainland and foreign policy in the past few decades have concentrated largely on a idealist perspective. Many theories derived from this perspective sought to explain Taiwan mainland policy in terms of systemic restraints or survival need. Those theories assume that Taiwan mainland and foreign policy was made by rational actor--the Republic of China--who can define Taiwan national interests in systemic environment, set foreign and mainland China policy goals, develop policy options, and select appropriate means to maximize the goals. Since ROC mainland policy was developed out of a strongman political consensus and there were some shared national interests in dealing with mainland China in the strategic context, the rational actor approach had some validity in terms of identifying mainland China policy goals.

Recently, the rapid expansion of Taiwan-mainland

relations resulted in some bilateral issues that affected Taiwan mainland policy-making in two ways. First, issues, especially those concerning bilateral trade, economic investment, people-to-people exchanges, broadened the scope of Taiwan decision-making, requiring governmental processes to be involved in establishing additional legal framework, making new rules and regulations. Second, the resolution of those issues often relied on the reconciliation of mainland China policy goals, policy preferences, and approaches because different governmental institutions and agencies were brought into the decision-making process. Mainland China policy-making, therefore, cannot escape an open, democratic policy-making process in which governmental officials and bureaucratic players compromise on policy goals, bargain on policy interests, and build a coalition for certain policies. In this respect, the rational actor explanations seem inadequate in explaining the past few years Taiwan-mainland relations and policy orientations.

From chapters IV, one can see that diplomatic history and rational choice model is useful to indicate Taiwan mainland and foreign policies are risk-averse behavior. Chapter V pointed out that imbalance political process model is valuable to explain why Taipei mainland policy-making was altered from "three nos" to broad exchanges. Chapter VI is using the elite conflict model to define preference order and the reason why

that inconsistent mainland policy-making in Taiwan.

**Table 14: The ROC's Mainland Policy (1950-1992)**

YEAR	POLICIES
1950-79	Military recovery of the Chinese mainland
1979-87	The KMT adopted a policy of "unification under Dr. Sun's Three Principles of the People" and insisted on the "three nos" principle
Feb. 1988	President Lee Teng-hui said that there would be no talk between the two sides as long as Beijing maintains its "four cardinal principles"
July. 1988	The Mainland Affairs Task Force was established by the Executive Yuan, with Vice Premier Shih Chi-yang as Convener
May. 1989	The government approved the "Measures to Support the Democracy Movement on the Mainland"
March. 1990	President Lee said that he opposed Taiwan independence
May. 1990	President Lee insisted that talks must be carried out on a government-to-government basis, not between the KMT and the CCP
Oct. 1990	The National Unification Council (NUC) was established under the Presidential Office; the Mainland Affairs Council was established by the Executive Yuan
Dec. 1990	The Director of the KMT's Department of Cultural Affairs, Chu Chi-ying, dismissed Beijing's offer to hold high and low level "party-to-party" talks in Taiwan on bilateral relations and reunification under Beijing's "one country, two systems" formula
Feb. 1991	The Taipei government announced the Guidelines for National Unification

Apr. 30, 1991	President Lee proclaimed that Taipei would end the "Period of Mobilization for Suppression of the Communist Rebellion" and that the government would no longer be bound by the constitutional decree to take back the mainland by force
Apr. 1991	An 18-member Straits Exchange Foundation (SEF) delegation journeyed to Beijing for a formal visit. The SEF, a quasi-official agency, was established for handling exchanges with the mainland
Aug. 20, 1991	Two mainland Red Cross officials arrived in Taiwan for a humanitarian visit regarding a group of mainland fishermen involved in a piracy case
Jul. 16, 1992	The Legislative Yuan legalized the "Regulations of People-to-people Exchanges Between the Two Sides of Taiwan Strait"
Dec. 14, 1992	The NUC approved the "Residential Rules of the Mainland people staying in Taiwan"

Sources: Free China Review 41, no. 1 (January 1991): 15; Tsai Cheng-wen and Lin Chia-cheng, T'ai-hai liang-an cheng-chih kuan-hsi (Political relations between the two sides of the Taiwan Strait) (Taipei: Institute for National Policy Research, 1989); Free China Journal, May 7, 1991, 1-2; July 23, 1991, 6; August 23, 1991, 1; Chung-kuo shih-pao (July 17, 1992): 3, and (Dec 15, 1992): 2.

From Table 14 and Figure 3 [chart 1], one can see that there have been three different periods of mainland policy since 1950 when the ROC retreated to Taiwan. Mainland policy during the first period (1950-79) was affected much more by the international environment than the nation-state and decision-making. From 1979 to 1987, when Sino-U.S. relations were normalized, the PRC launched a peaceful unification policy. The ROC mainland policy at that time was influenced by three variables (systemic, nation-state, and decision-making)

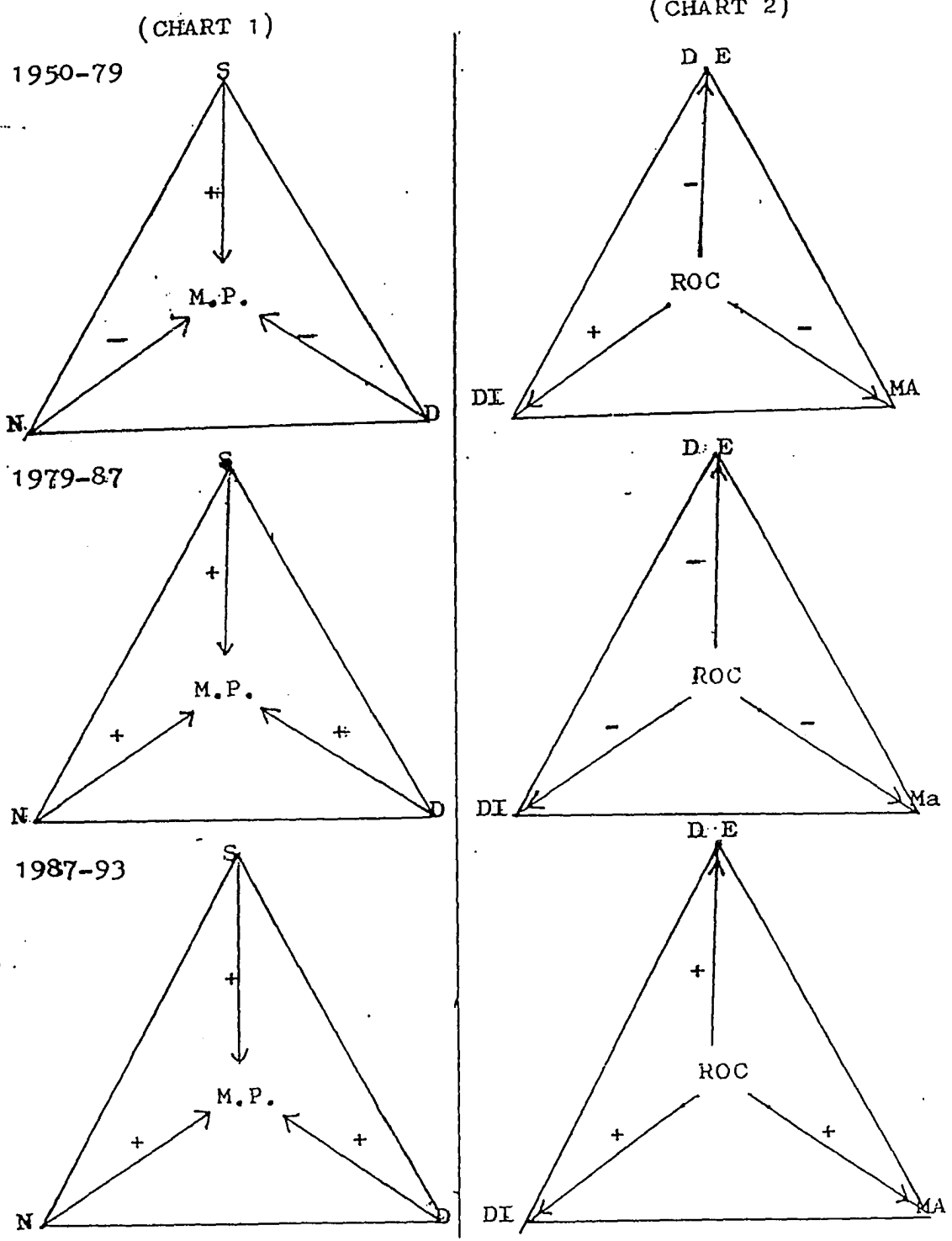
because mainland China and Taiwan were changed in terms of their economic and political environment, and decision-making was also different from the previous time on the other side of the Taiwan Strait. During the last period, from 1987 to 1992, international superpower politics changed and the "China card" was no longer so important while Taiwan had emerged with democratization and economic strength. Therefore, the ROC mainland policy under president Lee Teng-hui is not only active but it is also affected by many different factors.

Chart 2 illustrates that from the ROC point of view, during the first stage the only positive variable was diplomatic ties resulting from the Cold War. Taiwan's mainland policy and internal politics were both negative. In the second phase the ROC democracy, diplomatic ties, and mainland policy were all passive due to the internal transitional period and external diplomatic confrontation with the PRC.

**Figure 3. Note:**

<b>Chart 1.</b>	*	<b>Chart 2.</b>
S=Systemic variable	*	DE=Democratization
N=Nation-State variable	*	DI=Diplomatic ties
D=Decision-making variable	*	MA=Mainland Policy
M.P.=Mainland Policy	*	DE (+)=More Democracy
(+)=Influential	*	(-)=Less Democracy
(-)=Less Influential	*	DI (+)=Positive
	*	(-)=Negative
	*	MA (+)=Initiate
	*	(-)=React
	*	

FIGURE 3. RELATIONSHIP AMONG VARIABLES



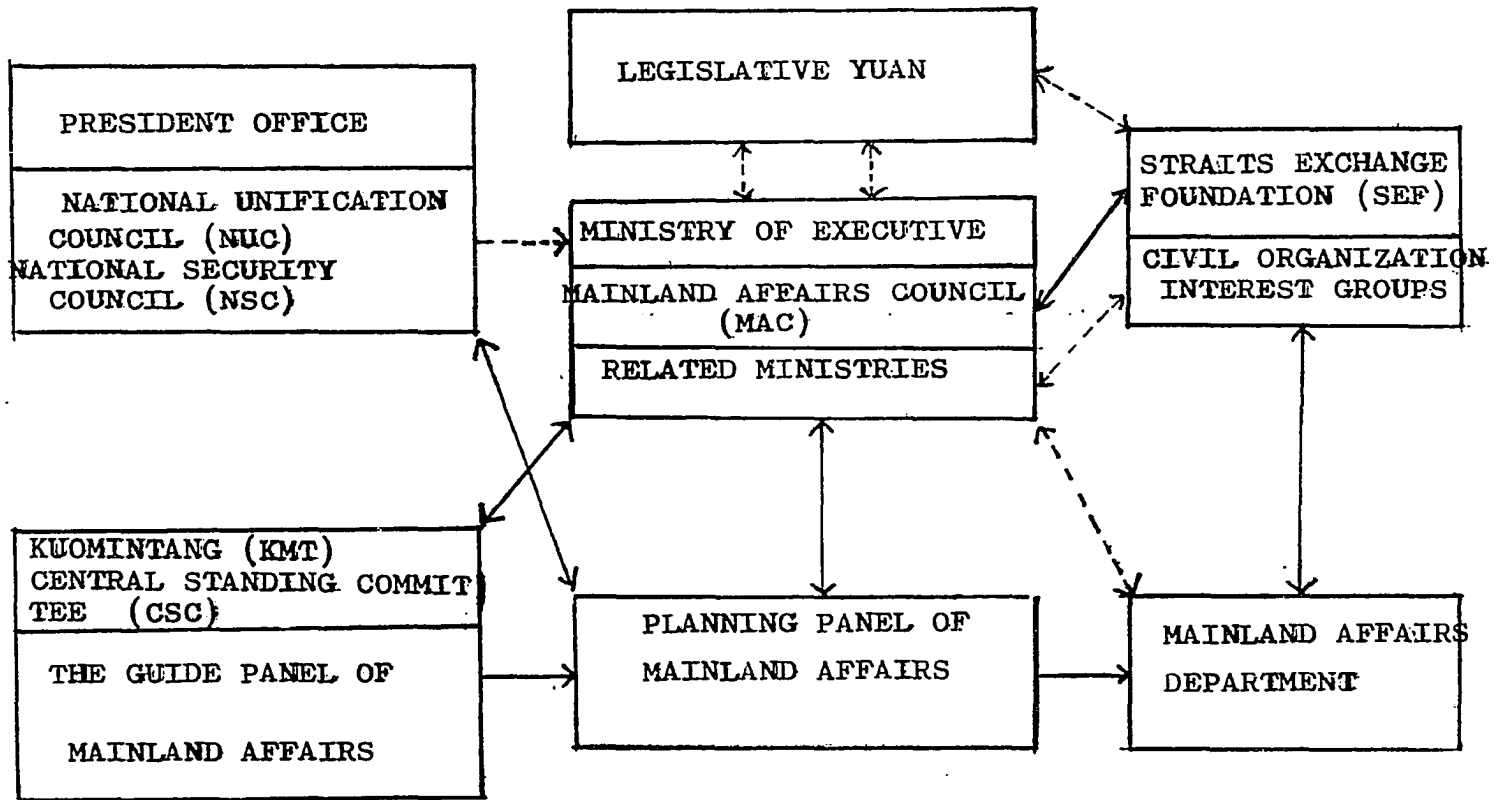
The third phase became entirely positive because the ROC democratizing process and capitalized economy finally earned the confidence to make mainland policy toward the PRC and gained the ROC a strong reputation in the international arena.

How to balance the three factors--democratization (KMT legitimacy), equal status to negotiate with the mainland (diplomatic support from the outside world), and amelioration of PRC hostility toward Taiwan's survival--is the foremost task of the ROC government in the foreseeable future.

From chapters 4 and 5, the ROC mainland policy making can be expressed as Figure 4. The administrative institutions and the KMT are two parallel bars interrelated with regard to mainland policy making. Because the president and the party chairman are one person (Lee Teng-hui) with two different offices, he is still the foremost decision-maker but without the Chiangs' authority, which means that the entire bureaucratic environment has been changed. The decision-making system and process becomes more complex than that previously.

In addition, both sides of the Taiwan Strait have developed more specific policies to deal with each other. Indirect interaction between the two sides has become commonplace, an improvement compared to earlier periods. However, it is clear that reunification is by no means near. Beijing, in mapping out a strategy based on the "one country, two systems" proposal, is not willing to accept Taipei on

Figure 4. ROC'S MAINLAND POLICY MAKING.



NOTE: ———→ SUPERVISORY RELATIONS; - - - - -→ COORDINATIVE RELATIONS



equal terms. Nevertheless, the PRC still hopes for the return of the "prodigal son," Taiwan, to the fold. Taipei is not interested in making peace, or for that matter in making war, with the other side. It also has no desire for unification or independence, leading some observers to call this a strategy of "four nos": no war, no peace, no unification, and no independence.

However, the future prospects for Taiwan-mainland relations can be sketched in terms of three scenarios.

The first is for increasing tension in the Taiwan Strait. This scenario could come about at the initiative of either the Taiwan or the mainland side. On the Taiwan side, it could be engendered if Taiwan acquired nuclear weapons, if there were a military coup or widespread social disorder in Taiwan, or if the Taiwan independence forces gained much strength. On the mainland side, this scenario would be triggered if the Beijing authorities decided for some reason to step up efforts to isolate Taiwan diplomatically and to increase the level of military threat. But for reasons implicit in the foregoing study, all these events are highly unlikely.

The second scenario is for an eleventh-hour negotiated agreement between the KMT and the CCP which legitimizes the de facto independence of the island under the thin disguise of an affirmation of China's unity. Such an agreement, reached between the KMT and the CCP, might contain the following

essential points. Both sides would agree that there is only one China, and the Taiwan is part of that China; that Chinese on both sides of the Taiwan Strait will not use military force against each other; and that both sides of the Taiwan Strait will not interfere with one another's participation in international organizations or diplomatic activities with foreign countries. The two political parties would agree to settle once and for all on paper the question of Taiwan's status, thus seeking to strengthen existing legal and political barriers to Taiwan independence. The agreement would help to assure mainland authorities that Taiwan would not fall under the influence of a hostile power, and would make it easier for mainland China to gain access to Taiwan's capital and technology. But the CCP would make major concessions in agreeing not to use force against Taiwan and allowing Taiwan to conduct its activities in the international arena. The question of the form of Taiwan's association with the mainland would be left to the future to resolve, and Taipei would be under less pressure than before to resolve it on Beijing's terms. Thus such an agreement would serve the KMT's interests more than those of the CCP. For this reason, such an agreement cannot be accounted a strong likelihood.

In any case, an agreement of this sort could only be effective if it won the support of the Taiwan electorate. Under the present disposition of public opinion in Taiwan,

such support is certainly not guaranteed, but it is possible. Although a major motivation for the two political parties to reach such an agreement would be to block the Taiwan independence option, the residents of Taiwan would not necessarily see the agreement as working against their interests. It would remove the threat of Beijing's military action against Taiwan and would increase the ease with which Taiwan residents could conduct their international political and economic activities. In these ways it would increase the ability of Taiwan to survive and prosper. In the long run it would make it even more difficult for the mainland authorities to impose their control on Taiwan against the will of its residents.

The third scenario is for the maintenance of the current situation--one of de facto independence which is growing increasingly viable economically and diplomatically, despite continuing political tensions over it, but which remains unofficial. This scenario has to be counted most likely, since at the time of this research the CCP authorities continue to argue adamantly against Taiwan's flexible diplomacy and against the idea of dual recognition, refuse to abandon the threat of the use of military force, and continue to work energetically against Taiwan's attempts to re-enter international society under any rubric but that of a local level of Chinese government.

According to the analysis presented in this study, this last scenario offers no realistic chance of achieving reunification, unless there are momentous changes in the international environment or the situation within Taiwan. Yet so far the mainland Chinese leaders prefer it. This policy at least keeps the Taiwan problem open, and with it the possibility that the strategy may somehow still encounter the improbable historical circumstances that will allow it to succeed. Moreover, keeping the Taiwan strategy of the 1980s in place postpones the domestic political costs of acknowledging its failure. Perhaps not until Teng Hsiao-p'ing's passing can the mainland Chinese leadership afford to come to terms with the fact that winning back Taiwan, if it can be done at all, may turn out to be a time-consuming process.

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Guoji Maoyi (Intertrade), Department of the  
International Trade Research Institute of the  
Ministry of Foreign Economic Relations and Trade.

Guoji Maoyi Wenti (International Trade Journal)

C. JAPANESE

Asahi Shinbun

Yomiuri Shinbun