

# Corruption and China policy dominate Taiwan presidential campaign

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The March 18 election for the presidency of the Republic of China, as Taiwan is officially known, will be contested by five candidates, three representing the major political parties—the Kuomintang (KMT), the Democratic Progressive Party (DPP) and the New Party—and two independents, James Soong and Hsu Hsin-liang.

On January 6, the deadline expired for independent candidates and minor parties to submit the required 224,000 voter nominations in order to appear on the ballot paper. Soong, the former Governor of Taiwan and a major powerbroker within the KMT until his expulsion in November, presented authorities with over 1.6 million signatures. Hsu Hsin-liang, a former DPP chairman now campaigning in opposition to its policy of Taiwanese sovereignty, submitted over 340,000 names. The Taiwan Independence Party, which achieved press coverage last year by calling for the island to arm itself with nuclear weapons against mainland China, failed to secure the necessary nominations and will not be standing.

The outcome is difficult to predict. In the 1996 presidential election the KMT's Lee Teng-hui won 54 percent of the vote. Opinion polling conducted from January 4-6 by EX International recorded only 16.8 percent for the KMT, 22.2 percent support for Soong, 22.2 percent for the DPP, 0.5 percent for the New Party and 0.6 percent for Hsu Hsin-liang. One third of those questioned had not decided who they would vote for. The poll found that one of the major issues concerning Taiwanese voters was defusing tensions with mainland China.

The election campaign is dominated by a bitter factional split over China policy within the Kuomintang, which has ruled over Taiwan continuously since 1945, first through a military dictatorship and since the late 1980s through elections. A considerable section of the KMT, and much of its voter base, has grouped around Soong's campaign against the official KMT presidential candidate and Lee Teng-hui's protégé, current vice-president Lien Chan.

At the level of terminology there is little difference between the Lee and Soong factions of the KMT. Both claim that the government on Taiwan is the continuity of the Republic of China established in 1912 and therefore a sovereign state. Both reject the mainland's claim that Taiwan is part of the Peoples Republic. Both have declared the “one country, two systems” model under which Hong Kong and Macau reunited with China as unacceptable. But in the practical relations they advocate with the mainland regime,

the differences are pronounced.

Lee's orientation is to establish Taiwan as a recognised nation-state, represented in international diplomatic and trade organisations. Lee has sought to use Taiwan's security arrangements with the United States as a lever against China and has promoted a more active role by Japan in the region. In an interview in December with Japanese magazine *Shin Cho*, Lee called for a revision of the Japanese constitution to give greater powers to its prime minister “so that it [Japan] will be able to more actively participate in regional affairs in the face of the rapidly changing Asian situation.”

Soong speaks for and is backed by powerful layers within Taiwan's political and business elite who have considerable investments on the mainland and are opposed to the increased tensions with China brought about by Lee. Brewing since the mid-1990s, the rift was brought into the open by Lee's statement last July that relations between the mainland Peoples Republic of China and the Republic of China on Taiwan were “state-to-state”, or between two separate nations. Combined with Lee's earlier statements that a unification of Taiwan and China was impossible until Beijing implemented democratic reforms, the comments were understood in both Taipei and Beijing as effectively ruling out any negotiations and have led to an uneasy military stand-off across the Taiwan Straits. Soong has attacked Lee's policy as reckless and risking war.

Continuing the basic themes of his campaign since July, Soong stated on January 5 that he was “neither for hasty unification nor for hasty independence”. He defined mainland and Taiwan relations with the ambiguous term “quasi-international”—neither domestic as asserted by Beijing, nor international as stated by Lee. He announced that as president of the Republic of China he would propose signing a 30-year non-aggression pact with the mainland, to be witnessed by Japan, the US and the member-states of ASEAN (Association of South East Asian Nations). He called for China to enter into a political arrangement with Taiwan modeled on the European Union, in which both were recognised as sovereign states and that could be extended for a further 20 years if no progress toward unification had been made before 2030.

In his major economic policy statement on January 12, Soong condemned the official policy of regulating investment to the mainland and restricting direct sea and air links—known as “go slow, be patient”. He advocated “go straight ahead, be positive”, with promises to ease Taiwanese investment, assist medium and

small Taiwanese business to find markets in China, and open discussion with Beijing on direct links.

Faced with low electoral support, the official KMT has sought to use a corruption scandal to destroy the rival campaign. Soong has been undermined by ongoing revelations since December 9, that millions of dollars were paid into the personal accounts of his family while he was the KMT general secretary and Governor of Taiwan in the early 1990s. The amounts involved so far come to nearly \$US30 million. With the Taipei District Prosecutors Office preparing a criminal case against him, it is entirely conceivable that Soong will face trial and imprisonment.

Opponents of Lee and the official KMT have not been passive. In early indications of a political realignment in Taiwan, figures associated with the New Party, which favours unification with the mainland and split from the KMT in 1993 over China policy, have rallied to Soong's defence. A private investigation team, headed by a New Party legislator, has conducted an intense public relations campaign to salvage Soong's reputation.

Not surprisingly, scandals and corruption allegations have surfaced against key official KMT figures. Lee Teng-hui's personal advisor, John Chang, the grandson of Chiang Kai-shek, was forced to resign on December 21 after his extra-marital affair was made public. Accusations of fraud have been made by a New Party parliamentarian against KMT candidate Lien Chan and demands are being made for an official investigation. A book was launched on January 11, entitled "Removing the make-up of Lee Teng-hui" and introduced by New Party presidential candidate Li Ao, which alleges, among other things, that Lee was a member of the Chinese Communist Party in his youth.

While Soong's popularity has plummeted from 30-35 percent to 20-25 percent, the most noteworthy feature of the corruption scandal and the split in the Kuomintang is the fact the DPP, the main opposition party, has to this point made few gains. The shifts in voter support have flowed mainly into the camp of "undecided voters".

The DPP was legalised in 1987 by the KMT dictatorship in one of its first political reforms. Formed by a political elite among the majority Taiwan-born population that endured repression under KMT rule, the DPP advanced a declaration of Taiwanese sovereignty and democratic reform as its central political perspective.

Throughout the 1990s the DPP has become fully integrated into the political structure of Taiwan. It holds 70 seats in the Legislative Yuan or parliament, the position of mayor of Kaohsiung, the island's second largest city, and runs numerous counties. As the split over policy toward mainland China has developed inside the KMT, the DPP has also fractured, with Hsu Hsin-liang breaking off to run an independent campaign on policies similar to James Soong.

The majority of the party, led by presidential candidate Chen Shui-bian, has more and more openly identified itself with president Lee, hailing his "state-to-state" speech and calling for the phrase to be inserted into the country's constitution. Along with the KMT, it has made the buildup of the military a central plank of its election platform. The pro-DPP *Taipei Times* has bitterly denounced James Soong, with an editorial on Wednesday stating:

"Soong has deviated from public opinion by being a lackey of Beijing". The DPP line is widely perceived to be so similar to the official KMT on the issue of mainland China that political commentators have speculated DPP supporters may vote for Lien Chan to prevent Soong winning the presidency.

The DPP has made energetic efforts to use the corruption scandals to differentiate itself from the official KMT. Chen Shui-bian has focused on KMT nepotism, known on the island as "black gold", which permeates the entire political system in Taiwan. Particular attention has been given to the KMT's vast business holdings, estimated to be valued at \$US6 billion, and believed to be the financial base of vote buying and bribery. Chen has presented the DPP as an Asian version of Tony Blair's "Third Way" and declared it will clean up Taiwanese politics. On December 22, Chen declared the KMT to be a network of "government and party businesses, conglomerates and gangsters".

In an attempt to deflect criticism, Lien Chan announced in his major policy speech on January 2 that all KMT business assets would be placed into trust. Chen Shui-bian replied: "If you pour fresh water into a cesspool, the cesspool still stinks". Soong independents, New Party and DPP parliamentarians are demanding that the KMT businesses be totally liquidated and portions expropriated by the government.

With the campaign entering its final months and voters displaying a distinct lack of enthusiasm for any candidate, the KMT is growing desperate. There are indications it may repeat Lee Teng-hui's tactic of 1996 when he provoked a military crisis with China in order to galvanise support. In a provocative jibe at Beijing, Lien stated in his policy speech: "At a time when the trend in international thinking is placing human rights higher than sovereignty, I am determined to secure the 'right to live in peace' of our 22.25 million people from violation."

In a later statement, Chen Shei-saint, one of Lien's spokesmen, was more explicit: "Kosovo has demonstrated that human rights are more important than sovereignty". The remarks immediately fuelled a debate in the Taiwan press over whether the government should encourage US intervention on behalf of Taiwan in the same manner as in the Balkans.

With US congressional approval for China's admission to the World Trade Organisation being debated, Beijing has made no response to Lien's speech. But James Soong has. Over the weekend he used a 30,000-strong rally in Taipei to denounce the KMT and the opposition DPP as "agents provocateurs". He said: "Since Lee's statement, the international media such as CNN has depicted Taiwan as one of the most conflict-prone areas in the world. That's not what we want. We want respected peace. People in Taiwan want peace and I am proposing 30 to 50 years of peace with the mainland".



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