

TAIWAN

The Little Island That Could

The missiles that the People's Republic of China launched toward Taiwan this spring were but the latest salvo in a long and sometimes heated dispute over control of the tiny island. Such threats of force, Anne Thurston suggests, will do little to improve chances of reconciliation. The People's Republic might be wiser to adopt some of the ways of its forward-moving neighbor.

by Anne F. Thurston



On February 20, 1996, during a lunar new year visit to the popular Lungshan Buddhist temple in downtown Taipei, Lee Teng-hui brought his campaign message, "Sovereignty rests with the people," to an overflow crowd. With his back to the statue of Buddha, the man who had served as Kuomintang-appointed president since 1988 told his audience that the government should be more like Kuanyin—the goddess of compassion, mercy, and peace before whom Buddhists pray in times of need. Across the Taiwan Straits about 100 miles away, 150,000 troops from the Chinese People's Liberation Army were poised to begin military exercises intended specifically to intimidate Taiwan. The Chinese government had accused Lee of favoring independence and hoped to cow the island's citizens into voting against him in the upcoming March 23 elections.

The saber rattling had little effect. Lee won the election with an unexpectedly high 54 percent of the vote, thus becoming the first popularly elected leader of Taiwan—or any Chinese society—in 5,000 years of history. The results, Lee proclaimed, "demonstrated to the world that Chinese indeed can carry out direct democratic elections. We have proved . . . that freedom and democracy are even more important than life itself."

The Taiwan elections are a rare triumph in an era when communist and

authoritarian regimes have crumbled but the promises of democratization have yet to be fully met. Taiwan's own road to democracy has been bumpy. In the Legislative Yuan, or parliament, fisticuffs have regularly substituted for reasoned debate, and raucous street demonstrations have been part of the political scenery. More than half of all local elected officials are reputed to have criminal ties, and accusations of corruption continue to tarnish the Kuomintang. But no one denies that the process of democratization is finally complete. "Taiwan's political system is now fully democratic by the norms of the international system," notes Columbia University professor Andrew J. Nathan, who has been following the political evolution of Taiwan for years.

All things being equal, Taiwan should become a textbook case for democratic theorists—proof (as theory holds) that long-term economic development and the rise of a middle class lead eventually to demands for political participation and democratic reform. The Taiwan example also refutes the argument made most often by the so-called Singapore school that Confu-



The bustling Youth District in downtown Taipei symbolizes the new Taiwan. Most of these affluent shoppers were born on the island.

cianism and Asian values are incompatible with democracy.

But all things are not equal on Taiwan. Not even its newly elected president refers to the island as a country. Taiwan is the last great vestige of the officially unsettled civil war between China's Communist and Nationalist (Kuomintang) parties.

When the Communists swept through the Chinese mainland after World War II, establishing the People's Republic of China in October 1949, Kuomintang supporters of Generalissimo Chiang Kai-shek fled to the island of Taiwan, some 100 miles off the coast of Fujian province. By 1950, two million mainlanders had arrived. But the civil war was not over. From the "unsinkable aircraft carrier" of Taiwan, Chiang Kai-shek promised to retake the mainland and unite it under Nationalist rule. Communist Party chairman Mao Zedong was equally determined to bring Taiwan under

Communist rule, but was prevented from launching an all-out attack against Taiwan by the outbreak of the Korean War in 1950 and the dispatch of the U.S. Seventh Fleet to the Taiwan Straits.

Although ideological disagreements between Chiang and Mao were fundamental, both leaders agreed that there was only one China and that China includes the province of Taiwan. The United States has never challenged that position. In 1979, when the Carter administration withdrew diplomatic recognition from the Republic of China on Taiwan and granted it to the People's Republic of China, what changed was the official U.S. stand on which of the two governments held the legitimate claim to rule.

The official positions of the United States and the People's Republic of China have changed only slightly during the intervening years. The United States continues to hold, as it did in the 1972 Shanghai communique, that "there is but one China and that Taiwan is a part of China," and to hope that the two sides will settle their differences peacefully. Moreover, in accordance with the 1979 Taiwan Relations Act, Washington regards any effort to determine the future of Taiwan by other than peaceful means a matter "of grave concern."

The People's Republic of China, for its part, continues to treat the long-term goal of reunification as a fundamental tenet of national policy and offers to end the state of civil war when Taiwan agrees to accept the formula of "one country, two systems." Taiwan will be permitted considerable autonomy as a "special administrative region" under the mainland's formulation but will still be subordinate to Beijing. Until this is achieved, though, China reserves the right to retake the island by force and promises to use it if Taiwan declares independence. Beijing also regards foreign intervention as "meddling" in China's internal affairs.

But while the United States and the People's Republic of China have more or less remained fixed in their positions, Taiwan has made a decisive bid for change. The process began with a series of small steps taken by the Generalissimo's son Chiang Ching-kuo in 1986 and accelerated after Lee Teng-hui assumed the presidency following Chiang's death in 1988. In 1991, Lee declared the period of "national mobilization for suppression of the communist rebellion" to be over and abandoned the Kuomintang's promise to retake the mainland, thus effectively ending his party's participation in the civil war. At the same time, he recognized the government of the People's Republic of China as a legitimate political entity.

China, according to the now-official Taiwanese formulation, is one country, "temporarily divided and governed by two distinct political entities on either side of the Taiwan straits." Taiwan stipulates that it will begin negotiations over reunification only when the mainland renounces the use of force and allows negotiations to be conducted by representatives of the two governments, not of the two respective ruling parties. Taiwan will agree to reunification only after the mainland becomes democratic, free, and prosperous. Moreover, until reunification is achieved, the Republic of China on Taiwan will seek full diplomatic recognition and a seat in inter-

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Taiwan's proximity to China has produced a complex web of relationships with the mainland. But the People's Republic would meet stout resistance if it sought to retake the island by force.

national organizations, including the United Nations.

The mainland's first response to Lee's initiatives was positive, and contact between the two sides expanded rapidly. Mainlanders visited relatives they had not seen for as long as 40 years. Taiwanese tourists flocked to China, and Taiwanese businesses began investing there. Some daring entrepreneurs even established shoe and clothing factories in southern provinces such as Fujian and Guangdong, relying on the cheap labor that had flocked to the coast from rural inland provinces. Today, more than 100,000 Taiwanese businesspeople are said to work in China, where they have invested \$25 billion, an amount second only to what Hong Kong entrepreneurs have poured into the People's Republic. Unofficial organizations—the Straits Affairs Foundation on Taiwan and the Association for Relations across the Taiwan Straits on the mainland—were set up to manage the proliferating array of transactions, and representatives of the two organizations met together for the first time in Singapore in April 1993.

By 1995, however, Beijing was growing suspicious. Lee Teng-hui, in an interview that appeared in the Japanese weekly *Shokan Asahi*, told author Shiba Ryotaro that “all those who held power in Taiwan before were outsider regimes,” including the Kuomintang regime of Chiang Kai-shek. If Chiang was an outsider, Beijing inferred, so any form of mainland rule would also be considered a “foreign” intrusion. Taiwan's continuing push for international recognition was further proof to mainland officials that Lee favored an independent Taiwan.

Beijing's suspicions of Lee's collusion with the United States were aroused when President Bill Clinton, under pressure from Congress, agreed to grant Lee a visa in order to deliver a graduation address last year at Cornell University, where he had earned a Ph.D. in agricultural economics in 1968. High-level State Department representatives had previously assured Chinese officials that the visa would be withheld. When that position was abandoned, the Beijing press began to accuse Lee Teng-hui of



From his post on Taiwan's coast, a soldier keeps close watch during the spring PRC military exercises.

“betraying the nation and splitting the motherland.” U.S.-China relations went into free fall. Strangest of all, old foes of communist China, such as conservative Kuomintang elders Lin Yang-kang and Hao Po-tsun, suddenly became Beijing's friends because they opposed Lee and favored accommodation with Beijing. As the elections drew near, Beijing began conducting live military exercises off the Taiwan coast, firing three or four

M-9 missiles within miles of the ports of Keelung and Kaohsiung. The United States responded by dispatching two aircraft carrier battle groups to waters just east of Taiwan.

“It's all Beijing opera—just lots of loud gongs and beating of drums,” a Singapore diplomat told me recently. “You Americans don't understand.”

“We [mainlanders and Taiwanese] understand each other very well,” representatives of both Taiwan and the mainland separately assured me during the drama's post-election intermission.

But do they? And does such understanding extend to the vexed question of Taiwan's identity?



The mainlanders' perceptions of Taiwan are unquestionably colored by a modern variation on what might be called “Middle Kingdom syndrome,” an outlook that for millennia served as the justification for imperial rule. *China* literally means “Middle Kingdom,” and China traditionally has seen itself less as a territorial than as a cultural entity, superior to all others. For most of Chinese history, China's undisputed cultural superiority allowed it first to conquer and then to sinify the peoples on the periphery of its heartland. During the 19th century, that same sense of cultural superiority prevented China from understanding that the West was not only economically superior but incapable of becoming Chinese. But today, Taiwan and Hong Kong present China with an even more upsetting challenge. Both are peripheral entities that are not only economically superior but also, in their view, more culturally Chinese than China itself.

That Taiwan could become more “Chinese” than the Middle Kingdom is, to mainland leaders, an unthinkable development. After all, few Chinese could even be found on the island when Portuguese navigators discovered Taiwan in 1590, naming it Formosa—or beautiful—Island. Aboriginal Malays, a tiny minority of the present population of 21 million, began settling on the island some 6,000 years ago. Large-scale Chinese migrations did not begin until the early 17th century. Later, in the early 18th century, an unprecedented population explosion drove thousands of residents of Fujian to the island across the straits. China had asserted its dominion over Taiwan

only a little earlier, in 1683. It was then that the Manchu government (which had overthrown the Ming dynasty and established the Qing dynasty in 1644) was finally successful in routing the remnant forces of the deceased Ming patriot Koxinga (Cheng Ch'eng-kung), who had used the island unsuccessfully as a base from which to challenge Manchu rule.

Historians differ over how firmly or well the Manchus ruled. Some argue that the island was administered like any other frontier area, though even then its inhabitants were decidedly more culturally advanced than those of other areas along the periphery of the Chinese state. Taiwan's traditional academies produced more literati—the educated class from which Chinese officials were drawn—than other frontier areas such as, say, Gansu. Some champions of Formosan independence, such as Thomas W. I. Liao, who from 1954 to 1965 led a Tokyo-based independence movement before returning to his native Taiwan, have argued that the Manchus were never much interested in the island and exerted little effective government control. The Manchu administration on Formosa, according to Liao, was inefficient and corrupt, and the central government in Beijing never considered the island an integral part of China. True or not, everyone agrees at least that the island was never easy to govern. So rebellious were its inhabitants that a Manchu saying described them as launching “a disturbance every three years and a rebellion every five.”

Taiwan was not upgraded to provincial status until 1885, but by then the Qing dynasty was in decline and unable to repulse the Western powers then nibbling away at the country's sovereignty. The Manchus' greatest humiliation was their defeat in 1895 at the hands of the Japanese, whom the Chinese had for centuries regarded as culturally inferior. Formosa was the prize. True to tradition, the people of Taiwan offered fierce resistance. Although 10,000 Formosans gave their lives in the struggle, the island became a Japanese colony.

By most accounts, the Japanese governed the island fairly and effectively, at least after ruthlessly establishing their rule. Opium use, which had sapped the spirit of so many on the mainland and undermined Manchu legitimacy, was restricted, female foot binding was forbidden, and public health and sanitation were improved. The Japanese introduced modern technology and bureaucratic efficiency. Trade increased and exports soared.

To be sure, the Taiwanese resented their treatment as second-class citizens, but educational opportunities expanded, and some of the best students were selected to receive higher educations in universities in Tokyo or Kyoto. (Lee Teng-hui himself graduated from Kyoto Imperial University in 1946, and Peng Ming-min, longtime leader of Taiwan's independence movement and the Democratic Progressive Party's losing candidate in the March presidential elections, studied at Tokyo Imperial University during the same period.) By the 1920s, a new wealthy class—the beneficiary of educational opportunities—had begun to emerge. In 1937, the per capita income of the Taiwanese population was two times that of mainland residents, and its economy was far more advanced. And by 1940, 56 percent of all bureaucratic positions and 35 percent of the top administrative posts were held by Taiwanese. Many local officials, including the fathers of both Lee Teng-hui and Peng Ming-min, were democratically elected.

Taiwan's interaction with Japan produced a complex psychology, the effects of which are felt even today. The islanders' pride, first noted by the

Manchus, grew even stronger under the Japanese, and many Taiwanese who had benefited from Japanese rule felt superior to the mainland. That pride, in turn, produced an unsettling ambivalence about the meaning of being Chinese.

Peng Ming-min embodies that conflict. Describing a 1929 visit to the mainland with his family, when he was only five, Peng recalls that his parents “were deeply impressed by how big China was and felt some sadness and nostalgia when visiting their ancestral home area, but with regard to social development, industrialization, education, and public hygiene, they felt that China compared with Taiwan was backward.”

Peng’s parents were not alone. Many Taiwanese under Japanese rule continued to be proud of their connection with China’s 5,000-year-old culture, yet were ashamed of the country’s backwardness and weakness. At the same time, they were proud of Taiwan’s economic modernity, social progress, and efficient governance, but embarrassed about being second-class citizens.

The Japanese invasion of China in 1937 left many on Taiwan in agony, and news of Japan’s defeat in August 1945—and of the island’s impending return to Chinese rule—brought euphoria. Many assumed that under Chinese rule the leadership positions still held by the Japanese would be assumed by members of the new Taiwan elite.

Eyewitnesses describe the rising excitement as the day of the Nationalists’ arrival approached. In October, country folk young and old flocked to the port cities to greet the troops, filling hotels and crowding the homes of relatives and friends. Sentries were posted on rooftops and hills to scan the waters for arriving ships. Euphoria gave way to frenzied hysteria. Towns went wild when the first troop ships were sighted, and people filled the streets waving Nationalist flags, setting off endless rounds of firecrack-



Chiang Kai-shek and Madame Chiang arrived in Taipei to a tumultuous welcome in 1949, but the Generalissimo made it clear that his interests lay more with the mainland, not the island.

ers, clapping, and cheering as the ships drew near.

For some, the glorious occasion turned into a shattering disappointment. As chairman of the Taiwanese Reception Committee in the port of Kaohsiung, Peng Ming-min's father was standing near the neat and orderly delegation of Japanese troops that lined the docks to greet the arriving mainland soldiers. The first Chinese to step off the ship, Peng recalled, "was a bedraggled fellow who looked and behaved more like a coolie than a soldier, walking off carrying a pole across his shoulder, from which were suspended his umbrella, sleeping mat, cooking pot, and cup. Others like him followed, some with shoes, some without. Few had guns. With no attempt to maintain order or discipline, they pushed off the ship, glad to be on firm land but hesitant to face the Japanese lined up and saluting smartly on both sides." Peng's father was seized by nearly unbearable embarrassment.

The first years of Nationalist rule on Taiwan were hardly auspicious. The Nationalists had no intention of placing control of the island in the hands of the Taiwanese. Mainlanders saw themselves as liberators of a misguided people, corrupted by their erstwhile Japanese rulers—the enemy against whom the mainlanders had fought for eight long and disruptive years. Taiwanese continued to look down on the backward mainlanders, disappointed at being denied the respect they felt they had earned through their accomplishments under Japanese rule, and still resentful at having been abandoned after the war of 1895. As peace on the mainland failed, and the long-simmering conflict between the Nationalists and the Communists broke into full-scale civil war, the same problems that had weakened the Nationalists on the mainland began to appear on Taiwan—a corrupt and inefficient bureaucracy, raging inflation, declining production, rising unemployment, the growth of an underworld, and widespread dislocation and social disorder.

Tensions led to tragedy on February 28, 1947. An angry scuffle erupted when Nationalist police attempted to arrest a Taipei street peddler suspected of selling contraband cigarettes. A bystander was shot and killed. News of the altercation spread first to other parts of the city and then throughout the island. During the next two weeks, Taiwanese took to the streets in protest, their angry demands against the government escalating and oscillating. The military responded with lethal force, killing thousands of protesters in its effort to reassert control. Estimates of the number of deaths vary, from a low official figure of about 2,000 to a high of 100,000. Over time, the death toll has been most often put at 10,000. The 2-28 incident, as the episode came to be called, soon assumed the proportion of myth, even as public discussion about the event was forbidden. Few Taiwanese were unaffected by the tragedy, and resentments festered for more than 40 years.

The Taiwanese independence movement traces its genesis to this tragedy, though the movement's leading proponents, including Peng, spent decades in jail or in exile abroad. Surely part of Lee Teng-hui's popularity today is based on his efforts to allow the dead, finally, to be publicly and properly mourned. In 1991, under pressure from the independence-minded Democratic Progressive Party, he commissioned an official study of the episode, which found the Nationalist government guilty of excessive force. A \$71 million compensation fund was established for relatives of the dead. Several memorial shrines were erected, and February 28 was made a day of

public commemoration. Last year, at a memorial service broadcast throughout the island, Lee Teng-hui finally issued a formal government apology. “As the head of state, bearing the burden of mistakes made by the government and expressing the most sincere apology,” he said, “I believe that with your forgiving hearts, we are able to transform the sadness into harmony and peace.” This year again he noted the day by placing a wreath before a monument to the dead.

But the wounds were still fresh when the Nationalists on the mainland were defeated and Chiang Kai-shek fled to the island in December 1949. The welcome extended by the six million Taiwanese was understandably less than wholehearted.

The aloof and dictatorial Chiang Kai-shek did little to allay Taiwanese fears. Taiwan was a mere way station to the Nationalists, determined to recover China. “We will surely retake the mainland” remained the Generalissimo’s slogan during the last 26 years of his life.

The political system, reflecting the Kuomintang’s early collaboration with the Soviet Comintern, was a Leninist form of one-party rule, and the government mirrored the one Chiang had forged on the mainland, structured to govern the whole of China. Taiwanese were relegated to minor roles. Dissidents of all stripes—those who leaned toward independence for Taiwan, people who might have sympathized with the Communists, those who publicly expressed doubt about the Nationalists’ ability to retake the mainland—were silenced, and some spent years in exile or in jail on the notorious Green Island. Human rights organizations were no less critical of the Nationalist government on Taiwan than of the Communist government on the mainland.

But “desperation is the mother of reform,” notes K. C. Wu, the former Nationalist mayor of Shanghai who had become governor of Taiwan in late 1949 (and who resigned and moved to the United States in 1953 to work for a more democratic Taiwan). In addition to reconstructing the war-ravaged economy—three-fourths of Taiwan’s industry, two-thirds of its power plants, and one-half of its power plants had been put out of operation by American bombers—Chiang’s government introduced a series of controversial but ultimately successful reforms.

Land reform remains the most notable of them. In 1949, half of Taiwan’s population was engaged in farming, and virtually all the landlords were Taiwanese. Under the slogan “land to the tillers,” absentee landlords were forced to sell their acreage to the state—for cash, rice bonds, or stocks in industries formerly owned by the Japanese. The state then resold the land to farmers. Former landlords, initially unhappy with rural reform, soon became industrial capitalists. Agricultural output improved, and with further help from the U.S.-funded Sino-American Joint Committee on Rural Reconstruction, rural Taiwan came to prosper.

Lee Teng-hui, who began working with the Joint Committee after receiving a master’s degree in agricultural economics at Iowa State University in the early 1950s, can take some credit for Taiwan’s green revolution. Industry, including the manufacture of textiles, bicycles, furniture, and other consumer goods, grew in tandem with agriculture, as small, low-tech, labor-intensive factories on the outskirts of towns absorbed surplus labor from the countryside. Industrial production increased at the rate of 10 percent a year throughout the 1950s, and the growing prosperity, togeth-



Taiwan's economic boom started in rural areas and only gradually made its way to the cities, in sharp contrast to what happened in other Asian countries such as South Korea and Singapore. Some analysts believe that mainland China can bring about a similar transformation—but only if its leaders acknowledge the need for political as well as economic reforms.

er with opportunities for Taiwanese to elect their own local leaders, served to mute the discontent with Kuomintang rule.

Taiwan's dramatic success contrasted sharply with the situation on the mainland. Land reform there had been violent, and when Mao Zedong attempted to transform small-scale



collectives into gigantic communes in 1958, the country was plunged into the worst famine in history. Between 27 and 43 million people died—several times the population of Taiwan at that time. In the mid-1960s, just when recovery from the famine was complete, Mao launched the Great Proletarian Cultural Revolution. The country descended into a decade of political chaos. Traditional Confucian values were attacked, tearing the moral fabric of society, and many of the country's cultural artifacts were destroyed

By contrast, Taiwan's economic growth, and with it rising per capita income, continued throughout the 1960s, as manufactured exports of textiles, paper products, and electronic components grew and the share of industrial production in the economy expanded. People began to describe Taiwan's success as an "economic miracle," and together with South Korea, Singapore, and Hong Kong, the island became one of the "four tigers" of the Asia Pacific region.

But Taiwan faced daunting political challenges. Chiang Kai-shek's unassailable and authoritarian rule, two and a half decades of uninterrupted economic prosperity, U.S. and international support, and a mainland China wracked with famine and political upheaval had made it possible for Taiwan to put off addressing the underlying political problems. Chiang's death in 1975 and the erosion of international recognition made glossing over them more difficult.

International support for Kuomintang claims had begun to collapse in

1971, when the United Nations voted to give China's seat on the Security Council, then occupied by Taiwan, to the People's Republic instead. President Richard M. Nixon's historic 1972 visit to Beijing also doomed any long-term ties between the United States and Taiwan. In 1979, President Jimmy Carter granted diplomatic recognition to the People's Republic of China, broke official ties with Taiwan, and announced the termination of the mutual defense treaty—in effect since 1954—and the withdrawal from the island of all remaining American troops. An economic and cultural office in Washington now began to function as a pale and humiliating substitute for Taiwan's embassy. High-level contacts between Washington and Taipei were forbidden, and U.S. diplomats took leaves of absence from their official government positions to serve in the American Institute in Taiwan, as the unofficial embassy was now called. Taiwan became something of an international pariah as country after country withdrew diplomatic recognition in favor of the mainland. Even today, the Republic of China on Taiwan has diplomatic relations with only 32 countries, mostly in Africa and Latin America.

Internally, the legitimacy of Kuomintang rule over Taiwan was waning, and a sense of mortality—of institutions and men—loomed large. The hollow promise to retake the mainland and the claim to rule for all of China had become ludicrous. The mainlanders who had fled with Chiang Kai-shek were aging, and the claim of the elderly legislators to make laws for all of China had become a not-so-funny joke. Demography was having other political effects. Because 85 percent of Taiwan's population was island-born, the interests of this majority quite obviously lay with the island rather than the mainland. As per capita income went up, people expected to play a role in the political decisions affecting their lives. Taiwanese who had gone abroad to study in the 1960s and '70s, often to the United States, were returning. Exposed to democratic societies in other parts of the world, they became advocates of democracy in Taiwan.

Above all, the distrust between the mainlanders and the Taiwanese persisted. No government that failed to give Taiwanese a full and equal voice could long remain legitimate.

When Chiang Ching-kuo succeeded his father as president of the Republic of China on Taiwan in 1975, few would have described him as a political liberal. Educated in the Soviet Union during the 1920s and '30s, Chiang Ching-kuo had spent his political life with arguably the most repressive organs of state—the military and security apparatuses. Many saw him as the strongman responsible for keeping the lid on political dissent. That view was strengthened in December 1979, when a Kaohsiung demonstration organized by advocates of democracy and Taiwan independence turned into a riot. Fourteen leaders were arrested, convicted of sedition, and sentenced to prison terms ranging from 12 years to life.

But Chiang Ching-kuo had taken the pulse of the society he was charged with guiding. His ties to the security apparatus had taught him the sources of discontent, and his grass-roots involvement gave him an understanding of the citizens' wishes. He knew that his own authority was largely inherited from his father. In the absence of a successor from the Chiang clan, that authority would die with Chiang Ching-kuo. In 1986, he began to institute reforms—lifting martial law, loosening controls on the news media, and



Lee Teng-hui, shown here with a youth group, is so popular with the Taiwanese that the press have coined a term—“Lee Teng-hui Complex”—to describe the phenomenon.

legalizing the formation of competing political parties. The Democratic Progressive Party, with a platform of independence, was officially established that year.

Chiang Ching-kuo's most dramatic political reform, undertaken in 1984, was the appointment of Lee Teng-hui as his vice president and thus his political successor. What was most important about the choice was that Lee, unlike other officials in the upper reaches of the Kuomintang, was a native Taiwanese.

Lee had been born in 1923 and, like many who grew up during the period of colonization, was an admirer of many aspects of Japanese rule. (Even now, his Japanese is reputed to be better than his Mandarin Chinese.) He did not join the Kuomintang until his mid-forties, after his return from Cornell, and was thus even more of an outsider within the party. A technocrat and public servant rather than a politician, he had served only in appointive positions—as minister without portfolio beginning in 1972, as mayor of Taipei from 1978 to '81, and as governor of Taiwan from 1981 to '84.

Chiang Ching-kuo's selection of Lee to serve as his vice president came as a shock to many mainlanders in the Kuomintang. When Chiang Ching-kuo died in 1988 and Lee became president, many doubted his capacity to govern. Lee Teng-hui surprised them. Chiang Ching-kuo's admirers now believe the choice was shrewd. Indeed, during the eight years he has served as president, Lee has revolutionized Taiwanese politics.

But the game he has played is dangerous—pursuing the contradictory goals of accommodation with the mainland and Taiwanization and democratization of the island's political system.

Taiwanization and democratization necessarily work against reunification. Indeed, a core of the island's citizenry—between 30 and 50 percent—favors an independent Taiwan, and democracy grants this group both a voice and a minority of seats in the parliament. At the same time, virtually no one seems to favor immediate reunification with the mainland. In the

March elections, the candidates most closely associated with reunification—Lin Yang-kang and Chen Li-an—won the lowest percentage of votes—13.7 and 9.9 percent, respectively, a total of only about 24 percent. Public opinion polls show that the vast majority of people on Taiwan favor neither immediate reunification with the mainland nor quick independence, but improved ties and continuation of the status quo.

Publicly, Lee Teng-hui continues to favor reunification on Taiwan's terms. But, ironically, by permitting and encouraging contacts between Taiwan and the mainland, he has helped sustain popular support for the status quo. Taiwanese encounters with China often serve to confirm the view that the Middle Kingdom's claim to cultural superiority no longer holds.

"This isn't China," a visibly distressed Taiwanese businessman told me as we shared a late-night cab ride from Beijing's international airport into the city. In the ordeal of the Beijing airport he had experienced a sort of modern-day, civilian version of the scene Peng Ming-min witnessed in 1945 with the arrival of the Nationalist troops in Kaohsiung—the silent, surly

immigration officials; the uncertainty of baggage pickup; the pushing, shoving, unruly crowds as one emerges into the airport's public space; the assault of free-lance taxi drivers, cigarettes dangling from their mouths; the disorder of the officially sanctioned taxi queues.

"Confucianism teaches proper behavior, politeness," the businessman told me. "We believe in *renqing*—human sympathy. The mainland is destroying Chinese culture." He wondered whether I had visited Taiwan, where, he said, Chinese culture remains intact.

Mainlanders returning to their home villages after some

40 years often report that their villages have barely changed, in glaring contrast to the spectacular rural development in Taiwan. Mainlanders often envy the wealth of their Taiwan relatives, and many have suffered, particularly during the Cultural Revolution, because they had family in Taiwan. Playing on their Taiwanese relatives' guilt, they demand economic compensation, and their relatives comply, showering them with consumer goods—televisions, sewing machines, bicycles—and paying for the construction of their homes. At the same time, with money they channel through Hong Kong, Taiwanese are building new schools and factories on the mainland, thus becoming major benefactors of their native villages. "My father hopes that by building schools and maintaining close ties with his village he can encourage democracy there," the Taiwan-born son of a mainlander explains.



Using some of the wealth generated by the robust economy, the Taiwan government has embarked on an ambitious program to modernize the island's infrastructure.

But Taiwanese businesspeople voice their frustration. One of them, a manager of an international fast-food chain, tells what she hated about China when she first arrived—the backwardness, the rudeness, the poor service, the suspicion and lack of trust, the dirt and lack of sanitation. But then she adds, “If I had been born here, I’d be like that, too. They didn’t choose to be like this. They want to live like we do. We have had a lot that they haven’t. If I can make life better for them, I want to. We’re all Chinese. We’re all relatives, friends. So I say we must have patience and love.”

For now, both the exchanges and the social impact are largely one-way, from Taiwan to the mainland, and Taiwan’s influence often serves as a subtle reminder of the continuing shortcomings of Communist Party rule. Satellite dishes along the coast bring Taiwan television into urban homes, exposing millions to news, soap operas, and Taiwan culture, both high and low. The sentimental ballads of Taiwan pop star Deng Lih-chun are heard in taxis, hotels, and homes. “I watch Taiwan television and talk to Taiwanese businessmen here,” a taxi driver in Xiamen, on the coast of the straits, told me. “I know they live better and have more than we do.” Another thing they have, he says, is democracy.

Taiwanese-owned plants in southern China contract to produce running shoes for Reebok and agree to abide by the human rights principles Reebok requires of all its suppliers. Safety standards, dormitory facilities, working hours, and training requirements differ greatly from those in Chinese-run private enterprises. Taiwan-managed chains such as McDonald’s and Kentucky Fried Chicken insist on unfailingly friendly service, spotless rest rooms, and high standards of cleanliness and sanitation, offering a sharp contrast to the state-run establishments and a goad to improvement. Chinese-run Rong Hua Ji, which is opening fast-food chicken restaurants within a stone’s throw of Kentucky Fried Chicken, is a less-expensive imitation but not yet a worthy competitor.

Mainlanders are aware that Taiwanese look down on them, and many resent it. Some offer grudging admiration. “It’s clear now that the Kuomintang should have won,” said a friend who graduated from college the year the Communists took over. He thinks the Communist Party will stay in power for another 10 or 20 years. “But we’ll get multi-party democracy just like Taiwan—like the Democratic Progressive Party,” he says. For some Chinese intellectuals, Taiwan is proof that being both modern *and* Chinese is not impossible. Some mainlanders seek a revival of Confucianism, hoping to take the best of China’s ancient culture—the strong emphasis on the family, harmony, and good-heartedness—and adapt it to a more modern, liberal society, just as Taiwan has done.

Official Beijing, however, has few conceptual tools for understanding Taiwan. That a renegade province could be both economically more advanced and more Chinese than China is simply inconceivable. And that is at the root of the problem of reunification. Beijing perceives itself as magnanimous in offering Taiwan autonomy under reunification, and Taiwan refuses to subordinate itself to a regime with such obvious political, economic, and cultural problems.

“The mainland mentality is this,” says Taiwan’s minister of foreign affairs, Frederick Chien. “They are the center, the superior, and Taiwan is the local and the inferior. But that is completely ignoring reality.” Taiwan’s per capita gross national product today is more than \$10,000 per year, compared with \$450 on the mainland. Its literacy rate approaches 90 percent in contrast to 78 percent on the mainland. And Taiwan is a fully functioning democracy.

Taiwan’s push to gain international recognition through membership in international organizations and re-entry into the United Nations may be an effort to gain globally what it cannot receive from its “relatives”—respect for its accomplishments and treatment as an equal. Contrary to what Beijing charges, Lee Teng-hui may be sincere in claiming to favor eventual reunification while simultaneously seeking international recognition.

But Beijing is right to be worried. Democracy gives Taiwan de facto autonomy, calls into question Beijing’s claim to speak for all of China, and deprives the mainland of any but a territorial rationale for retaking the island. Taiwan’s search for “living space” in the form of participation in international organizations will become harder for other countries, including the United States, to ignore. As Taiwan has changed, the assumptions underlying American policy toward it no longer hold. The United States currently lacks a coherent strategic policy for dealing with Taiwan and the mainland, a situation that undermines its ability to forge cooperative ties among the three governments.

Most military experts agree that the Chinese People’s Liberation Army is now incapable of conquering Taiwan. Despite its numerical advantage, the Chinese military is neither as well trained nor as well equipped as that of Taiwan, and its amphibious forces are weak. Taiwan has more than 400,000 active-duty personnel in its armed forces, and its air force includes American-made F-16 and French-built Mirage fighter jets.

But the balance of power is shifting, and a decision by China to ready its forces to take over Taiwan could be carried out in a matter of years. In the meantime, through blockades and selective missile attacks, the mainland could still do grave damage to Taiwan and seriously undermine its trade-dependent economy. Beijing’s recent military maneuvers may have been mostly gongs and drums, but war is not completely out of the question. The strident new nationalism being voiced on the mainland today has infected even otherwise sober-minded intellectuals.

“Why shouldn’t we retake Taiwan?” some of my mainland friends are asking. “It’s ours.”

“Before, Taiwan would have had to go 100 percent of the way toward independence in order to provoke us into attack,” one friend told me. “Today they only have to go 80 percent of the way. Tomorrow maybe they’ll only have to go 60 percent.”

The difficulties between Taiwan and the People’s Republic are as intractable as any in the world today, but an agreement between the two sides may not be impossible. The most workable long-term formula for reunification is a commonwealth or confederation that would

accept Taiwan as China's equal and permit close cooperation for the mutual benefit of both.

In the meantime, the mainland has much to learn from Taiwan. Although the Chinese economy is now growing at an average rate of about 10 percent per year, modernization's human costs and dislocations are wrenching. As China's coastal areas speed ahead, inland areas lag behind, and agriculture stagnates. Taiwan's agricultural development, its balance between agriculture and industry, and its symbiosis between rural workers and fledgling, labor-intensive industries deserve study across the straits. Also worthy of emulation is Taiwan's Confucian emphasis on education. The proportion of the national budget Taiwan spends on schools is second only to that spent on the military. The mainland, by contrast, ranks close to the bottom among all countries in education expenditures. Beijing might also study Lee Teng-hui's handling of the 2-28 incident, for eventually the mainland regime will need to atone publicly for its role in the events of June 4, 1989, when the military moved into Beijing to put a brutal end to weeks of peaceful protest.

But the most important lesson China can learn from Taiwan has to do with political survival. At an officially sponsored conference in Beijing in the summer of 1995, before cross-straits relations began to deteriorate, scholars from Taiwan likened China today to Taiwan at the time of Chiang Ching-kuo's death. The Kuomintang, they said, had had to reform in order to survive. Democratization was the party's only hope. Just as with the Kuomintang then, the scholars pointed out, so the legitimacy of the Communist Party today is waning. Taiwan's political reform began with competitive elections in villages and gradually moved up to the island-wide level. The mainland, too, has begun to introduce competitive elections at the village level, and reformists on the mainland are hopeful that, in time, free elections can be held at the county level and then at the provincial level. Only in the long run—10 or 20 years, they say—are elections likely to be introduced at the national level. Taiwan's example has much to teach about how such reforms might be made. And only with such major political reform on the mainland will peaceful reunification between China and Taiwan ever take place.

But it will not happen immediately. What the scholars from Taiwan were too polite to point out is that their two great leaders, Chiang Kai-shek and Chiang Ching-kuo, had to die before political reform could begin. Deng Xiaoping turns 92 in August. Major political reform and peaceful reunification are impossible until he passes into history.

