DEMOCRACY IN CHINA
PART 2
TAIPEI STYLE

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This is the second in a two-part series of discussions on the prospects of democracy in China.* Last week, we considered political reform on the mainland, focusing on the recent student demonstrations, the orthodox Marxist backlash, the resignation of Hu Yaobang, and the probable impact these events will have on Deng Xiaoping's economic reform program.

The consensus of the panel last week was that the reforms had suffered a significant setback and that democracy as we know it, which includes a recognition of the right of the individual to challenge the direction of government policy, would remain an elusive goal so long as PRC leaders insist that everyone accept the so-called Four Cardinal Principles. These principles are adherence to the leadership of the Chinese Communist Party, to Marxism-Leninism and Mao Zedong thought, to the People's Democratic Dictatorship, and to the socialist road. In effect, the PRC leadership has decided that economic progress is less important than the absolute political control of the Communist Party. Nonetheless, there is evidence that Premier Zhao Ziyang is attempting to move the economic reforms forward.

Today we are going to examine the status of democracy in the other China, the Republic of China on Taiwan. Political events there have been moving at least as fast as those on the mainland. The most visible of these events occurred last year with the lifting of martial law by President Chiang Ching-kuo and the decision to allow the creation of new political parties to challenge the ruling Kuomintang.

It is important to keep in mind that political developments on Taiwan have ramifications far beyond the island. For example, there are many within the PRC who believe that the process of political evolution on Taiwan is one that the mainland should follow to a certain extent. If political liberalization on Taiwan can be carried out while social stability and economic prosperity are maintained, Taiwan's success with democracy may pressure Beijing into instituting another round of political reform.

Another example is the improved image Taiwan has gained in the U.S. Congress. This may have an important impact on current trade disputes and on implementation of the 1979 Taiwan Relations Act. A democratic Taiwan is far less likely to be abandoned by the United States in time of crisis than a Taiwan dominated by a single party or individual.

A final example of the far-reaching consequences of political reform on Taiwan is the impact on China's reunification. Despite the rhetoric, there is little doubt that the term "self-determination" used by the Democratic Progressive Party means a political existence

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*The first was "Democracy in China, Part 1: Beijing Style," Heritage Lecture No. 98, February 4, 1987.

for Taiwan separate from the mainland. This is a development PRC officials have told me explicitly they will preempt.

To help us understand the significance of political developments on Taiwan and their potentially profound implications for Sino-American relations, we have invited a panel of experts to share their views. The first panelist is Dr. Ma Ying-jeou, Deputy Secretary General of the Central Committee of the Kuomintang in Taiwan. Dr. Ma has law degrees from both New York University and Harvard. He has worked very closely with President Chiang Ching-kuo in orchestrating political liberalization in the ROC. Dr. Ma will explain why the political reforms have taken place, and their likely pace and direction in the future.

Dr. Ma Ying-jeou

On October 7, 1986, President Chiang Ching-kuo told Mrs. Katharine Graham, Chairman of The Washington Post and Newsweek, that his government would soon lift the emergency decree that had activated martial law on Taiwan for 37 years and that the government would legalize the formation of new political organizations, including political parties, after relevant laws were made or revised. He also said this would be done as soon as possible.

A week later, on October 15, the Kuomintang (KMT) Central Standing Committee adopted two resolutions along these lines, calling for the enactment of a National Security Law to fill security vacuums created by the lifting of martial law and the revision of the Civic Associations Law and Election and Recall Law to accommodate the formation of new political parties and their participation in elections.

These dramatic developments were the fruits of a twelve-man task force within the Central Standing Committee, which had been studying six political reform issues since April 9, 1986, shortly after the conclusion of the Third Plenum of the 12th Central Committee at the end of March. The six issues were:

1) lifting the emergency decree that activated martial law;

2) legalizing the formation of new political organizations;

3) strengthening the system of local self-government;

4) reinvigorating the National Parliament;

5) internal reform of the KMT; and

6) the rising crime rate and declining social morals.

Conclusions on two of the six issues have been made public so far; the task force is still working on the other four.

Meanwhile, the task of drafting the new National Security Law and revising the existing Civic Associations Law and the Election and Recall Law has been entrusted with the Executive Yuan (Cabinet). This branch of government has already submitted a ten-article draft National Security Law to the Legislative Yuan (National Parliament) for approval. The draft of the revised Civic Associations Law and the Election and Recall Law will soon

follow. The National Security Law and, hopefully, the revised Civic Associations Law are expected to pass the Legislative Yuan before the end of its current (79th) session, by mid-July 1987. Then the emergency decree will be lifted shortly and new political parties will be allowed to form according to these new laws. However, since the newly formed opposition Democratic Progressive Party (DPP) has vowed to boycott these new laws, their passage, and hence, the lifting of the martial law could be delayed as a result.

A related reform, believed by some to be even more significant than lifting martial law and legalizing new political parties, concerns the removal of certain restrictions on the publication of newspapers and on the number of pages in the existing 31 newspapers. On February 5, 1987, Premier Yu Kuo-hua instructed the Government Information Office (GIO) to submit plans to implement this reform, paying due regard to the needs of a free press and its social responsibility. This move will bring dynamism and pluralism to the emerging free and open political system in the ROC.

The KMT has three objectives in making these far-reaching changes toward political democratization in Taiwan. First, to further implement Dr. Sun Yat-sen's Principle of Democracy. In view of Taiwan's booming economy, universal education, growing middle class, and increasingly pluralistic society, the economic and social conditions for a more advanced stage of political democracy and individual freedom have clearly emerged. Second, to enhance the political stability and social harmony, which have been the keys to Taiwan's miraculous economic achievements in the past decades. Third, to polish the Republic of China's international image. It takes foreign critics only two words--martial law--to smear the ROC's image. It takes Taiwan two thousand words to explain the so-called martial law, which is entirely different from the martial law in Poland, for instance. Moreover, the impact of martial law on the people's daily life in Taiwan and their basic rights is limited. Thus, the need for continuing limited martial law is diminishing, despite the fact that in past decades it has contributed greatly to the maintenance of national security and political stability in the Taiwan area.

President Chiang's decision to lift the emergency decree and allow the formation of new political organizations was well received by the press and intellectuals at home and abroad. But an island-wide poll conducted two weeks after the announcement showed that 68 percent of the people surveyed did not understand why the government wanted to lift martial law and legalize new political parties. This tends to confirm that the majority of people in Taiwan either do not know the existence of martial law or do not feel its impact.

Taiwan's political opposition movement during the post-1949 period has gone through several stages. The most recent began in 1969 with parliamentary and provincial elections. Yet the individual opposition politicians who normally ran as independents did not team up to form a coalition until the 1977 provincial elections. Since then, they have started to identify themselves as "Tangwai," literally meaning "outside the Kuomintang." In the following four elections in 1980, 1981, 1983, and 1985, the Tangwai set up a centralized organization to coordinate campaign operations, put forward a common platform, and recommend their own candidates.

It is fair to say that the opposition acted as a de facto political party, albeit in a loosely organized way, for nine years before they decided to formalize their organization on September 28, 1986, and call it the Democratic Progressive Party (DPP). That occasion was not intended for this purpose originally, but only to decide upon the list of

recommended candidates for the December 6 parliamentary elections. The lack of a party charter and political platform at the time showed how hastily the decision was made. The two documents were not ready until November 10, when they held their first party congress. Although technically the new party was still not recognized legally, it was allowed to participate fully in the December 6 elections, including the campaign period beginning November 21, without any interference from the government.

The DPP has a very centralized organizational structure and strict party discipline. On paper, the DPP parallels the KMT. According to the party charter, a National Congress elects members of the Central Executive Committee and the Central Advisory Committee. The Central Executive Committee members elect, among themselves, eleven standing members, who elect among themselves a chairman. All local party organizations follow directions from the Central Executive Committee, which also has the authority to disapprove local activities or publications that cross regional boundaries. The DPP adopted a party flag with a white cross on green background and the picture of Taiwan in the middle of the cross.

With less than 2,000 members, the DPP remained largely an elitist party, despite its electorate performance. It has been recruiting new members since January 15, 1987, and claims that its number will increase by 100,000 each month. Whether this ambitious target can be attained remains to be seen. In the city of Taipei, for instance, less than 10 percent of the 1,000 people who requested application forms from local DPP offices returned completed applications as of mid-February.

The DPP has both a basic platform and an action platform. The former deals with political ideology while the latter consists of concrete policies. The following are some policy highlights:

◆◆ Allow all residents of Taiwan to determine Taiwan's future. Oppose any talks between the Chinese Nationalists and Communists on this issue as a violation of the principle of self-determination by the Taiwan people.

◆◆ Cease confrontation between the two sides of the Taiwan Strait. They should compete with each other on an equal footing to preserve peace in the region.

◆◆ Adopt more flexible and active measures to rejoin the United Nations.

◆◆ Support the destruction of all nuclear and chemical weapons on earth.

◆◆ Cut the size of the nation's armed forces and shorten the length of compulsory military service.

◆◆ Close down all existing nuclear power plants within ten years and develop alternative sources of energy.

◆◆ Adopt a national health insurance program and an unemployment insurance program covering all citizens.

The most controversial item in the DPP platform is the idea of "self-determination," which, according to international practice to date, applies only to colonies or

nonself-governing territories. Taiwan is neither. If self-determination means the permanent separation of Taiwan from China, this is considered unconstitutional by legal scholars since the Constitution permits no division of either the ROC's sovereignty or its territory, which the separatist Taiwan Independence Movement would effect. Thus, the DPP clearly owes the general public an explanation on just what "self-determination" means in the Taiwan context and whether they intend to stay clear of separatism.

The results of the December 6 parliamentary elections for members of the National Assembly and the Legislative Yuan representing the voters in the Taiwan area were such that both the KMT and the newly formed DPP claimed victory. KMT candidates received 69 percent of the votes and over 80 percent of the seats in both parliamentary chambers. The figures showed a 3 percent decline compared to the results of the 1983 elections, but were well within the range of percentages that KMT candidates had received in other elections over the last decade.

DPP candidates received 21 percent of the votes and 15 percent of the seats in both parliamentary chambers. These figures showed a 5 percent gain in votes compared to the DPP performance in the 1983 elections, which had been its worst showing in many years. The DPP thus was able to double its seats from six to twelve in the Legislative Yuan. The DPP is expected to make some impact on that lawmaking body over the next three years.

The rest of the votes (10 percent) and seats (5 percent) went to the other two existing political parties, the Young China Party and the China Democratic Social Party, as well as to independents. The latter took 9.7 percent of the votes and 4 percent of the seats.

The Control Yuan election on January 10 was conducted under the indirect, multiple-vote system where 22 members were elected, according to the Constitution, by members of the Taiwan Provincial Assembly. The results showed that the KMT candidates won 18 seats (82 percent), while DPP candidates won one seat. Young China Party candidates got one seat, and the remaining two seats went to the independents.

A few observations about the December 6 elections are in order.

◆◆ The elections were conducted in such a fair and open way that ROC credibility was greatly enhanced at home and abroad. There were a few violent disturbances during the campaign period, but they had limited impact on the elections, and election day saw only peace and order. Most results, which were computerized and televised live by all networks, came out before midnight on the same day.

◆◆ The fact that the KMT received nearly 70 percent of the votes indicates the voters' strong endorsement of its policies and performance in general. But the KMT must accelerate its political and administrative reforms to continue enjoying such popular support and to keep the current percentage from sliding down. The KMT now has organized competition from the DPP and, in the future, can expect more from other new political parties.

◆◆ As far as the December 6 elections are concerned, the campaign and the results demonstrated effective two-party competition. The degree of polarization between the

two parties greatly reduced the room for other parties and independents to maneuver. This could have both positive and negative effects on the ROC's political stability. This will not, however, necessarily lead to a two-party system. A number of new parties are expected to emerge after the Civic Associations Law comes into effect later this year.

◆◆ The DPP's gains are largely attributable to the integrating effect of forming a new party based on the warring factions of the Tangwai and its followers. Party identification did play a significant role in the DPP's gaining the support of independent voters. Independents constitute 41 percent of the voting public, according to a China Times poll in October 1986. Most observers agree, however, that many of these votes were cast to register protest against some of the government policies and to maintain the checks and balances necessary in a functioning democracy. The votes did not necessarily endorse DPP's policies such as "self-determination." Self-determination, in fact, did not emerge as a campaign issue.

◆◆ Not unlike past elections, the voting behavior was still very much candidate-oriented. Not much policy debate took place between opposing candidates. This seemed inevitable, given the general failure of the opposition to offer attractive policy alternatives to those of the KMT. In many political rallies, traditionally the major forum for candidates during elections, the opposition candidates simply attacked government policies without offering alternatives.

Encouraged by the positive reaction to the elections at home and abroad, the KMT is determined to continue implementing its political reform programs as scheduled, taking advantage of the next three "election free" years. In addition, having received the message from the election results, the KMT will accelerate administrative reforms to strengthen its grass-roots constituency and increase support from independent voters.

Specifically, on December 24, 1986, Chairman Chiang Ching-kuo proposed, and the Central Standing Committee approved, the establishment of a new Labor Bureau to take better care of the more than four milllion workers in Taiwan. Immediate reforms were to be undertaken on seven types of government services including company registration, tax collection, land administration, and environmental protection. The Executive Yuan (Cabinet) followed suit by including these reforms as its priority work to be implemented by all levels of government. Meanwhile, the KMT itself is undergoing a thorough internal examination in preparation for challenges in the new parliament as well as in the next elections in 1989.

It was predicted by some commentators even before the December 6 elections that, ironically, the DPP's gains could accelerate its division along the lines of the old Tangwai rivalries betwen the ideologues (young intellectuals) and realists (politicians) and between national and local politicians. Events in the past three months since the December 6 elections seem to have borne this out.

The decision of DPP's Central Executive Committe to boycott the Control Yuan election by requiring its members not to vote, in protest of the allegedly unfair multiple-vote election system, met with stiff resistance from local politicians. Seeing chances of being elected, the politicians argued the lack of a moral and legal rationale for a boycott. Having failed to prevent these rebellious provincial assemblymen and Taipei and Kaohsiung city councilmen from voting by physical means and violent picketing, the DPP's

Central Executive Committee decided on January 24, 1987, to mete out penalties for them, ranging from public censuring to suspension of party membership rights. One provincial assemblywoman, Ms. Huang Yu-chiao, has announced her decision to quit the DPP and organize another party.

On the other hand, the KMT's reforms have to some extent muted the DPP's criticism. The DPP can no longer base its survival on criticizing the KMT; it must offer the public viable policy alternatives. Ideologically, this will compel the DPP to move to the center to attract mainstream voters. But such a move will alienate the radical faction within the DPP and lead to its further divisiveness.

A related issue that threatens to widen the DPP's existing schism is whether the party should have its own overseas branches or recognize a self-proclaimed overseas organization which came into being, without the DPP's blessings, as early as October 4, 1986. Fearing that overseas groups might, with better financing and broader international connections, have undue influence in the party's power structure, the DPP leadership has been divided in handling the issue. Even if overseas branches of the DPP eventually were established, their role would certainly be a constant irritant to the DPP leadership.

Another troublesome issue is the DPP's separatist tendency as shown by its advocacy of "self-determination" in its platform. The notion of self-determination, a code word in overseas Chinese communities for Taiwan's independence, would be extremely divisive on the island and provocative to the Chinese Communists. Beijing already has made two public statements since November 1986 condemning separatist elements in Taiwan. Beijing has indicated in the past that it would use force against Taiwan under two circumstances; that is, if Taiwan moved toward independence and if there were internal chaos on the island. Meanwhile, U.S. officials and China experts have privately expressed concern about this separatist tendency. While they generally welcome democratization in Taiwan, they do not want to see their commitment to a "one-China" policy being disrupted in the process. Such a development would have serious implications for peace and stability in East Asia, as well as the superpowers' triangular relationship.

It remains to be seen how the DPP will integrate its warring factions and what it will do about its separatist image. It is generally agreed that, unless and until the DPP drops separatism and plays a role of loyal opposition within the system, its political prospects will be somewhat uncertain in the foreseeable future.

The appearance of two-party competition in the December 6 elections prompted many Western observers to speculate that a two-party system would emerge in Taiwan. But most political analysts on the island agree that, by the time martial law is formally lifted and new political parties are legally allowed to form, a multiparty system is the more likely future for Taiwan--for the following reasons:

First, the election system. The elections for city mayors and county magistrates, which are held under the "single-member district" system as in U.S. congressional elections where only one candidate is elected, tend to favor two rival parties. But most elections in the ROC adopt the "multiple-member district" system, as in Japanese and South Korean elections where more than one candidate is elected. This system tends to favor multiple parties.

Second, the voting behavior. In past decades, the voting behavior has always been candidate-oriented rather than party or issue-oriented. This is not likely to change dramatically in the foreseeable future. Thus, anyone can organize a party and win an election as long as he or she is popular.

Third, the Chinese mentality. A deep-rooted notion in the minds of the Chinese is that one would rather be the head of a rooster than the tail of an ox. The fact that 98 percent of the business enterprises in Taiwan remain small or medium-sized with few mergers is a clear indication of the "be-the-boss" mentality.

At least six parties in addition to the DPP are likely to emerge on the political horizon to compete with the KMT, the Young China Party, the China Democratic Social Party, and the DPP:

1) Taiwan Democratic Party led by Mr. Su Chiu-chen;

2) Democratic Unification Party (Mr. Lei Yu-chi);

3) China Patriotic Party or All Citizens' Patriotic Society (Mr. Chung Shu-nan);

4) Green Party (Ms. Ma Yi-kung);

5) Labor Party (Ms. Huang Yu-chiao);

6) Solidarity Labor Alliance (Mr. Wang Chao-chuan).

Political observers generally agree that the Japanese model of party politics is a likely pattern for Taiwan's political development, namely, one large party with a few small parties. This is probably preferable for Taiwan's growing middle class, which constitutes 55 percent of the adult population, since it tends to maintain political stability without stifling political dynamism.

When DPP seats in the Legislative Yuan (Parliament) doubled from six to twelve after the December 6 elections, stormy sessions were anticipated. But it was beyond everyone's expectations that scuffles would be provoked by DPP legislators during the oath-taking and the opening ceremonies on February 23 and 24. The two events were followed by large right-wing demonstrations three days later in front of the Legislative Yuan building. Shouting slogans, the demonstrators tried to block the DPP legislators who had not yet taken the oath from entering the building. They turned violent for a short while but were quickly quelled by the police. The elections for the Yuan's president and vice president proceeded peacefully, however, thanks to successful prior consultations between the KMT and DPP on the format and procedure of these elections. The two KMT incumbents won without incident.

The fact that the DPP party caucus in the Legislative Yuan was willing to accept its KMT counterpart's initiatives to establish a dialogue to avoid unnecessary clashes was praised by commentators as a preliminary sign that the period of "predelivery contractions" may be ending soon. They also hope a modus vivendi will soon emerge to deal with more important issues in the months to come.

As long as the KMT stays in power, as will likely be the case, it will adhere to Dr. Sun Yat-sen's Three Principles of the People and continue to oppose communism on the one hand and separatism on the other. Meanwhile, the further the democratization process goes in Taiwan, the more pressure it will exert on the Chinese Communists to institute political reform on the mainland. This is precisely what has occurred as Taiwan's economic development has influenced the mainland's economic reforms. In fact, this is what President Chiang Ching-kuo told Mrs. Katharine Graham on October 7, 1986, when he said he wanted the mainland to emulate not only Taiwan's economic system but also its political system. This is, after all, one of the raisons d'etre of the Republic of China on Taiwan for the last 38 years.

Mr. Lasater: Thank you, Dr. Ma. We will now hear from Dr. King C. Chen, Professor of Political Science at Rutgers University. Dr. Chen is a well-known scholar of East Asian politics. He will discuss the formation of the new Democratic Progressive Party (DPP) on September 28 last year and analyze the results of the December 6 election.

Dr. King C. Chen

The political reform of Taiwan in 1986-1987 is at once a most peaceful and a drastic political change in East and Southeast Asia. It is peaceful because the reform has cost no lives as in the Philippines and South Korea. It is drastic because the change has permitted the previously impermissible organization of new political parties and has ended 38 years of martial law. Political reform on Taiwan has scored an impressive gain.

The development of political liberalization on Taiwan is a complicated process. As of early February 1987, the government has allowed the organization of a new political party (the Democratic Progressive Party, DPP), held an election of parliamentary members, drafted a new national security law to replace martial law, and begun to revise the newspaper publication rule. Of all these developments, the lifting of martial law is the crucial decision that led to changes in almost every other field. The initiative came from President Chiang Ching-kuo himself.

The recent political reform can be traced back to a vital statement by Mr. Chiang on December 25, 1985. At that time he unexpectedly announced that members of his family would not run for the next presidency and that there would be no military government to rule Taiwan. Surprised but pleased, the people of Taiwan welcomed the statement.

Following the Third Plenum of the 12th Central Committee of the Kuomintang (KMT) in March 1986, Chiang, as chairman of the Party, appointed a committee of twelve members to study the reform of the parliamentary system, the status of the martial law, the possibility of permitting the organization of opposition political forces, the improvement of self-government at the local level, and other reforms. In April the President urged the committee to act vigorously and speedily for the implementation of these urgent tasks. Meanwhile, some Tangwai (opposition) leaders established a research association for public policy and were prepared to form branches throughout the island. The government threatened to dissolve their organizations if they were established.

The revolutionary political change in the Philippines and the violent opposition movement in South Korea in early 1986 stimulated restless attitudes toward the government among some opposition leaders. For a short while, several opposition activists

in the United States, boosted by biased reports and misjudgments of Chinese newspapers in this country, misinterpreted the Philippine and Korean events as the prelude to Taiwan's political change. They erroneously called for revolutionary action on the island. Their actions, however, stirred up no support on the island.

Communication between the KMT and the Tangwai was the top KMT priority after its meeting in March 1986. On May 10, the KMT and the Tangwai reached an agreement on the forming of branches of the Association for Public Policy. They met again on May 24 and June 7. Another meeting, originally scheduled for August 5, never was held because of repeated postponements. But pressure from the opposition was growing. Its leaders were prepared to organize a new party and requested the lifting of martial law.

Annoyed by the ever increasing demands of the opposition leaders, some KMT members expressed their disagreement about making concessions to the Tangwai. Nevertheless, they took no action against the opposition. From July to September, communication between the KMT and Tangwai made no progress mainly because of Tangwai leaders' requests for postponements and their summer travels abroad. But the opposition movement in the form of massive street gatherings and marching took place again and again. On September 28, the opposition announced the establishment of a new party, the Democratic Progressive Party (DPP), timed for the purpose of participating in the scheduled election in early December. The government denounced the forming of the new party as illegal but took no action against it. The tension of confrontation ran high.

Pondering the situation, President Chiang came to an important decision to break the deadlock. He stated in his interview on October 7, 1986 with Mrs. Katharine Graham, Chairman of the Board of The Washington Post, that martial law would soon be lifted and that new political parties would be established. The new parties, he added, should observe three conditions: upholding the 1947 Constitution, opposing communism, and opposing the Taiwan independence movement. Chiang's announcement was enthusiastically welcomed by the Chinese people at home and abroad, including all KMT leaders.

Soon after, a series of events unfolded. The DPP announced its party charter and an action program, which did not clearly state its upholding of all the three conditions as requested by Mr. Chiang. Rather, it skillfully expressed the concept of "self-determination by the residents on Taiwan." This formulation met with various criticisms. The DPP also held its first party congress on November 10, electing Chiang P'eng-chien as chairman. Chiang is 46, a member of the Legislative Yuan and has no connection with President Chiang's family. The government disliked the DPP's unlawful moves, but still took no action against it. Shortly afterward, both parties became active in preparing for the December 6 election. The KMT also began to draft a new national security law, to study fundamental changes in the parliamentary system, and to consider improvement of self-government at the local level.

Prior to the December 6 election, some opposition members tried to provoke violent confrontation with the government. The turmoil at the Taoyuan International Airport over Hsu Hsin-liang's attempted entry into Taiwan in late November without required entry documents gave rise to such an incident. Hsu, a former magistrate of Taoyuan county, was wanted by the government on charges of sedition. The confrontation near the airport between several thousand people and police resulted in a number of injuries and damage to more than 30 police cars. Fortunately, no lives were lost.

The December election was the climax of the political competition since the reform. The election campaign reached near violent levels. Opposition slander against the KMT was often vitriolic. Vote-buying activities were flagrant. Emotion ran high. The DPP hoped to gain more than 30 percent of the vote but was somewhat damaged by the Taoyuan Airport incident. The results were as follows:

The Legislative Yuan

KMT	59 seats
DPP	12 seats (double the previous number)
Others	2 seats

73 (up for election)

The National Assembly

KMT	68 seats
DPP	11 seats (from previous 4)
Others	5 seats

84 (up for election)

The KMT gained approximately 70 percent of the popular vote (a decrease of about 10 percent) while the DPP gained 23 percent (an increase of 10 percent). Both sides considered themselves winners. The KMT still maintained the dominant majority in both houses, while the DPP made strong gains after only three months of existence.

Since the December election, the government has completed the draft of the national security law, which has been sent to the Legislative Yuan for deliberation. The study of ways to improve local self-government is under way, and the revision of the newspaper publication rules is also in progress. The DPP lost no time in starting to publish its own news organ while registering it with the government.

The foregoing discussion briefly outlines what political reform has occurred in the ROC. As a political scientist, I would like to characterize the changes to help analyze the past processes and predict future developments.

First, the resourceful leadership of President Chiang Ching-kuo. It appears indisputable that President Chiang initiated the reform, pushed aside obstacles within the KMT, and compromised major differences with his opponents. His vigorous leadership is indispensable to the political democratization on Taiwan.

Second, the rise of the new middle class. In the past forty years, political stability, economic prosperity, and educational advancement have brought about the rise of a middle class. Most of these people grew up and prospered under the KMT's rule, and they endorse the government's achievements. However, they are young, energetic, and well-educated, and they entertain a strong desire for political participation. Influenced by international democratic trends and by the mass media, they are determined to participate actively in Taiwan's politics.

Third, the significance of the DPP. A political party is an instrument of political modernization. The establishment of the DPP created pressure on the government to lift martial law. It is an organized force able to win several parliamentary seats from both the KMT and the independents. Since the purpose of party politics is to have peaceful political competition, the DPP's role in the future may contribute significantly to the end of political violence in Taiwan.

Fourth, people's support for reformers and moderate opponents. The elections of the popular KMT member Chao Shao-k'ang and the popular DPP member K'ang Ning-hsiang to the Legislative Yuan underlined people's support for the reformers and moderate opponents. It proved that the KMT's candidates need not have strong political backing from prominent leaders and that the DPP candidates need not have experienced imprisonment in order to get elected. It also signaled that political competition on Taiwan is moving toward a political image contest.

Fifth, policy-oriented reform and issue-oriented elections. The current reforms require policy changes in six major areas. They include: the parliamentary system, the status of martial law, the organization of new political parties, local self-government, social order and security, and reform of the KMT. As discussed earlier, several reform programs are well underway. The December election proved to be an issue-oriented political competition, especially in larger cities like Taipei, Kaohsiung, and Taichung. The major issues included law and social order, environmental protection, unemployment, human rights, protection of laborers' interests, traffic problems, and health care. Many voters cast their votes on the basis of the candidates' political opinions on issues. This represented more sophisticated voting behavior than is customary.

Sixth, the concepts of "separatism" and "self-determination" by the people of Taiwan, which reappeared during the year of reform. Separatism here means an attempt to separate Taiwan from both the People's Republic of China (PRC) and the Republic of China (ROC). Self-determination means advocating the right of Taiwan's residents to determine their own political future. These opinions were expressed in the DPP charter and by its candidates during the election campaign. This sentiment among some of Taiwan's people should be reckoned with but not overplayed.

Seventh, political emotion. Partly because of Chinese tradition and partly because of the influence of the Japanese occupation, the people on Taiwan have developed a very emotional political psychology. Such a factor explains why a few DPP members won election by unusually large margins after they subtly but successfully appealed to the public on emotional and sympathy issues. This is one aspect of Taiwan's political culture that has to be reckoned with until it is replaced by cooler judgment and reasoning.

It is clear that Taiwan's political reform has moved into the path of party politics and democracy. To promote this development, the KMT must endeavor to carry out reforms while tolerating the DPP's growth within a legal framework. Meanwhile, the DPP needs to recruit more talented people, to broaden its political perceptions, to chart a definite and clear-cut course of action, and to build up a strong leadership. The people on Taiwan realize that democracy represents the only political future for the island. Democracy's prospect, therefore, is bright.

However, the ROC on Taiwan, as the United States or any other country, has problems to be solved. Public opinion polls conducted in June and November 1986 by two privately

owned newspapers, China Times and United Daily News, showed the people's deep concern over such issues as social order and security, environmental protection, unemployment, and the future of Taiwan. There have been some complaints from the general public against the government for slow action. As of early February 1987, however, Taiwan's economy continued to increase in strength; President Chiang's popularity continued to run high, enjoying 78 percent support of the people; and the KMT was slated to maintain a dominant majority in the parliament until at least 1989. Therefore, the coming three years afford the government a golden opportunity to implement overall reform.

In the past few decades, Western perceptions of Taiwan's political development have been negative, despite the miraculous success of its economic growth. However, the current political reform has made a breakthrough. The significance of the change lies in the fact that it has promoted conciliation instead of confrontation and has vitalized political participation instead of leading to political deviation.

Simultaneous political liberalization and economic growth have never been easy, especially in Asia where the practice of the rule of man still dominates over the rule of law. Today, as Taiwan progresses peacefully and vigorously in both the economic and political fields, Korea's political confrontations continue to cost many lives and the Philippines's democratization provokes continuing bloodshed. In view of these comparisons, the United States and other democratic countries should try their utmost to encourage and support the young and peacefully growing liberalization movement on Taiwan.

Mr. Lasater : Thank you very much, Dr. Chen. Our next panelist, Dr. Robert Sutter, is a specialist in Asian affairs at the Congressional Research Service of the Library of Congress. He will discuss Taiwan's political developments in the context of overall U.S. policy toward Taiwan with emphasis on the congressional perspective.

Dr. Robert Sutter

My purpose today is to give a perspective of Taiwan's reforms from the point of view of the U.S. Congress. These are personal views; they are not the views of the Congressional Research Service.

From the congressional point of view, what we face with Taiwan is a multifaceted agenda. The political element and political reform are part of that, but I think we have to see this in the overall context of what is happening vis-a-vis U.S. interaction with Taiwan.

There are economic issues and political issues, and a number of other questions that I will enumerate shortly, and they all interrelate. It makes the trade-offs between them difficult for U.S. policy makers, because there are competing perspectives as to how to deal with these issues.

Why do we care about what is happening in Taiwan? Congress cares because, despite the break in official relations with Taipei, U.S. interests in Taiwan's continued political stability, economic prosperity, and peace in the Taiwan area remain very strong. I do not need to remind this audience of the importance of our trade relationship with Taiwan, of

the $700 million of arms that we transfer to Taiwan each year, and of our longstanding interest in political liberalization and political stability in Taiwan. All this is backed by the 1979 Taiwan Relations Act. One of my jobs is to measure congressional opinion regarding Taiwan and China. And I see very strong support for the Taiwan Relations Act in the U.S. Congress today, a long time after the Act was passed.

Look at the issues. They can be clustered in various ways, but one issue is continued economic prosperity, another is Taiwan's international identity and security, and a third area is internal politics on Taiwan. In each of these areas are competing trends.

For example, consider the economic issues. On the one hand, Taiwan is prospering quite well. Growth last year was almost 11 percent; per capita income is well over $3,000 a year. This is quite an accomplishment. But Taiwan exports about half of its gross national product, and half of that goes to the United States. Many members of Congress are very concerned about the large trade deficit that the U.S. runs with Taiwan, currently over $15 billion a year. If protectionist barriers were raised toward Taiwan exports to the United States, it would have a very serious impact, not only on the economy of Taiwan, but on the related issues of security and political stability of the island.

Then there is the issue of the international identity of Taiwan. As we know, Taiwan's formal diplomatic relations are quite restricted. They have formal diplomatic relations with a few more than 20 countries, and they do not have formal relations with most multilateral international organizations. On the other hand, they have been quite successful in expanding unofficial offices internationally. Even so, people in Taiwan are concerned about this. One reason they are concerned is because the one country/two systems formula that was used successfully by the PRC in negotiating the Hong Kong settlement a few years ago is something Beijing is holding up to the world and to the United States as a model for settling the Taiwan issue.

Again, this puts competing pressures on the United States. On the one hand, the PRC would like the U.S. to encourage Taiwan to have a closer interaction with the PRC, leading perhaps to negotiations. On the other hand, the people in Taiwan would prefer that the U.S. not get involved in this process.

And third, there is the internal political order in Taiwan and the rise of the opposition party. The political trends in Asia are important from a U.S. perspective. Developments in the Philippines and South Korea have an impact on congressional attitudes in dealing with the situation in Taiwan.

Some Americans are very concerned about developments in Taiwan and support a faster pace of political liberalization there. Certain members of Congress are very prominent in advocating that the United States be more assertive in encouraging greater political liberalization in Taiwan. Some are even supportive of the opposition politicians on the island.

But there is another element here, and that is the great role that President Chiang Ching-kuo has played in this process of political liberalization on Taiwan. The fact is, however, he is not a very well man, and he is elderly. How will the political succession, which likely will take place in the near future, influence the readjustments of the political

system so that the political opposition can play a greater role and there can be more political liberalization in the country? If Chiang Ching-kuo is not there, then who are the leaders capable of making such decisions? Is there a clear succession process and are the succeeding leaders strong enough to make these difficult decisions?

So there are several clusters of issues: economic, international "identity" issues, and political issues inside Taiwan that face the U.S. Congress. As a result, it is more complicated to deal with Taiwan today than in the past. In the 1950s and 1960s, the basic question was how much support to give Taiwan against the communist threat.

During the Nixon Administration, attempts were made to improve relations with the PRC. The PRC became less of an adversary and more of a strategic asset. And in this context, the basic issue became how to improve relations with the PRC while maintaining a close relationship with our old friends on Taiwan. That was the issue that was paramount in the 1979 Taiwan Relations Act debate.

Today that balancing problem remains. How to improve relations with the PRC while maintaining a relationship with Taiwan? But at the same time, new issues have been added to the agenda. Now that the Congress and the American people seem more concerned about the U.S. trade deficit with Taiwan, there is the problem of how to encourage economic development in Taiwan--which is more important for political stability--but at the same time do something about the very large trade deficit. These two issues conflict and cause difficult policy choices for American policymakers.

In terms of the international identity type of issue, there are proponents of Taiwan asking for more sophisticated arms than the U.S. is currently providing, asking for the United States to push for political recognition, in some way, of Taiwan. Having representatives of the American government use the term "Republic of China" is perhaps a small issue, but it is something that is advocated by some people.

On the other hand, the PRC is pushing the United States to take actions that would encourage Taiwan to begin an interchange with the mainland leading toward some sort of negotiated settlement. So these competing pressures are being brought to bear on members of Congress and their staffs.

Then finally there is the issue we are addressing today, the issue of internal politics in Taiwan. Some American citizens and members of Congress are very committed to pushing for more active political liberalization in Taiwan. They are generally supportive of the political opposition in Taiwan. Richard Holbrook has argued in Foreign Affairs that it is very important for American interests that countries that are dynamic in an economic and social sense, as Taiwan clearly is, keep pace with their political liberalization.

Other Americans, however, feel it is very important that the United States maintain political stability on Taiwan. This seems especially important at a time when a very important but elderly leader, who might pass from the scene soon, is facing a series of difficult internal political and economic decisions.

All this shows that political reform on Taiwan is but one issue facing Congress today. It is but one of a cluster of questions in what is increasingly a very complex U.S. relationship with Taiwan.

Mr. Lasater: Thank you. Our final speaker, Dr. David Aikman, was Time magazine's Bureau Chief in Beijing from 1983 through 1985. He will address the overriding question: what do these political developments on Taiwan mean for reunification?

Dr. David Aikman

I see that I have been assigned the task of prophesying and thus have been suitably left to be the last speaker. My job is to try to relate the political reform issue to the issue of reunification of Taiwan with the mainland.

It is important to see the emergence of this new political party, the DPP, as a watershed, not just in Taiwan's internal development, but as a watershed in the mainland's approach to coping with the reunification issue. Before 1986 and the emergence of the DPP, the People's Republic of China adopted a policy of what it calls "one country and two systems." Its approach to the leaders of the Republic of China, at least from the late 1970s, was a very conciliatory one. It offered all sorts of autonomous arrangements politically for Taiwan in return for recognition by the authorities in Taiwan that China was indeed one country, Taiwan was part of China, and the people in Taiwan should be reunited with the people of what the mainland likes to call "the Motherland."

There were two or three important reasons for this conciliatory approach. One was that the Communist Party of China has always thought it understood the Kuomintang. After all, it had had two periods of close cooperation with the Kuomintang in the 1920s and then later between 1937 and 1945. Many of China's Communist Party leaders were closely acquainted with many of the Kuomintang leaders.

Second, the Kuomintang was a revolutionary party organized in the 1920s on lines very similar to the Leninist lines of the Communist Party itself. The organizational system of the Kuomintang was rather close to the organization of the Communist Party.

There was a widely accepted sense in the People's Republic in the late 1970s and early 1980s that there really was no need to hurry over reunification with Taiwan. The Kuomintang would maintain solid political control, the old leaders would die off, and new leaders, who did not remember the acrimony of the civil wars, would finally understand that China had gone beyond its Maoist phase, that it was firmly embarked upon economic and political reform, and that the two political entities would somehow merge.

In addition, the Chinese on the mainland had external reasons for believing that this would be the scenario. Among those reasons was the relationship of the United States with the People's Republic of China that started in 1972 with President Richard Nixon's visit and culminated in the establishment of diplomatic relations in 1979.

In the process of normalization between the U.S. and the PRC, three important agreements were signed by both sides: the Shanghai Communique in 1972, the agreement on establishing diplomatic relations in 1978, and the August 7, 1982, communique on the cessation of U.S. arms sales to Taiwan. In my opinion, the third of these agreements is actually the one that the People's Republic regards as the most important in terms of the eventual establishment of political control over Taiwan.

But, in any event, the relationship of Beijing with Washington seemed to indicate to the People's Republic that Taiwan's political development would not evolve very dramatically and that Taiwan's unification with the mainland would be manageable. The island's political structure would still be an authoritarian structure that the Chinese Communist Party would be able to take over and adapt to Leninist practices without great difficulty.

This period of a rather benign approach to Taiwan was accompanied by well-publicized visits of Taiwanese to the mainland. They were referred to as "compatriots," welcomed and feted wherever they went, and regarded always as people coming from a place where the citizens yearned to be reunited with brothers and sisters on the mainland.

In the early 1980s, as more and more Taiwanese and overseas Chinese with pronounced pro-Taiwan and conservative sentiments went to the mainland, Chinese leaders began to get a different picture. They began to understand that a very significant part of the population of Taiwan, whether or not they supported the Kuomintang, did not want to be reunited with the mainland under conditions of Communist Party hegemony.

Thus at the 12th Congress of the Chinese Communist Party in September 1982, Deng Xiaoping declared that reunification of Taiwan with the mainland was one of the Party's leading tasks for the 1980s. To some, it appeared that this was little short of an ultimatum, that Beijing would, in fact, initiate moves to force the beginning of a reunification by the end of the current decade. In fact this has not happened, but the declaration indicated the urgency that was beginning to be felt by Chinese leaders in Beijing at the time.

By 1985, two things were happening. First, the Chinese negotiations with the British over the future of Hong Kong had opened the eyes of Chinese leaders to the complexity of attempting to absorb relatively open, nonsocialist, free enterprise societies into a state-controlled, centralist, Leninist system of government and economy. The discomfort of the Hong Kong negotiations coincided with visible political reform movements within Taiwan.

It was in 1985 that Hu Yaobang and other Chinese leaders warned that the mainland would not tolerate political reform in Taiwan if it developed to the point of outright secession or Taiwan independence. In an important interview with an overseas Chinese newspaper, Hu Yaobang said that China would use military force against Taiwan within a few years, when it was capable of doing so, if it seemed that circumstances on Taiwan were getting out of control politically or if there were clear moves toward separatism. Those warnings of military action have been repeated to a number of different people.

Now, with the emergence of the Democratic Progressive Party, there is an entirely new situation. The Kuomintang, I think very wisely, has not attempted to implement its law against the formation of new political parties and, in fact, has decided to enact new laws permitting the formation of a multiparty system. But there are three conditions for political parties in Taiwan: they must not promote communism; they must not promote secession; and they must abide by the 1947 Constitution of the Republic of China.

The problem with democratic reform is, once people have had a taste of candy, they do not like to go back to bitter herbs, and I see no possibility of a return in Taiwan to a system

of unitary party authoritarianism with the Kuomintang maintaining total control. I see no possibility, that is, unless there is something approaching a coup d'etat within Taiwan by extremely conservative elements within the KMT who are concerned that such political evolution will lead first to multiparty democracy, second, to the end of the Republic of China as it is currently constituted, and third, to the emergence of a de facto Taiwan state.

Frankly, I think those concerns are valid on the part of the Kuomintang. There is a greater chance of a peaceful, stable, multiparty democracy in Taiwan than in any other country in Asia, including South Korea. A delegation of Democratic Progressive Party leaders was in Washington recently, as part of a tour of the United States. I was very impressed with them. They had a good understanding of the relationship between social dynamics and political change, including such important factors as that the majority of Taiwanese people regard themselves as middle class.

Now, what is going to happen? As 1997 draws closer, the mainland will find it more and more difficult to integrate Hong Kong into its own system. The PRC cannot permit unfettered capitalism to continue in Hong Kong without such severe challenges to its own system as to prove incompatible. I have always been extremely skeptical about the capacity of Beijing to allow Hong Kong to function more or less as it has in the past.

What we are going to see, from 1988 onward, are severe arguments between the British authorities in Hong Kong and the PRC members of the Joint Commission on the transition up to 1997. These disagreements will reinforce the arguments of those in Taiwan who say that the formula of "one country, two systems" is simply unworkable. At least it is unworkable if one of those systems happens to be Communist Party of China.

If the Kuomintang shows the wisdom that it has shown thus far in coping with political change, uncomfortable as that is, I see no reason why Taiwan should not develop a healthy, pluralist democracy with virtually all political freedoms that exist in most other pluralist democracies. This will pose major dilemmas for the People's Republic of China. I will not make a prediction which way they will turn. The dilemmas are as follows:

China's modernization is clearly premised on an open-door economic policy. That means a policy of encouraging large-scale foreign capital importation, large-scale foreign trade, and essentially an integration of the Chinese economy with the world economy.

At the same time, one of the foremost political principles of Chinese communism is that the territorial sovereignty of the People's Republic of China preempts virtually all other national considerations. As far as the People's Republic of China is concerned, Taiwan constitutes part of China's historical territorial sovereignty, and I see no evidence whatever of any group of people (within the mainland) questioning that premise.

That being the case, China is going to have to decide whether to move against Taiwan militarily before the pluralism of Taiwan's emerging democracy becomes so strong that it has not only broad internal support but widespread international recognition as well. At some point, if Taiwan's democratic revolution continues, there will indeed be self-determination, and people will want to decide whether the place they are living is the Republic of China or the Republic of Taiwan, or something else called Taiwan that is

separate from the ideology and patrimony of the Nationalist Party. Now, that point will be reached, if there is no interruption, either by a coup d'etat on the part of the Kuomintang or by military interference by the Chinese Communists.

Now, let us suppose that a certain point of evolution is reached in Taiwan's internal democratic movement where either some form of statement of self-determination is imminent or it has already happened, and other countries, including, perhaps, the United States, have begun to recognize a new sovereign entity in Taiwan. At that point, Beijing is going to have to decide whether to throw its current relationship with the U.S. out of the window, which it would do by moving militarily on Taiwan, or risk losing Taiwan forever as a part of China.

There is one other element that, in the very long run, could affect this. And that is what I have long and perhaps rashly predicted, which is that the People's Republic of China eventually will abandon Marxism-Leninism as its official ideology--perhaps not in my lifetime, but sooner or later. I am quite convinced that the Marxist period will be simply one episode in China's long historical development.

In fact, I lived in China for two years, and I went everywhere trying to find people who still believed in Marxism-Leninism. I asked Party members, government officials, and so forth. I found three people in two years who still believed that Marxism-Leninism was the truth.

Now, if the majority of the intelligentsia does not believe the mythology of the ruling party, and a significant part of the Party itself only half-heartedly believes in communism, there are serious problems. This suggests to me that there is a race for time in the question of reunification, and that race is between the collapse of Marxism-Leninism on the mainland and the emergence of national sovereignty on Taiwan. That is the historical race we are now watching.

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Mr. Lasater : Thank you, David. Now, some audience questions.

Mr. Cohen : I am Mark Cohen from the Asia Resource Center. I have a question for Dr. Ma. In the draft of the new national security law, I understand that all legal assemblage and association must uphold the three principles of anticommunism, antiseparatism, and support for the Constitution. Don't these constitute rather vague categories that could be subject to some abuse in their implementation?

Dr. Ma : Let me just read you the draft, Article II, first paragraph. "No person may violate the Constitution or the anti-Communist national policy, or advocate separatism in exercise of the people's freedoms of assembly and association." Second paragraph, "The assembly and association, stated in the preceding paragraph, shall be governed by laws to be enacted separately."

In the ten articles of the national security law, there is no penalty for violating Article II. It is intended to be a declaratory provision, as we civil lawyers call it. It is just a statement of policies, of values to be conveyed to the people in general.

We are going to revise the current civic associations law and to enact a law on assembly. This is very common in democratic countries. For instance, in the city of New York, if you want to hold a public assemblage in the streets, you are supposed to get a permit. Also every demonstration or procession in the streets of New York must be led by a United States flag no smaller than three by four feet. In Germany, also, there are regulations saying that you're not supposed to wear a mask or wear a uniform in public demonstrations. In my country, we do not have such laws.

So we put a reference in the national security law, and later we will write specific laws along the lines of those found in the more advanced countries. The KMT in November of last year sent eight people to the United States, Japan, Great Britain, and West Germany to study laws regarding association and assembly in order to draft our own laws.

So I think that, as those laws are enacted, you will see the provisions more clearly, and whether they are subject to abuse. I think it is important to know that this is a declaratory provision.

Mr. Emerson : Terry Emerson, local attorney. I wanted to reinforce Dr. Sutter's statement that one important factor likely to be currently influencing congressional attitudes toward relations with the ROC is the trade situation. Just one week ago, an omnibus and quite tough piece of trade legislation sponsored by 57 Senators, was introduced in the Senate . And when you look at the names on that bill, the list includes 25 Republicans, many of whom are conservatives, who have given the strongest support to continued close and friendly ties to the ROC. I know the ROC has taken some steps to redress this problem. For example, they entered into bilateral agreements to control and restrict textile exports to the U.S. I wonder if any panelists are aware of other proposals under consideration by which the ROC might attempt to dampen pressures that could create a trade conflict?

Dr. Ma : One of the proposals the government is considering is to have a free trade agreement with the United States. The Heritage Foundation sponsored a symposium on that subject in Taiwan a couple of months ago. I personally believe this is a good idea, because the benefit of this arrangement will go only to the United States, whereas a general reduction of tariffs and the dismantling of nontariff barriers would benefit not the United States, but Japan.

It is clear that, as the government of the Republic of China has embarked on a comprehensive program to lower tariffs and dismantle nontariff barriers, the net effect is that Japan is getting all the benefits because the United States is still competing with Japan at quite a disadvantage.

What we have in mind is a free trade area agreement under Article XXIV of the General Agreement on Tariffs and Trade. The United States has such an agreement with Israel and is still negotiating one with Canada. We hope that we can have such an agreement with the United States, which can phase out all tariffs between us over a period of ten years. Of course, our customs will probably lose something like $370 million in terms of government revenues, but the general increase in exchange of goods and services between the United States and the ROC will make that up.

Dr. Chang : Joanne Chang, University of Maryland. What do you think about the link between domestic reform in Taiwan and domestic reform in mainland China? And what are the implications for China's reunification?

Dr. Aikman : I do not think there is any link between domestic reform on Taiwan and domestic reform on the mainland, although there are mild analogies. Very succinctly, the Communist Party's ideology is revolutionary, totalitarian, and utopian, whereas the Kuomintang ideology is revolutionary, but it is not utopian or totalitarian. That is why it has been possible for the Kuomintang to initiate reforms that theoretically could lead to its own political demise as a ruling party. The Chinese Communist Party has not done that.

In the short term a great deal depends on the leadership of the Democratic Progressive Party. It will be a challenge for the DPP to discipline its own members enough to prevent them from taking part in violent demonstrations. But it is important for them to do so to reassure the KMT that the DPP is not a communist wolf in democratic sheep's clothing. My intuition is that this is not the case, at least not right now, but I could foresee a split in the DPP between what you might call moderate social democrats and a leaning Marxist left.

If the DPP leadership in the center is willing to allow the Kuomintang to control subversives within the DPP left, polarization can be avoided. If polarization does occur, it could cause very severe political, social, and economic instability in Taiwan.

Mr. Reckford : Tom Reckford with the Center for Strategic and International Studies. One of the underlying issues in much of this is the growing role of the native Taiwanese in the political process. I wonder if the panelists might comment about the likelihood of native Taiwanese becoming more important to the Kuomintang in the government itself and, if not, are they likely to end up entirely on the side of the opposition?

Mr. Ma : It is now getting hard to define who is native Taiwanese, because 90 percent of the population was born on the island, and among 2.2 million members of the KMT, just the same percentage were born on Taiwan. Voting is not conducted along Taiwanese/non-Taiwanese lines. Actually the KMT has already become a very diverse political party.

Mr. Constantine : Gus Constantine of the Washington Times . Laudatory as the emergence of political parties may be, a problem still exists, in that the Taiwan's Legislative Yuan still represents not Taiwan but the whole mainland, in which people cannot compete for seats. How can this impediment be removed to lead to more democracy?

Dr. Aikman : I think one of the most vulnerable areas of the Kuomintang ideology is just the point you have mentioned, that the National Assembly in particular is structured in such a way that it is theoretically impossible for an opposition party to gain a majority of seats under the present arrangement. I do not know how the Nationalist Party is going to deal with increasing popular pressure for electoral reform, and for the emergence of some kind of legislature that does not claim to represent voting patterns on the mainland as a whole, which is really a fiction at this point in history.

Dr. Ma : Actually, as far as the National Parliament is concerned, the electoral reform is underway. There have been a number of proposals made in the past centering on three basic issues: first, the legal basis of those structural reforms, either through an amendment to the constitution or to the temporary provisions; second, dealing with the existing members who were elected from the mainland in 1947; third, and most difficult, having members in the Parliament who represent the mainland, and, if so, under what formula.

Some people suggest that in all three chambers of the National Parliament (National Assembly, Legislative Yuan, Control Yuan) there should be representatives from the mainland. Some suggest putting the mainland representatives in the National Assembly, which according to Sun Yat Sen's philosophy represents the people in general, whereas the other two chambers are primarily part of the government. And also, even if if is decided to have representation of the mainland, how is it to be done in terms of numbers, and how are they going to be elected?

Generally speaking, I think the party and the government will adopt a policy that will take into consideration both the needs of constitutional democracy and the fact that the Republic of China will continue to claim sovereignty over the whole of China.

Mr. Carpenter : I'm Bill Carpenter, a consultant at SRI International. I am interested in the panelists' comments on interactions between the ROC and the PRC.

Dr. Sutter : The Taiwan official position is the three nos: no contact, no negotiations, no compromise with the mainland. The PRC wants the U.S. to do something to change this policy to increase contacts. The fact of the matter is, of course, that contacts occur all the time. My personal view is that this is all to the good. Increased understanding is how the PRC has achieved a better knowledge of what is going on in Taiwan. It gives the PRC a more realistic assessment of what is happening.

A key concern here, at least on the part of some people in Taiwan, is that the old mainlanders, who are in the top positions in the KMT and the government, might somehow make a deal with the PRC to the disadvantage of the Taiwanese. I think this problem will be reduced over time, and the prospects of increased interaction and discussion between the two sides will be increased in the next five to ten years.

Dr. Ma : As Dr. Sutter pointed out, there is the three nos policy as regards mainland China: no contact, no negotiation, no compromise. This is, of course, no official contact, but actually in campuses in the United States and Western Europe and Japan, students from Taiwan and students from mainland China are mingling together. Also, as far as I know, residents of Fukien province across the Taiwan Strait regularly watch TV programs from Taiwan, particularly the soap operas. But the Chinese Communist regime tried to stop that.

I do not think these personal and informal contacts are discouraged. There is no way that our government can monitor every product that is destined for Hong Kong. It is impossible for us to monitor the end user of each product, so naturally some of the products are being shipped into the mainland through Hong Kong and elsewhere. That is something that we cannot control.

Mr. Fu : Norman Fu, China Times . I have a question for Dr. Sutter. You talked about the importance of political stability on Taiwan. This is particularly so in anticipation of the passing of Chiang Ching-kuo. So I wonder if, to your knowledge, any study has been done within government, or any request has been made to the CRS, to study this particular issue. And also as a corollary, I would like to know your views as to what sort of impact the passing of Chiang Ching-kuo will have on the process of democratization in Taiwan. As you all know, his personal leadership is extremely important in keeping the Kuomintang old guard in line to forge ahead with this political reform program. So it has been suggested that, as he leaves the scene, there is a possibility that the reform might suffer a setback.

Dr. Sutter : On the political succession on Taiwan, it seems to me that U.S. interests in Taiwan are so strong that this is something all manner of American policymakers interested in Taiwan would want to look at. There probably has been a whole range of studies underway on this issue over the years. But as to current studies, I am unaware of any at this time. The Congressional Research Service undertakes studies dealing with a variety of questions that affect U.S. policy from a congressional point of view. We see a good deal of interest in the situation in Taiwan and so we have undertaken at our own initiative a study that looks at the general situation in Taiwan and U.S. interests there. Political succession is one part of that. The study is not quite complete but will be fairly soon.

On the effect of Chiang Ching-kuo and the process of democratization, I think this is something that depends on the point of view. I personally think strong leadership is needed on Taiwan to make important changes that are required to move political liberalization forward.

So the question is, will there be strong leadership in Taiwan after his passing. If you talk to officials from the Taiwan government, they will say, "Yes." If you talk with other people who are observers of the situation in Taiwan, they will say, "Chiang Ching-kuo is a very powerful man. There really is not anyone there that can fill his shoes as adequately as he does." The upshot is that you might have a difficult time making political decisions that are so important to pursuing a peaceful and orderly transition for democratization without Chiang Ching-kuo. And so if he passes, there is reason for more wariness about the prospects for democratization, at least over the near term, until a leader or a group of leaders come to the fore that are powerful or capable enough to handle these diversive tensions as Chiang Ching-kuo has seemed able to do.

Mr. Lasater: Many thanks to our panelists for their excellent presentations today.