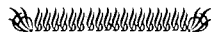




Taiwan

On New Year's Eve, the last major official link between the United States and the government of Taiwan—a treaty of mutual defense—will be broken. Washington now formally recognizes the regime in Peking as "China." Yet, for almost three decades, the United States was anti-Communist Taiwan's indispensable ally. The Americans supplied the late Generalissimo Chiang Kai-shek's Nationalist regime with military backing, money, and, in the UN, support for its claim to represent *all* China. Can Taiwan's prosperous people survive the rupture with Washington? Here, Taiwan scholar Parris Chang looks at the island's neglected early history; political scientist Gerald McBeath sums up the vast changes on Taiwan since 1949; and former diplomat Ralph Clough speculates on the future.



BEAUTIFUL ISLAND

by Parris H. Chang

An old Chinese legend holds that a fiery dragon created Taiwan by piling great rocks up in the sea. The tale is not all that fanciful. Some 60 million years ago, a massive earthquake rocked the East Asian shore, submerging the entire coastline. A second earthquake heaved a narrow chunk of sunken crust up through the waters. As the elements over millennia eroded the jagged landscape, the island spread out into its present shape.

"The earthquake and typhoon have played an important part in the formation of the [Taiwanese] character," W. G. Goddard, the leading British historian of the island, once wrote. "The island was no place for weaklings. It afforded no sanctuary for the indolent. Only the strong could survive."

Taiwan is about twice the size of New Jersey or slightly larger than Holland. It is separated from the fishing and rice-growing province of Fukien, on the mainland of China, by the Taiwan Strait, which varies from 89 to 124 miles in width. Par-

allel mountain ranges—the Chung-yang Range and three others—form a rugged green spine along the eastern coast of the island, facing the broad Pacific; rich farmland lies on the western slopes and on the coastal plain stretching toward the Strait. The climate is subtropical: Rainfall totals 100 inches annually; the average temperature is 75°F.

Of the 17 million people on Taiwan today, some 14.5 million are “Taiwanese” (descendants of Chinese who settled the island prior to the 20th century), more than 2 million are “mainlanders” (post-1945 Nationalist refugees from the Chinese mainland), and approximately 200,000 are aboriginal tribesmen. The stocky aborigines are variously believed to have arrived, by raft or outrigger canoe, from the Malay Peninsula, the Philippines, the mainland of south China, or the Ryukyu Islands in prehistoric times.

The aborigines generally have straight rather than slanted eyes. Their old tradition of headhunting, for which they were called *shengfan* (“raw savages”) by the Chinese, served for centuries as a strong deterrent to settlement of the island from the mainland.

Yet beginning around A.D. 1000 and intensifying during the 16th and 17th centuries, mainland Chinese began crossing the Strait from Fukien in large numbers, some as part of a government-planned migration, some to escape war or famine. Many of the early mainland migrants were the much-suffering Hakkas (literally, “guest people”), descendants of immigrants from northern China who had settled in eastern Kwangtung; latecomers to south China, they were reviled by local Chinese. The Hakkas and others gradually drove the aborigines into the remote mountain regions along Taiwan’s eastern coast, where their tribal descendants, known as *kaoshan* (“mountain dwellers”) still lead a semi-nomadic existence.

The first Western contact with Taiwan came a century after Bartholomeu Dias sailed around the Cape of Good Hope, when Portuguese sailors en route to Japan discovered the place in 1590, naming it *Ilha Formosa* (“beautiful island”). The Portuguese did not follow up; others did. By the early 1600s,

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From A Chinese scroll.

Archer, scholar, pirate, the versatile Koxinga established Taiwan's first government. "This island was the dominion of my father," he told Dutch colonists. "Foreigners must leave." Although Koxinga's father betrayed the Ming cause, the old man's death affected Koxinga deeply, and at night he would "mourn and weep facing the north."

there were small Spanish and Japanese trading colonies on the north of the island (the Japanese withdrew in 1628), and a pirate confederation, led by Li Han (also known as "Captain China"), prowled the seas and ravaged the mainland from Taiwan's sheltered, silted harbors. Most of the island was a political no-man's-land, and the 25,000 immigrant Chinese, as well as the aboriginal population, were pretty much left alone to fish, farm, or hunt as they had always done.

In 1624, the Dutch invaded Taiwan, eventually ousted the Spanish, and set up a fortified colony of several hundred in the southwest called Fort Zeelandia, near present-day Tainan. The Dutch used Taiwan primarily as a base for trade with China and Japan, but they exploited the local population whenever they could: The Java-based Dutch commercial empire in Asia was not founded on kindness.

Dutch rule was short-lived. "Formosa would perhaps have been theirs to this day," wrote James Davidson, U.S. consul in Taiwan, in 1903, "had not the [Dutch East India] Company, with extraordinary short-sightedness, been so engrossed in making the maximum of profits for the moment that they refused to expend the money necessary to secure themselves against

Chinese invasion." Then as later, Taiwan's fate depended on the politics of the mainland.

The nemesis of the Dutch was Cheng Cheng-kung (Koxinga). He was born in Japan in 1624 of mixed Chinese and Japanese parentage. His father, Cheng Chih-lung, a Fukienese tailor-pirate of Hakka origin, plied both his needle and his sword in and around Taiwan. When the nomadic Manchus wrested Peking from the Ming government in 1644, the elder Cheng's fleet of junks became the last hope of the pro-Ming resistance. In 1646, however, Cheng Chih-lung defected to the winners. His son, throwing his scholar's robe into the fire at the temple of Confucius, vowed to continue the fight against the Tartar hordes.

Bribing and Boodling

Although only 23 years old, Cheng Cheng-kung was hailed by Ming loyalists as their leader. Had not the Ming Emperor Lung-Wu, impressed by the young lad, conferred upon him the imperial surname? (Kuo-hsing-yeh, or "Koxinga," means "Lord of Imperial Surname"). From 1646 to 1660, the flamboyant Koxinga, with 70,000 men and a 3,000-junk fleet—"the sight of them inspired one with awe" wrote Vittorio Ricci, a Jesuit missionary in China and friend of Koxinga—scored a succession of brilliant tactical successes against the Manchu armies in South China. But his adversaries' superior numbers finally forced him to transfer his fleet and his base of operations to Taiwan in 1661. He made short work of Dutch pretensions to hegemony over the island. After a nine-month siege, he captured Fort Zeelandia and expelled the Dutch.

Koxinga's takeover had an enormous impact on Taiwan. By stamping out all traces of Western rule, he ensured that Taiwan, unlike other Asian island territories (e.g., Indonesia, the Philippines), could retain the supremacy of its language, culture, and religion. More important was a new exodus of Chinese to the island from the mainland, far surpassing previous waves of immigration. Not only officials and soldiers serving under Koxinga but also thousands of Ming loyalists followed Koxinga to Taiwan. By the 1680s, some 250,000 Chinese newcomers were farming and prospering on the island.

It is tempting to imagine what Koxinga, had he lived, might have accomplished, either as ruler of Taiwan or leader of a pro-Ming return to the mainland. But he passed away in 1663, at the age of 39, less than two years after his victory over the Dutch. As death neared, he was holding the sacred testament of

the founding Ming Emperor and muttering: "The Great Ming pacified the empire and restored its ancient splendor. How can I meet him in heaven with my mission unfulfilled?"

Today, Koxinga is honored by all Chinese as a national hero for his expulsion of the "red-haired barbarians" from Taiwan. But the Nationalists, who fled to Taiwan in 1949, also think of him as the man who provided a refuge for opponents of the alien Manchu conquerors, then struggled relentlessly to recapture the mainland, a kind of 17th-century forerunner of Chiang Kai-shek. (A magnificent temple to Koxinga today stands in downtown Tainan, and Nationalist authorities commemorate his birthday every May). For their part, many native Taiwanese regard Koxinga as the founder of an independent state on Formosa. Not surprisingly, the mainland Communists prefer to honor Koxinga's grandson, Cheng K'o-shuang; he surrendered Taiwan to the Manchu government in 1683, thereby bringing about Taiwan's "reunification" with the mainland.

The two centuries of Manchu rule on Taiwan (1683–1895) were marked largely by sporadic repression and neglect. George MacKay, a Canadian Protestant missionary who spent 22 years in Taiwan, described the situation in the nineteenth century:

From the highest to the lowest, every [mainland] Chinese official in Formosa has an "itching palm," and the exercise of official functions is always corrupted by money bribes. . . . In the matter of bribing and boodling, the Chinese officials in Formosa could give points to the most accomplished office-seekers and money-grabbers in Washington or Ottawa.

For 200 years, local Chinese factions fought one another or, together, took on the aborigines. Between 1683 and 1843, there were 15 bloody anti-government rebellions, sometimes fired by yearnings for independence, sometimes simply by blind rage.

Despite such handicaps, the population of Taiwan increased rapidly, due largely to immigration from the mainland, where civil strife was no less frequent and the population pressure was far worse. There were perhaps 250,000 Chinese on the island in 1683; this number grew to 1,300,000 by the end of the 18th century, and to 2,546,000 by 1893. And, during interludes of peace, they prospered. The island's soil and climate were well-suited to the growing of rice, sweet potatoes, sugar cane, tea, vegetables, and fruits; food from Taiwan often averted famine in south China.

As Manchu power eroded, the great 19th-century surge of

European imperialism in the Far East opened up mainland China to Western commerce. The Treaty of Tientsin in 1858 also opened up Taiwan's ports of Keelung and Tamsui to the ships of France, Britain, Russia, and the United States. Beginning in 1869, two Hong Kong-based British mercantile houses, Jardine Matheson & Company and Dent & Company, set up shop on Taiwan to secure opium, camphorwood, and tea for Western markets. American traders arrived in 1865.

The Yellow Man's Burden

The hopes of foreign powers with regard to Taiwan were not confined to trade. As early as 1833, British merchants in south China had urged their government to occupy Taiwan as a "convenient and desirable acquisition." After opening up Japan, the U.S. Navy's Commodore Mathew Perry sent an expedition to Taiwan in 1854 and pressed the State Department to acquire the island. Three years later, Gideon Nye, an American merchant in China, presented the U.S. commissioner to China, Peter Parker, with a plan for the "colonization" of Taiwan. President James Buchanan rejected the proposal, in part because he felt that growing U.S. domestic tensions, which would soon erupt in the Civil War, made foreign adventures ill-advised.

Finally, in 1884, following the Franco-Chinese war over Indochina, the French invaded Taiwan in a gambit to hold the island as a guarantee for the payment of an indemnity from the weakened Chinese government. French troops took Keelung and the Pescadores Islands. But the gambit failed; they could make no further progress against Chinese defenders and were forced to withdraw after a year.

Forcibly alerted to Taiwan's new strategic importance, the Manchu government in Peking moved to strengthen the island's defenses, reform its government, and revitalize its economy. In October 1885, Taiwan, hitherto merely a *tao*, a county, of Fukien Province, was proclaimed a province in its own right; Liu Ming-chuan was appointed its first governor. Liu, a farmer's son and mercenary captain turned intellectual, was the most progressive official Peking had ever sent to Taiwan. He was determined to help bring China into the 19th century, and he conceived of Taiwan as the first step in a bold experiment. "The West," he once wrote, "[is] making technological improvements by the day and by the hour. If . . . we linger and procrastinate, our backwardness will make us too frail to stand up as a nation at all."

Liu moved the island's capital from Tainan in the south to



Farmers Going Home by RAN INTIN. Used by permission.

Taipei in the north, near the best harbors. There he built Taiwan's first electric power station in 1887, installed street lights, and provided the city with a limited postal system. Liu also founded a Western-style school in Taipei, with English and Danish instructors. (Taiwan's schools had hitherto stressed Chinese classics, with little or no attention given to technical subjects or foreign languages). In 1891, Taiwan's first railway (the second in all of China) was completed. The Chinese on the mainland came to think of the island as a model province.

But the island's happy status did not last long. The Sino-Japanese War of 1894–95 began as a struggle over Korea; it ended with the beaten Chinese handing over Taiwan. The acquisition of the island marked Japan's entry into the world's "colonial club," hitherto restricted to Western powers, and the Japanese were eager to make their venture a success. A contemporary Japanese historian, Yosaburo Takekoshi, put it this way:

The white people have long believed that it has been the white man's burden to cultivate the uncivilized territories and bring to them the benefits of civilization. The Japanese people now have risen in the Far East and want to participate with the white people in this great mission. Will the Japanese Nation, as a yellow people, be capable of performing this mission? The rule of Taiwan may well provide the answer.

At first, heavy-handed Japanese warrior-administrators embittered the Taiwanese, using little imagination and much savagery to suppress first a revolt aimed at independence, then an outbreak of brigandage and banditry. The arrival in 1898 of Governor-General Gentaro Kodama and his civilian aide, Dr.

Shimpei Goto, ushered in a new era. Kodama, a career military man, streamlined the colonial bureaucracy, recruited a qualified corps of Japanese civil servants, and imposed a series of bold changes designed by Goto to ensure stability, raise revenue, and step up economic production.

Chief among these was establishment of an efficient police force, which was given considerable latitude—including responsibility for supervising agricultural improvements and public works projects—in dealing with the populace. In addition, the old Chinese *paochia* system was revived.* By 1902, peace and order had been restored throughout the island, though the antipathy of the native population to their alien rulers persisted.

The Glory of the Emperor

The colonial government boosted agricultural exports; production was geared to the Japanese market, which accounts for the growth in the rice, sugar, banana, and sweet potato crops. (Taiwan's trade with Western governments virtually ceased during the Japanese period). To increase farm output, the colonial government broke up the old feudal land tenure system (turning tenants into owners) and introduced new farming methods, including the use of chemical fertilizer and hybrid seed.

The Japanese were bent on exploiting Taiwan for the glory of the Emperor, but the wealth they generated was shared to some degree by the native population, who came to enjoy a standard of living considerably higher than that of mainland Chinese. Bicycles, radios, textiles, watches, and other goods from Japan flooded into Taiwan in return for rice and sugar. Malaria and cholera virtually disappeared as the Japanese stressed sanitation. Taiwan's population doubled during the 50 years of Japanese rule to more than 6 million in 1945, despite an almost total ban on immigration from the Chinese mainland.

Concern for public health prompted colonial administrators to open up the fields of medicine and hygiene to Taiwanese. They otherwise did little to foster native education until the increasing industrialization of the island in the 1920s and '30s created a demand for skilled local workers. In 1932, only one-half of all school-age boys (and one-fifth of the girls) were enrolled in elementary school. Ten years later, however, over 90

*A *paochia* was a group of about 100 households, headed by a senior member elected by the group. The leader answered to the police for the misdeeds of the families under his supervision: In turn, he held each family head responsible for the actions of all members of *his* family. As Dr. Goto refined the system, the Japanese had final approval over the choice of the senior member of each household group.

percent of native Taiwanese, and even 75 percent of the aboriginal children, were attending the free, six-year grade schools.

Beyond grammar school, education policy was dilatory and discriminatory. In high schools and at the only university—the Imperial University of Taipei, established in 1928—Japanese students greatly outnumbered Taiwanese, who were subject to restrictive quotas. In 1939, for example, only 90 Taiwanese were registered at the university, and they were permitted to study only medicine, agriculture, and other practical sciences. Many Taiwanese did study at the American- and British-supported Presbyterian Seminary in Tainan, a private college that still exists and has had great influence on the island's intellectual growth.* Many well-to-do Taiwanese also sent their children to universities in Japan.

Liberation

The Japanese progressively adopted a policy of “Japanization” of the Taiwanese, in the hope that the natives would embrace “the unique and divine culture of Japan.” Instruction from elementary school on was in Japanese, and persons not fluent in the language were denied positions of prestige or importance. After 1937, no newspapers could be published in Chinese, or even carry a Chinese language column. By 1944, about 70 percent of the Taiwanese were literate in the Japanese language. Yet intermarriages were few, and the Taiwanese remained socially apart from the 350,000 Japanese, most of whom were in government service, the armed forces, the police, and industry.

Cut off from Chinese influence, the Taiwanese were culturally adrift, seemingly neither Chinese nor Japanese.

Yet in many respects, the Taiwanese were lucky. They fared far better under Japanese rule than did the people of Korea and Manchuria. Even the briefest comparison with the U.S. record in the Philippines, or with the Asian colonies of France, Britain, and Holland, suggests that, whatever their motives, the Japanese did relatively well by their island colony. Apart from developing “infrastructure”—roads, railroads, power plants—the Japanese gave numerous Taiwanese a thorough technical training, creating a reservoir of skilled manpower that made an important contribution to Taiwan's post-1949 economic growth.

During the Second World War, Japan used Taiwan as one of

*There are 170,000 Presbyterians on Taiwan, most of them native Taiwanese. Mainlanders who have converted to Christianity are generally Roman Catholics or Methodists. Buddhism and Taoism are the main religions of the island.



Taiwan is self-sufficient in natural gas, but must import 99 percent of its oil. By the 1990s, nuclear power will provide about 40 percent of the island's electricity. Taiwan is defended by a modern air force and a 330,000-man army, one-fourth of it deployed on the off-shore islands of Quemoy and Matsu (inset). There are no longer U.S. military forces on Taiwan.

its main staging bases for the southward surge of imperial forces after Pearl Harbor. During the war's final months, Taiwan suffered severely from U.S. bombing but escaped the more serious damage that a full-scale invasion would have inflicted. (U.S. forces bypassed the island in favor of seizing Okinawa.) In September 1945, after the surrender of Japan, China's Generalissimo Chiang Kai-shek sent in Nationalist troops to take over the island administration.*

Lost Opportunities?

The Taiwanese were initially exuberant. The island province was back in the fold, free of foreign occupation. Disillusionment set in as Chinese Nationalists made it clear that they intended to treat Taiwan as a conquered territory, its population as a subjugated people. "Carpet-baggers" from China swarmed over Taiwan, enriching themselves as they acquired sinecures at all levels of government, supplanting the Japanese. The Nationalists quickly expropriated 90 percent of the island's key industries (including the utilities and the processing of sugar, tea, and tobacco) and replaced senior Taiwanese workers, regardless of experience and ability, with mainland émigrés.

Within 18 months, Taiwan's economy collapsed. Food shortages developed after heavy shipments of grain went to the war-ravaged mainland. Between November 1945 and January 1947, prices rose an estimated 700 percent for food, 1,400 percent for fuel and building materials, and 25,000 percent for fertilizer. A breakdown in health services caused epidemics of cholera and bubonic plague.

The island was ripe for rebellion. On February 27, 1947, a Taiwanese woman selling black-market cigarettes was killed by a Chinese Nationalist policeman. When a large crowd protested the following day, the police opened fire, killing at least four people. Insurgents rallied throughout the island. The Taiwanese organized a "committee for the settlement of the February 28th incident" and presented General Chen Yi, the island's Chinese Nationalist governor, with demands for political and economic reform. Chen temporized, then, with reinforcements hastily dispatched from the mainland, slaughtered more than 10,000 Taiwanese, systematically liquidating native educators, doctors, businessmen, publishers, politicians. A whole generation of

*The Cairo Declaration of 1943, jointly issued by U.S. President Franklin D. Roosevelt, Britain's Prime Minister Winston Churchill, and Generalissimo Chiang Kai-shek, had stated that "all territories Japan had stolen from the Chinese, such as Manchuria, Formosa, and the Pescadore, shall be returned to the Republic of China."

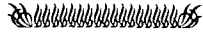
Taiwanese leaders was lost; by the end of March 1947, the island's populace was firmly under Nationalist control.

Most Taiwanese would probably agree with U.S. General Albert Wedemeyer, writing in the aftermath of the 1947 rebellion, that at that early stage in its postwar rivalry with the Communists, the Nationalist government had lost "a fine opportunity to indicate to the Chinese people and to the world at large its capacity to provide honest and efficient administration."

Chiang Kai-shek soon had other worries. Civil conflict, interrupted by World War II, was raging again on the mainland, and the American-supplied Nationalist armies were steadily losing ground to the Communists led by Mao Zedong. By the end of 1948, all of northern China was in the hands of the Communists, and 5,000 mainland Chinese refugees were pouring into Taiwan every day. By April 1949, the Nationalists had evacuated their capital at Nanking. A month later, the Communists took Shanghai. In December, Taiwan was all that was left of the Republic of China, and Chiang Kai-shek, with 2 million refugee loyalists and a priceless hoard of art treasures and dismantled factories from the mainland, set up his "temporary wartime capital" in Taipei.

In Washington a few weeks later, President Harry S Truman announced a "hands off" policy toward the cornered Nationalist government. Secretary of State Dean Acheson declared, in effect, that the U.S. defense perimeter in Asia did not include Taiwan. Chinese Communist troops slowly massed on their side of the Taiwan Strait. Pentagon analysts agreed that the Nationalists could not hold out on their island fortress for more than one year.

Taiwan was on its own.



UP FROM DESPAIR

by *Gerald McBeath*

A week before Christmas, 1949, *Time* described Generalissimo Chiang Kai-shek's escape to Taiwan from the Communists on the mainland:

"For the stubborn aging (63) leader, the flight across the sampan-flecked Strait of Formosa was a time for bitter remembrance. . . . He had broken warlords, checked an early international Communist conspiracy, survived Japanese aggression, only to go down before [Mao Zedong's armies] and the corruption which grew up in his own wartorn regime. . . . Chiang would try to fight on Formosa though the U.S. and British governments had written off the strategic island . . ."

Aside from *Time's* publisher, Henry R. Luce, the Nationalist (Kuomintang) cause had few powerful sympathizers left in the United States. Washington's recriminatory debate over "who lost China" had yet to flower. President Harry Truman was ready to "let the dust settle."

Yet, as their well-disciplined troops occupied the mainland's coastal cities, the Communists were far from euphoric. Although Chiang had fled, along with more than 1 million of his cadres and troops, Mao Zedong still faced what Radio Peking called "Kuomintang remnants" and other guerrilla foes in the vast hinterland; much of China was suffering from famine, inflation, and the chaotic aftermath of both Japanese occupation and four years of civil war.

And the People's Liberation Army had already learned that across-the-water assaults were difficult. In October 1949, perhaps 10,000 Communist troops boarded a fleet of coastal junks in Fukien Province for an attack on Quemoy Island (known to the Chinese as Kinmen) just offshore. To everyone's surprise, the Nationalist garrison repulsed the invasion, killing 3,000 of their foes and capturing the rest (who were later "integrated" into the defense of Taiwan). It was clear that any attack across the 100-mile-wide Taiwan Strait would demand a major logistics build-up, more shipping, and sophisticated planning. Finally, in the

spring of 1950, Mao Zedong's commander-in-chief, Marshal Chu Teh, announced that sizeable forces were being assembled to take Taiwan—"the most pressing task of the entire country."

During those grim days, the key to the survival of Chiang Kai-shek—and a non-Communist Taiwan—was the attitude in the White House, which soon changed from "hands off" to a revival of active support. First, Mao helped the Nationalists by announcing gratuitously that he would side with Russia against America in any new world conflict; his agents arrested or harassed U.S. diplomats still on the mainland, and, in effect, made it politically impossible for Washington to follow London's lead in recognizing the new regime in Peking. Indeed, under prodding from the famed "China Lobby" leader, Senator William F. Knowland (R-Calif.), Secretary of State Dean Acheson announced a modest economic aid program for Taiwan two months after Chiang's flight from China.*

But the real change came with the start of the 1950–53 Korean War. As President Truman sent U.S. forces into Korea to help repel the Communist North Korean invaders, he also ordered the U.S. Seventh Fleet to patrol the Taiwan Strait. Thereafter, despite its heavy bombardment of Quemoy in 1958 and other pressures, Peking had to postpone its plans for the "liberation" of the Taiwanese.

After Chinese Communist troops entered the Korean War, U.S. military and economic aid to Chiang's regime vastly expanded; and American air, logistics, and advisory detachments were based in Taiwan for two decades. A 1954 Mutual Defense Treaty gave Chiang an official U.S. commitment. Until the 1970s, Washington, albeit with decreasing ardor, formally endorsed the Nationalists' claims as the legitimate government of China and kept Peking out of the UN.

Chiang, like France's Charles DeGaulle, was often upset by his overseas allies. American Presidents—Truman, Eisenhower,

* Knowland's championship of the Nationalist cause gained him the title of the "Senator from Formosa." His allies in the so-called China Lobby included U.S. Representative Walter Judd (R-Minn.) and William J. ("Wild Bill") Donovan, former head of the wartime Office of Strategic Services (OSS). No longer powerful, support for the Nationalists is now organized under the Committee for a Free China, whose Washington office is headed by Judd.

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Kennedy, Johnson—politely refused to join the Generalissimo in a crusade to recapture the mainland from Communism. And the Nixon-Kissinger rapprochement with Peking in 1971–72 (without advance notice to Chiang) meant that Taiwan would eventually lose her U.S. insurance policy, as she did last year when Carter officially recognized the Peking regime as the legitimate government of all China. Chiang died, a bitter man, in 1975. His son, Chiang Ching-kuo, then 65, succeeded him.

Yet the U.S. “umbrella”—and two decades of military and economic aid—were the external conditions allowing the Nationalists (or “Chinats,” as the GIs called them) to survive, to consolidate, and, over time, to produce an “economic miracle,” if not a showcase of democracy, out of the lassitude and despair that prevailed on the island in 1949.

Land to the Tiller

Although the Japanese had given the island a basic infrastructure (ports, railroads, power plants), Taiwan’s economy in 1949 was “preindustrial.” Most Taiwanese workers were landless villagers producing rice, camphor oil, sugar cane, vegetables. Few were educated beyond the third grade. The gross national product was \$95 million, which meant an annual income per capita of less than \$100. In economic terms, Taiwan was definitely among those countries now politely classified by the World Bank as “less developed.”

Thirty years later, Taiwan’s economy is industrial and highly complex (petrochemicals, ships, textiles, electrical equipment); its labor force is urban, educated to the ninth grade level or above, willing to work six days a week. If high technology is still scarce, talented managers and entrepreneurs are not. The GNP has increased nearly 7-fold, industrial production 20-fold, and the annual per capita income exceeds \$1,300—considered the takeoff point for a “developed” economy. Along with Brazil and South Korea, Taiwan has long since left behind most of the Third World.

What did it? There were some unusual assets. For one thing, before he fled the mainland, Chiang had prudently sent off to Taiwan the Nationalist treasury (including 500,000 ounces of gold). He also saved some 250,000 Chinese art treasures; the Nationalists, and most overseas Chinese, saw his regime both as the guardian-in-exile of China’s culture, religions, and Confucian traditions, and as promoter of the *San Min Chu I* (“Three Principles of the People”), the progressive teachings of Sun Yat-sen, architect of the first Chinese Republic of 1911.

LAST OF THE CHIANGS?

Chiang Ching-kuo, the 69-year-old son of the late Chiang Kai-shek, and President of the Republic of China (Taiwan), has three undistinguished sons and a younger brother who seems content to head Taiwan's military staff college. There is no obvious successor to the aging Nationalist leader in sight.

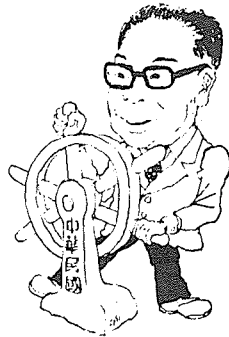
Chiang Ching-kuo himself was not the obvious candidate for the job he now holds. In 1925, at the age of 17, he was sent to the Soviet Union by his father as a pledge of the Nationalists' good intentions in their (temporary) alliance with Moscow. Chiang attended the Soviet Military and Political Institute, learned to speak fluent Russian, became assistant director of a tool factory in the Urals, and (it is thought) somehow fell victim to the Stalinist purges of the 1930s and was sent to Siberia. He came back to China in 1937 with a Russian wife.

The Generalissimo's son was received without fanfare upon his return. Yet, after an intensive "re-education" period, he proved himself in a number of key administrative posts on the mainland. His first job on Taiwan, in 1949, was as director of the China Youth Corps (an affiliate of the Nationalist Party). During the early 1950s, he spearheaded party reforms and reorganized the Secret Police. He became Defense Minister in 1966, Vice Premier in 1969, and Premier in 1972. When his father died in 1975, Chiang Ching-kuo already had the government in his hands.

Moreover, some hard lessons—about peasant support, mismanagement, inflation, corruption—had been learned from the mainland debacle. Those on hand in Taiwan to ponder them included perhaps the best of Chiang's Westernized administrators (the most corrupt Nationalist bureaucrats were either purged or chose a softer life in Hong Kong or the United States). There were enough such technocrats to run an underdeveloped island, and they were driven by their predicament. "Desperation is the mother of reform" said K. C. Wu, former mayor of Shanghai and Taiwan's new governor in late 1949. "We need new ideas and new men."

Perhaps the best new idea was land reform—without bloodshed. Politically, it was not divisive; few of the ruling Nationalist émigrés had any holdings in Taiwan, and native Taiwanese landowners lacked political power. Above all, Chiang correctly saw the support (or acquiescence) of the Taiwanese peasantry as essential to his regime's survival on the island.

Chiang Ching-kuo, the helmsman, as depicted on the occasion of his inauguration as President of the Republic of China in Taipei in 1978.



A New Era by Wang Ting-tai. From the Torch of Victory, no. 282, June 1978.

A hard-working leader, he often tours the countryside where, in the words of one diplomat, "he pumps hands and bounces babies like an American politician." He has quietly retired the Nationalist Party's elder statesmen of the 1940s, replacing them with younger, Western-trained technocrats, like Premier Y. S. Sun. And, by all accounts, he has reduced both official corruption and red tape in the mainland-dominated bureaucracy. Such measures—and a certain liberalization of political life—seem to have gained him support from Taiwan's ordinary citizens.

What happens when he dies? The people of Taiwan may heed Chiang Ching-kuo's motto: "Do not be disquieted during times of adversity. Remain calm with dignity."

Even before the final collapse on the mainland, Chiang ordered the reduction of rural rents, invoking Sun Yat-sen's call for "land to the tiller." Traditionally, tenant farmers had paid up to 70 percent of the total yield of their crops to absentee landlords, big and small. The Nationalists cut this to 37.5 percent. Then, in 1953, absentee landlords were compelled to sell their acreage to the state, which sold it back to the tenants on the installment plan.

With U.S. dollars and the technical assistance of the Sino-American Joint Committee on Rural Reconstruction, the \$100 million plan worked. Compensation to the old owners was in cash, rice bonds, or stocks in former Japanese-owned industrial enterprises. Thus, private funds flowed into industry and substantially "de-nationalized" it, and landlords became urban capitalists. Farmers' real income rose 94 percent from 1952 to 1967, and new markets were created for the output of Taiwan's factories. By 1971, nearly 90 percent of all arable land was

owned by the farmers who tilled it.*

On the industrial side, Chiang and his technocrats at first thought in terms of making Taiwan "self-sufficient." As the invasion threat waned, the American-equipped 500,000-man army was put to work building roads and modernizing the Japanese-built railways. Foreign imports were discouraged, and the new Taiwanese entrepreneurs were encouraged to produce foodstuffs and clothing for the small domestic market to replace imports. It took less than 10 years for the Nationalists to see that this orthodox strategy was getting them nowhere in terms of economic growth.

In 1958–59, the Nationalists, led by economist K. T. Li, decided to put their bets on exports, foreign investment, and less red tape. "Developing agriculture by virtue of industry, fostering industry by foreign trade" was the new slogan in Taipei. In 1966, duty-free export-processing zones for industry were set up in the ports of Kaohsiung, Nantze, and Taichung; import controls were liberalized, and foreign investors got tax breaks and other concessions.

Round Two to the Technocrats

In 1968, the government made nine years of schooling compulsory and thus upgraded the labor force, which rapidly expanded. (The mechanization of agriculture, better education, and new factory jobs pulled peasants out of the lovely countryside into the grimy cities, producing complaints in the press over rising crime and the erosion of family ties.) Unions were permitted, but a no-strike law kept factory wages low. Price controls on food and rent reduced pressure for higher pay. Perhaps as much as anything, a relatively egalitarian wage-and-salary structure helped dampen worker discontent. (Distribution of income in Taiwan is less unequal than in Japan or the United States.)

Statistics tell part of the story. During the early 1950s, Taiwan's major exports were sugar, rice, tea, and bananas (as they were during the Japanese colonial era). Exports and imports comprised no more than 10 percent of Taiwan's GNP; of this figure farm crops contributed 24 percent, processed agricultural goods 63 percent, and manufacturing only 13 percent. By the late 1970s, Taiwan's major exports were textiles

*When rural incomes lagged behind those in the cities in the late 1960s, the regime in Taipei sounded the alarm; a reform program, including an increase in rice prices, a reduction of agricultural taxes, an easing of the terms of farm loans, reversed the decline.



HOW "CHINESE" ARE THE TAIWANESE?



The people of Taiwan are ethnically Chinese (or *Han*), but the Taiwanese "identity," like the legal status of the island itself, is more difficult to define.

As a colony of Japan (1895–1945), Taiwan was cut off from the political ferment on the mainland that was marked in 1911 by Sun Yat-sen's proclamation of the first Republic of China and then by continued war and civil strife. Taiwanese schoolchildren were taught in Japanese and learned nothing of Chinese history. When Taiwan was "liberated" by the Chinese Nationalists in 1945, 75 percent of all Taiwanese were competent, if not fluent, in Japanese; many were illiterate in Chinese. The Nationalists began a drive for "re-Sinification" aimed especially at the young. Chinese history and geography became an important part of the school curriculum, and all pupils were instructed in the life and works of Sun Yat-sen.

Language was a problem. Taiwanese generally spoke one of two old South China dialects that had evolved independently of the mainland since 1895. But the 1 million mainlanders who fled to Taiwan in 1945–49 spoke Mandarin. The Nationalist regime launched a successful campaign—the National Language Movement—to make Mandarin the standard language of the island.

That removed one obstacle to the integration of mainlander and Taiwanese. Other barriers are falling. Taiwan's mainlanders, once confirmed city-dwellers, now live and work all over the island, mixing with Taiwanese in schools, social clubs, the workplace; intermarriage is common. Today, the vast majority of the island's population is Taiwan-born, including, of course, the younger sons and daughters of the mainland émigrés. Recent studies by U.S. scholars suggest that the children of both mainlanders and native Taiwanese now share virtually identical social and political attitudes. The inhabitants of Taiwan are slowly becoming a self-conscious "people."

But how "Chinese" are they? The only answer may be another question: Compared to whom? The Taiwanese have had contacts with mainland China during only four years (1945–49) of the past 83. Young Taiwanese reject many old Chinese social traditions, such as arranged marriages. They are somewhat "Western" in their dress and lifestyle. "Sinicity" is a complicated business. Culturally and linguistically, the Taiwanese are as Chinese as the people across the Strait. Politically, they are alienated from the mainland. By way of analogy, how "English" were the Americans in 1776?



and machinery, electric equipment—including TV sets, appliances—lumber, and plastics. Exports and imports comprised more than 90 percent of Taiwan's GNP (perhaps the world's highest proportion). Of the exports, agriculture contributes only 7 percent, processed goods 10 percent, and manufacturing a whopping 83 percent. Two-thirds of this industrial production is in private hands, and four out of five capitalists are native Taiwanese.

Thus, in less than a generation, the economy shifted from using natural resources to produce food and clothing for the domestic market to using human resources to produce low-wage manufactured goods for the foreign market; and the average annual growth rate of over 12 percent in 1978 was among the highest in the world. International politics seemed not to matter; today, none of Taiwan's top trading partners (the United States, Japan, West Germany, Hong Kong, Indonesia, Australia, Canada, Britain, Singapore, the Netherlands) has diplomatic ties with the Nationalist regime.

Export promotion succeeded because management, money, and labor were available and committed to that strategy by the government. Massive aid from Washington was a crucial factor, making up the deficits in a Nationalist budget largely devoted to defense. The United States provided \$2 billion in economic aid through 1965, when the program ended. Military aid of more than \$4 billion also helped the civilian economy. U.S. economic aid accounted for 40 percent of Taiwan's net domestic investment through 1965, and it paid off as economic liberals, with American advice, successfully pressured military hardliners to modernize the economy. And, in the 1960s, Taiwan (like Japan, Singapore, and South Korea) got a special boost from Pentagon "off-shore" contracts for cement, sandbags, barbed wire, and other materiel needed for the U.S. effort in Vietnam.

A Layer Cake

Foreign private investment of nearly \$2 billion played a strong secondary role. The big investors in 1975 were from the United States (33 percent, including Ford, General Instruments, RCA, Gulf Oil, Union Carbide, and IBM), Japan (16 percent) and overseas Chinese (mainly from Hong Kong, investing about 30 percent of the total in smaller projects, such as food processing plants and hotels).

Essential to this economic surge were political leadership and stability. These were by no means assured when the Nationalist leadership landed in 1949. Making up only 14 per-

COMPARISON: PER CAPITA GNP (in constant 1972 dollars)

	1960	1970	1977
United States	5,460.0	7,027.9	8,188.5
Japan	1,587.6	3,983.0	5,342.8
Singapore	906.4	1,729.4	2,735.2
Hong Kong	791.5	1,620.9	2,456.6
Taiwan	422.9	735.6	1,116.8
South Korea	239.7	425.8	765.0
Peoples' Rep. of China	202.5	292.7	387.9
Indonesia	173.5	203.8	288.2

Source: *International Bank for Reconstruction and Development*, 1979.

cent of the population, the Nationalists were outsiders who, as the natives saw it, took the best jobs, even outside the government, and were not loathe to line their own pockets. Moreover, the Nationalists were committed not to developing the island but to "return to the mainland," a slogan they used to justify their claim to represent China in the UN and their rule over the "province" of Taiwan. It was a two-layered cake. The Nationalists sat on top with their increasingly anachronistic all-China parliament, while the Taiwanese, at best, participated in provincial affairs. Only slowly did the Taiwanese get a piece of the icing.

In 1979, a generation later, native Taiwanese (86 percent of the population) not only own the farms and most of private industry but also hold positions of influence in the Nationalist party and the government (particularly at the local level), and dominate the junior officer corps in the military. They do not yet exercise power equivalent to their numbers. Only one Taiwanese general, Chen Shou-shan, holds an important position in the Army, for example.* But interest groups (such as the Farmers Association) created by the party have become autonomous, and old Taiwan hands doubt that the Nationalists still

*In the 1950s, only half those taking civil service exams, and one-third of the civil servants, were Taiwanese. Twenty years later, more than 90 percent of those taking, passing, and scoring high on these entrance exams were Taiwanese; and two-thirds of the nonmilitary bureaucracy was Taiwanese.

run politics from "the top down." They pay heed to Taiwanese sentiments, to local issues, to local leaders. Today, the ritualistic "recover the mainland" slogans have been largely replaced by official calls for "self-strengthening" through economic development, an end to corruption, and political reform. In the 1977 provincial and local elections, one-fifth of the Nationalist candidates actually lost to "non-partisan" opponents. Clearly, the old clichés of "Nationalist one-party rule" and "a police state" on Taiwan no longer fully describe the island's politics.

A Kind of Freedom

Aside from its tight control of the press and TV, the Nationalist government has not intruded unduly on daily life in Taiwan. In contrast to the regime on the mainland (and to most Communist regimes), the Nationalists allow most ordinary citizens to *stay out* of politics, although they recruit heavily among Taiwanese businessmen and professionals. The growing middle class benefits greatly from the regime's economic policies. Farmers and factory workers appear only slightly less supportive. Some college students and intellectuals criticize the remaining political taboos, but their occasional protests have stirred more reaction from the regime than from the public.*

The taboos have changed. During the 1950s and early 1960s, as the Western press often noted, the government was nervous, harsh on dissenters. Forbidden as "treasonous" were criticism of Chiang, published doubts about a "return to the mainland," any attempts to form an opposition political party, even the reading of Marxist texts. But after 1965, the area of permissible dissent seemed to widen. The regime has tolerated opponents whom, in other days, it would have sent to the Green Island prison camps.† "Constructive" criticism, which does not "transgress the constitution, injure national interest, oppose the anti-Communist policy, slander the government," is officially tolerated. In 1977-78, editorials in the *United Daily News* questioned the continued need for martial law; a non-partisan politician, Kuo Yu-hsin, called publicly for an end to the Nationalist political monopoly; and at Taipei Area University, professors and students could candidly discuss Taiwan's future, without fear of the police.

To some Western scholars, the apparent liberalization of

*In the 1977-78 academic year, 13,650 Taiwanese were studying in U.S. universities. Taiwan ranked second (after Iran) in the number of students in the United States.

†Recent estimates of the number of political prisoners on Taiwan range from 254 (the official government figure) to 8,000 (the émigré opposition's figure).

Taiwan's domestic politics was a cynical device to strengthen Chiang Ching-kuo's succession to power. To others, it seemed designed to attract Western support by drawing attention to the contrast between Taiwan's relatively open local elections and everyday freedoms and the authoritarian excesses on the mainland. Whatever the Nationalists' motives, such changes have, willy-nilly, substantially softened the nature and style of Nationalist rule.

Chiang Ching-kuo's ascension to power has accelerated these trends. When appointed to the premiership in 1972, he selected a cabinet that was more Taiwanese, younger, and better educated than any previously. Chiang picked the popular, independent Taiwanese mayor of Taipei, Henry Kao, as a cabinet minister. Several of his new ministers were Western-educated scholars; the average age of members dropped five years—to 60. When "CCK" assumed the Presidency in 1978, he selected as his running mate a Taiwanese, Hsieh Tung-min.

Several outspoken Taiwanese critics of the Nationalist party have continued to win elections—such as legislator K'ang Ning-hsiang (who has called for full political democracy in Taiwan). And alleged irregularities in the 1977 Taoyuan county election led to a riot in Chungli that the Nationalist regime was forced to handle gingerly. Sensitive to its public image, the leaders of the party redoubled their efforts to find candidates and issues with voter appeal; this paid off in a string of Nationalist party victories in local elections in 1978 and 1979.

By world standards, Taiwan is definitely "freer" than most African or Asian states, notably the People's Republic of China. But one should not exaggerate the blooming of liberal politics on the island, or forget that old Nationalist dogmas persist. Martial law is still in force. The mainlander-dominated security bureaucracy remains vigilant—not only against Peking's infiltrators but also against the tiny independence movement. Chiang Ching-kuo, even as he makes hand-shaking tours of the villages, is determined that his regime will stay in power. By adapting, sometimes badly, more often well, to the island's realities, the Nationalists have survived and helped Taiwan to prosper. They have learned some lessons. No one would have thought it possible 30 years ago.



TAIWAN'S FUTURE

by Ralph N. Clough

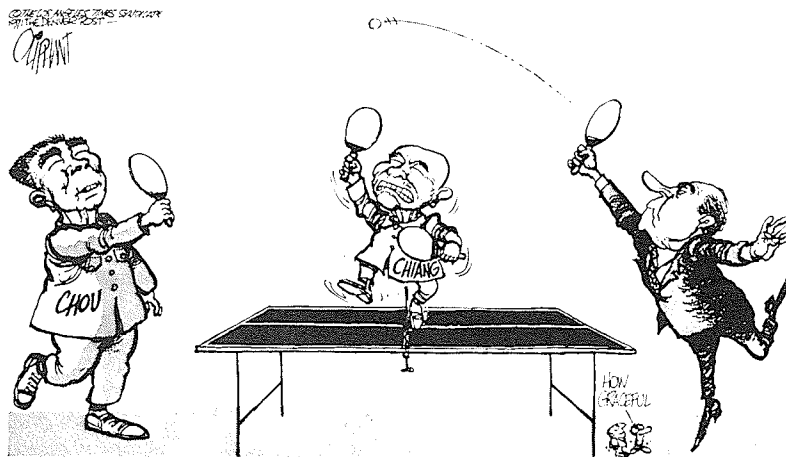
Drawn on the world map, Taiwan's shape and position—slightly askew, off the southeast coast of China—suggests nothing so much as a ship adrift, isolated, vulnerable to storm and tide. No one now takes seriously the old, persistent claims of Taiwan's government-in-exile to sovereignty over the mainland. The island's one-time allies and sometime friends dwindle in number, as rich and poor nations alike hasten to curry favor with the vast People's Republic across the Strait. Jimmy Carter's administration is only the latest to join the crowd.

President Carter's decision, announced last December 15, to transfer recognition from Taipei to Peking came as no surprise to Taiwan's President, Chiang Ching-kuo. Ever since former President Richard Nixon's 1972 trip to China, Sino-American normalization had been in the cards. The only questions were when and with what consequences for our long-time island ally.

In the view of some Asia specialists, the loss of formal ties with Washington represents merely "a short hiccup" in Taiwan's development; with the necessary adjustments, they believe, the island will remain secure and prosperous. Other observers, citing the loss of a firm U.S. defense commitment, as well as the psychological damage to the people of Taiwan, are less sanguine. "There's no use pretending that normalization on the terms we got won't hurt," said Robert Parker, president of Taiwan's American Chamber of Commerce. "It will."

Certainly the trends of the past decade are sobering. Withdrawal of diplomatic recognition by the United States reduces the number of nations with which Taiwan maintains diplomatic relations to 21; nearly all of these are small nations with little influence in world affairs.* Since 1971, the People's Republic has occupied the "China seat" in the United Nations, a symbol of legitimacy accorded to Taiwan during the first 26 years of the

*Taiwan currently has diplomatic relations with Bolivia, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Haiti, the Holy See, Honduras, the Ivory Coast, Lesotho, Malawi, Nicaragua, Panama, Paraguay, Saudi Arabia, South Africa, South Korea, Swaziland, Tonga, and Uruguay. Of these, the most important is Saudi Arabia, which supplies most of Taiwan's crude oil and has lent \$140 million at low interest rates to the island for railway electrification and other projects.



Pat Oliphant, © 1971, the Denver Post. Reprinted by permission of the Los Angeles Times Syndicate.

"High Lob" was the caption for this 1971 cartoon by Pat Oliphant. The Washington-Peking rapprochement began in April 1971, when Communist China opened its doors to a U.S. ping-pong team.

UN's history. Most international organizations, including the World Health Organization, the Inter-Governmental Civil Aviation Organization, and the International Atomic Energy Agency, have ousted Taiwan's representatives (though the island still retains membership in a few key bodies, such as the International Monetary Fund and the World Bank).

In other circumstances, few nations would think twice about recognizing the government of Taiwan. The exile regime has unchallenged jurisdiction over 17 million people, a population larger than that of two-thirds of the countries in the United Nations. And the islanders are far better off than most peoples represented at the UN. Rapid economic growth has boosted annual per capita income to \$1,300—three times that of mainland China, and a level surpassed in Asia only by Japan and Singapore. Foreign trade with more than 100 countries—most nations will accept Taiwan's business card if not its flag—exceeded \$24 billion in 1978, more than the foreign trade of the People's Republic of China. Taiwan is the eighth largest trading partner of the United States. In everything but name, Taiwan has all the attributes of a sovereign state.

Yet, in an uncertain world, Taiwan's name—and status—are important. Washington's severance of diplomatic ties will be followed by termination, on New Year's Day 1980, of the Treaty of Mutual Security between the United States and the Republic

of China, a military cooperation pact that has been in force since 1954.* Shorn of their chief ally, Taiwan's leaders now appear to have three options: to accept reunification with the long-hated People's Republic of China; to declare the island an independent, sovereign nation with no claims on the mainland; or to maintain Taiwan indefinitely in its present ambiguous, virtually indefinable status. Each choice is painful.

Peking, of course, acknowledges only one option—reunification. Moving promptly to take advantage of Taiwan's fading official links to the United States, the Standing Committee of the National People's Congress broadcast a conciliatory message to "compatriots in Taiwan" hours after champagne toasts in Washington and Peking marked the end of U.S. relations with the island's Nationalist government. The message announced an end to the firing of "propaganda shells" on odd-numbered days against the Nationalist-held offshore islands, Quemoy and Matsu. (The artillery fire, involving small, explosive air bursts that scattered Communist leaflets on the ground below, had been going on since 1958; Taiwan still sends propaganda balloons across to the mainland from Quemoy.) Peking praised the "Taiwan authorities" for upholding the principle that Taiwan was an integral part of China, not an independent state. It assured the people of Taiwan that only "reasonable" measures would be taken to bring about reunification, "so as not to cause the people of Taiwan any losses."

To underline its accommodating posture, the Standing Committee proposed direct trade links, shipping and mail service, and personal visits between Taiwan and the mainland. (There is currently no official contact and no authorized private contact between the "two Chinas.") China's senior vice premier, Deng Xiaoping, went further in a January 9, 1979, meeting with Senator Sam Nunn (D.-Ga.), chairman of a Senate Armed Services subcommittee, and several of Nunn's Senate colleagues.

*Since ratification of a treaty requires the approval of two-thirds of the U.S. Senate, some legislators argue that termination of a treaty requires similar Senate consent; Senator Barry Goldwater (R-Ariz.), along with eight other Senators and sixteen Representatives, has brought the issue before federal courts. Historically, U.S. Presidents have canceled treaties on 11 occasions without congressional approval. However, when John Adams annulled the U.S. alliance with France in 1798—the only time the United States has terminated a mutual defense pact—he sought and got congressional backing, in advance.

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He declared that, after reunification, Taiwan could retain full autonomy within the People's Republic of China, including the right to its own security forces. Nunn quoted Deng as saying: "The social system on Taiwan will be decided by the people of Taiwan. . . . We will not change the society by force."

To no one's surprise, Taiwan has spurned Peking's overtures. President Chiang Ching-kuo told a foreign journalist flatly: "We shall not negotiate with the Chinese Communists, nor shall we enter into any other forms of contact with them."

Many of the 2 million Chinese who fled the mainland with Chiang Kai-shek in 1949 to escape Mao Zedong's victorious Communists fear reprisals should Taiwan fall under Communist control—whatever promises of leniency Peking may now make. By all accounts, natives of Taiwan believe that control by Peking would lead to a rapid decline in their living standards and sharp restrictions on personal freedom. The present authoritarian regime in Taiwan, for all its shortcomings, has bettered the lot of most people on the island; few wish to trade it for a harsher totalitarian system imposed by Peking. Kang Ning-hsiang, one of the few native Taiwanese in the legislature, and a frequent critic of the island's government, summed up the situation: "What is there to talk about? Our standard of living is so much higher than theirs."

Slaps in the Face

Among the 15 million native Taiwanese, some sentiment exists for establishment of Taiwan as a separate, independent state. Public advocacy of independence is banned in Taiwan, but a few Taiwanese intellectuals and businessmen abroad, most of them in the United States and Japan, have organized to further the cause. They contend that the island's qualifications for recognition—a government in effective control of population and territory for 34 years—are as good as, perhaps better than, those of many other states created in recent years.

Yet a declaration of independence would create severe domestic contradictions for President Chiang Ching-kuo. The official rationale for domination of the government by mainland émigrés is that the present regime, prescribed by a constitution adopted on the mainland in 1946, is representative of *all* of China. Abandoning that rationale, and restricting the government's claim to Taiwan alone, would probably stir irresistible pressure at home and abroad to give key positions to members of the Taiwanese majority.

Furthermore, advancing a *de jure* claim corresponding to

U.S. PUBLIC OPINION: ATTITUDES TOWARD TAIWAN

Since the outbreak of the Korean War in 1950, Americans have voiced considerable support for the government of Taiwan. Opinion polls also reveal persistent skepticism toward the People's Republic of China. In 1954, 41 percent of respondents to a Gallup poll felt the United States should intervene militarily in Taiwan's defense should Communist China invade the island. Another 28 percent backed emergency arms shipments. By wide margins, Americans later consistently opposed "normalization" of relations with Communist China at the expense of diplomatic ties with Taiwan (45 percent "against" versus 27 percent "for" on the eve of President Carter's announcement of normalization in 1978, for example).

In January 1979, after normalization, the *New York Times*/CBS News poll asked respondents, "How would you rate your feelings toward (name of country)?" The results:

	Favorable	Neutral	Unfavorable	No opinion
MEXICO	36%	52%	7%	5%
ISRAEL	36	44	15	5
TAIWAN	31	46	15	8
MAINLAND CHINA	26	44	24	6
RUSSIA	15	38	41	6

Source: *New York Times*/CBS News, 1979.

Taiwan's *de facto* independent status would be a slap in the face to the leaders in Peking. The risk that Peking would use force against Taiwan would rise sharply. And Taiwan would gain little: Few nations would be willing to establish relations with the new state at the cost of cutting ties with the PRC.

If neither reunification nor independence is expedient, Taiwan's leaders are left with maintaining the island in its present ambiguous condition—at considerable cost. The island's more educated and politically sensitive citizens chafe under Taiwan's lack of recognition by the world community. "Americans don't know how it feels to have their passports rejected nearly everywhere," complained one Taiwanese journalist.

Because Taiwan has diplomatic relations with so few nations, Taiwanese officials and businessmen must overcome numerous barriers at every turn in their promotion of trade, shipping, commercial aviation, and travel. The government of Taiwan has proved remarkably adept at improvisation.

A network of 33 private offices around the world, under various names, and reporting to the China External Trade Development Center in Taipei, serves in lieu of embassies and consular offices to promote trade and investment. Other private organizations, including the Sun Yat-sen Center in Madrid and China News Agency offices throughout the world, further cultural exchange and disseminate information about Taiwan. Visitors to Taiwan receive their entry permits through a variety of unorthodox channels, such as the Taiwan Travel Service in Frankfurt, the Trade Span (N.Z.) Ltd. office in Auckland, and the China Airlines offices in Thailand and Malaysia.

Using the Back Door

The most elaborate mechanisms were those created by Japan and Taiwan after Japan severed diplomatic relations in 1972 in order to establish ties with Peking. As a substitute for their defunct embassy, the Japanese set up an unofficial "Interchange Association" in Taipei; Taiwan in turn established an "East Asian Relations Association" in Tokyo. Both offices were staffed with foreign service officers, temporarily on leave from their foreign ministries.

The change in the *form* of relations between Japan and Taiwan had little effect on the *substance* of those relations. During the first five years, trade between the two countries more than tripled to \$3.5 billion, the number of Japanese visiting Taiwan each year nearly doubled (to 520,000), and Japanese investments in Taiwan grew to more than \$200 million.

The United States has followed suit. Congress last March passed a Taiwan Relations Act (S.245, H.R.2479), which was signed into law on April 10 by President Carter.* The act authorized creation of an unofficial but government-funded "American Institute in Taiwan," staffed by some 40 U.S. Foreign Service personnel temporarily separated from the State Department. The institute issues visas (after referring them for approval to the U.S. Consulate in Hong Kong) and performs services for Americans in Taiwan normally performed by American consuls. The legislation maintained in effect all but one of the 59 treaties and agreements between the United States and Taiwan. It authorized the Export-Import Bank to continue to

*The act was passed by a margin of 90 to 6 in the Senate, 345 to 55 in the House of Representatives. Overwhelming support for the bill masks a wide spectrum of congressional opinion on President Carter's recognition of Communist China, ranging from "a gutsy, courageous decision" (Senator Frank Church, D-Idaho) to "an act of treachery" (Representative John Ashbrook, R-Ohio).

make loans in Taiwan and provided for the uninterrupted supply of enriched uranium for Taiwan's nuclear power plants. (Two are in operation, four are being built, and six more are planned.) Taiwan established in Washington a "Coordination Council for North American Affairs," also run by experienced diplomats, to conduct its affairs in the United States.

A Surge of Civility

The one treaty that will be terminated is the long-standing U.S.-Taiwan mutual defense pact. However, the Taiwan Relations Act stresses the abiding interest of the United States in Taiwan's security, and President Carter has made known his intention to continue to sell defensive military equipment to Taiwan. (Since 1951, the United States has lent, given, or sold military equipment to Taiwan valued at \$5.6 billion, including destroyers, submarines, short-range jet fighters, ground-to-air missiles, helicopters, and transport aircraft; commitments totaling an additional \$500 million have been made under the Pentagon's Foreign Military Sales Program, for delivery through 1983.) Although the mainland's Premier Hua Guofeng once said that the PRC would "absolutely not agree" to this policy, Peking nevertheless went ahead with normalization.

Washington hopes to achieve a delicate balance: enough support for Taiwan to ensure that the use of force against the island would entail high political and military costs for the Chinese Communists; enough momentum in Washington-Peking relations to keep mainland China satisfied with the arrangement. Managed adroitly, such a policy could enable the United States and the PRC to live with the unresolved Taiwan problem for a long time to come.

No one expects an early attempt by Peking to incorporate the island by force. "The People's Republic of China," President Carter declared in an interview on December 19, 1978, "does not have the capability of launching a 120-mile attack across the ocean" against the resistance of Taiwan's well-trained armed forces. It could blockade the island, but at a price. "A decision by China to use force against Taiwan," Deputy Secretary of State Warren Christopher warned last spring, "would in effect be a decision to renounce good relations with industrialized nations and hence to abandon the program of modernization." Moreover, Peking is unlikely to risk alienating the United States at a time of military confrontation with Vietnam to the South and heightening tension with the Soviet Union to the North.

But Taiwan's leaders, looking ahead to a time when the

TAIWAN VERSUS CHINA

"Although China has a large number of combat aircraft, many are obsolescent [Soviet-type] fighters, limited in range and payload. Few are equipped with air-to-air missiles, and pilot proficiency is well below Taiwan's standards. Although China has a large diesel submarine fleet, its Navy is primarily a coastal defense force, and the PRC lacks the amphibious shipping necessary to mount a successful invasion of Taiwan. . . . For its part, Taiwan possesses an impressive deterrent. Taiwan's air defense capability rests upon a mixture of surface-to-air missile battalions and an interceptor fleet of 300 aircraft. The latter are fitted with late-model, air-to-air missiles that are more sophisticated than anything the PRC can deploy."

—U.S. Secretary of Defense Harold Brown before the Senate Foreign Relations Committee, February 1979.



Nationalist soldier shoots Communist invader in this 1953 Taiwan comic strip. The invasion threat has since subsided.

The Torch of Victory, July 15, 1953, by Liang Chung-ming.

mainland may be stronger and less inhibited, have increased the island's military budget this year by 50 percent (to \$2.9 billion). They are seeking to buy advanced weapons, such as F-16 fighters from the United States, and, just as important, to expand Taiwan's own military production. As Premier Y. S. Sun has noted, Taiwan has no choice but to establish a "self-sustaining defense industry." The island already turns out small arms, artillery, machine guns, mortars, ammunition, and trucks, and, with U.S. firms, coproduces helicopters and F-5 aircraft.*

*According to a 1977 U.S. government report, Taiwan's scientists and engineers could build an A-bomb within one to three years of a decision to do so. "We have the technical know-how and so forth," admitted James C. H. Shen, Taiwan's last Ambassador to the United States, "but as a matter of basic policy, we're not going to do it." If they did, the United States would immediately cut off the supply of enriched uranium for the island's vital nuclear power plants.

For the time being, Peking will try, probably by threats and blandishments, to create popular support in Taiwan for direct negotiations or other forms of contact. The PRC may also try to sever Taiwan's unofficial links with other countries, although such efforts have only occasionally succeeded in the past. At Peking's prodding, for example, Mexico ordered Taipei's local commercial office closed; the representative of Taiwan's China News Agency was expelled from Ethiopia. So far, Taiwan remains unfazed: Peking simply lacks the political and economic clout to disrupt Taiwan's web of relations with scores of foreign banks and thousands of foreign companies.

Whether Taiwan can maintain a firm footing depends partly on internal politics: The native Taiwanese majority wants—and will eventually get—a larger role in the island's government. The odds favor orderly change. The specter of the PRC is a powerful inducement to both the dominant Nationalists and the under-represented Taiwanese to avoid disorder.

Taiwan's future also hinges on the United States. Support among Americans for close ties with the island is strong, and American bankers have already demonstrated their confidence. In the first half of 1979, the Bank of America put together an \$80 million syndicated loan for Taiwan, and the U.S. Export-Import Bank made a \$9.6 million loan for factory expansion.

The most likely prospect for Taiwan over the next 10 years is the status quo. The obstacles standing in the way of official talks between Peking and Taipei will not hamper the growth of indirect contacts and communications. A new civility has appeared in media references by each side toward the other, with "Taiwan authorities" replacing "imperialist lackeys" in the mainland's lexicon, and "Chinese Communists" substituted for "Communist bandits" in Taiwan's pronouncements.

Political commentators in Taiwan, noting the demands in Peking wallposters last spring for a better life and more responsive government, are calling on their own leaders to challenge the mainland to peaceful competition in political and economic development. As popular pressures force the Peking government to become more like the "Taiwan model"—so the theory goes—the stage will be set for reunification in the distant future. Each regime wants reunification, but on its own terms. Keeping such hopes alive on both sides paradoxically offers the best prospects for a prolonged and tranquil coexistence of the "two Chinas."



BACKGROUND BOOKS

TAIWAN

For three decades, Taiwan has served as a kind of "substitute China" for American scholars barred from the mainland. With their Confucian traditions, complicated ethnic differences, and remarkable adaptability, the islanders have fascinated anthropologists and economists alike—especially since Taiwan began its own Great Leap Forward into industrialization.

In **Economic Development of Taiwan, 1860–1970** (Yale, 1978), Samuel P. S. Ho draws the Big Picture in great detail. Taiwan's current industrial surge, he makes clear, is the end result of many trends, notably a gradual "modernization," particularly of farming, going back to the 19th century. Taiwan's assets have included the diligence of her people, political stability, heavy investment in education, beneficial contacts with Japan and the West. Taiwan's lesson, as Ho sees it, for other Third World nations: build a prosperous agriculture, vastly increase literacy, *then* think about steel mills.

The island's economic growth was also a success for U.S. foreign assistance. As Neil H. Jacoby writes in **U.S. Aid to Taiwan: A Study of Foreign Aid, Self-Help, and Development** (Praeger, 1966), the annual gain in GNP per dollar of U.S. aid was higher in Taiwan during the 1960s than in Korea, the Philippines, or Turkey. In Jacoby's view, Washington "wisely" fostered local private enterprise and eschewed using U.S. aid as "leverage" to force political reform in 1950–65.

Perhaps no single action by Chiang

Kai-shek was more important than his American-financed "land to the tiller" program of the 1950s. In **The Socio-Economic Results of Land Reform in Taiwan** (East-West Center Press, 1970), Martin M. C. Yang suggests that the psychological effects were enormous. Not only did former tenants gain property, independence, and status, but they soon saw opportunities to "get ahead" through education, new profit-oriented farming techniques, and community action.

In a 1957–58 study of a village on the island's western coast, **Hsin Hsing, Taiwan: A Chinese Village in Change** (Univ. of Calif., 1966), Bernard Gallin finds that in that case one early effect of land reform was to eliminate the local gentry as village leaders, with new leaders slow to appear.

"Modernization" does not mean "Westernization" in rural Taiwan. Old customs persist, even as the young go off the land to take factory jobs. **Women and the Family in Rural Taiwan** (Stanford, 1972, cloth & paper) by anthropologist Margery Wolf provides an intimate portrait of village life, with its gossip, taboos, superstitions, and family tensions. And, Wolf makes clear, "a truly successful Taiwanese woman is a rugged individualist who has learned to depend largely on herself while appearing to lean on her father, her husband, and her son."

Wolf's **The House of Lim: A Study of a Chinese Farm Family** (Appleton, 1968) is equally good reading. Lim Han-ci, the hard working family patriarch, was a terror to his sons; but he taught them to aim high, and they

prospered in farming and politics. After his death, the memory of the old man long kept his quarreling descendants together in the same house; in the end, it was not enough.

Two other fine anthropological sketches of the Taiwanese are **Kinship & Community in Two Chinese Villages** (Stanford, 1972) by Burton Pasternak, who examines the recent erosion of family dominated hamlets, and **The Cult of the Dead in a Chinese Village** (Stanford, 1973) by Emily Ahern, who illuminates the intricate variations in ancestor worship. A disinherited son, for example, is allowed to leave the care of his father's grave to his luckier brothers.

In **The Man Who Lost China: The First Full Biography of Chiang Kai-shek** (Scribner's, 1976), journalists Brian Crozier and Eric Chou find that Mao Zedong was simply "more exceptional" than Chiang. The authors are not unsympathetic to the Generalissimo's achievements, particularly on Taiwan; but they trace his loss of the mainland to his fateful, demoralizing decision in 1931 not to resist Japanese aggression until he had defeated his Chinese Communist rivals.

Chiang, writes former State Department official George H. Kerr in **Formosa Betrayed** (Houghton Mifflin, 1965; Da Capo reprint, 1976), "quite inadvertently" was saved by Mao in 1950, when Peking publicly sided with Moscow against Washington at the height of the Cold War, then sent its troops into Korea to fight American GIs.

Kerr's book covers the period from World War II through the mid-1960s and argues for Taiwanese independence. He provides a grim picture of Nationalist repression of the native Taiwanese following their 1947 uprising. He also discusses the place of

Taiwan in U.S. politics. The 1950s "Help Chiang return to the mainland" debate in Congress, Kerr contends, and the "Democratic reluctance to increase aid" gave Republicans the chance to charge "pro-Communist sympathies in the State Department."

As former diplomat Ralph Clough notes in his well-knit survey of **Island China** (Harvard, 1978), America went to the brink in 1958, when Quemoy was shelled and blockaded by the Communists. On President Eisenhower's orders, the U.S. Navy helped Chiang break the blockade by escorting his supply ships; the crisis eased when the Communists eventually restricted their shelling to odd-numbered days ("to demonstrate," writes Clough, "its rejection of the cease-fire urged by the United States and its ability to impede or permit at will the resupply of the islands").

The 1960s saw a relaxation of tensions over Taiwan. When economic upheaval disrupted the mainland in 1962, Chiang prepared to take advantage of it. Analyzing U.S. policy under Truman, Eisenhower, Kennedy, Johnson, and Nixon, in **U.S. China Policy and the Problem of Taiwan** (Colorado Associated Univ. Press, 1971), William B. Bueler shows that President John F. Kennedy destroyed a dream; he informed Chiang that America would not back an attack on the mainland by Chiang's forces.

Later in the 1960s, the Sino-Soviet split diverted Peking's attention from Taiwan, America became deeply involved in Vietnam, and Taiwan no longer needed U.S. economic aid.

In **A Taste of Freedom: Memoirs of a Formosan Independence Leader** (Holt, 1972), Peng Ming-min, a leading Japanese-educated Taiwanese

legal scholar, recalls how he was first wooed by the Nationalists, then jailed as he agitated against Kuomintang domination. He escaped (rather easily) to Sweden in 1970, then to the United States, where he taught at several universities. But, as he concedes, facing both the Communist mainland and strong Nationalist rule at home, few Taiwanese have been ready to press hard for independence.

In a helpful collection of essays, **Taiwan in Modern Times** (St. John's Univ., 1973), which covers the history of Taiwan from early Chinese settlement (A.D. 230) to 1972, editor Paul K. T. Sih and his contributors acknowledge the brain drain of Taiwanese youths who leave for the United States to study and never return. Duly noted are other looming problems—not enough jobs for the

college-educated young, high middle-class expectations, urban congestion. The book contains few sweeping predictions. But, says Sih, "Anyone who claims that Taiwan can be separated from and independent of China is denying historical facts as well as present-day realities."

It is a debate that reaches far back into Taiwan's history. In **Koxinga and Chinese Nationalism: History, Myth, and the Hero** (Harvard, 1977, cloth & paper), Ralph C. Croizier demonstrates how, for three centuries, differing groups have created their own image of the hero who expelled the Dutch from Taiwan in 1661. Honored by both Nationalist and Communist Chinese, Koxinga, according to Croizier, may one day become the symbol of a renascent Taiwanese independence movement as well.

EDITOR'S NOTE: *Suggestions for this essay came from Parris H. Chang and Edwin A. Winckler, assistant professor of sociology at Columbia University.*