Impeachment drive against Taiwan president suspended

James Conachy 9 December 2000

In the face of popular opposition and divisions within its own ranks, the Kuomintang (KMT) or Nationalist Party has been forced to suspend plans to impeach and potentially remove Taiwan's president, Chen Shui-bian. Chen's election in March ended 55 years of Kuomintang rule over the island—until 1987 by military dictatorship.

Agitation for impeachment was initiated after the October 27 announcement that the government would honour an election promise of Chen's Democratic Progressive Party (DPP) and cancel the widely opposed 10-year-old, partially complete \$US5.6 billion project to build a fourth nuclear power plant in Taiwan.

Cancelling the power plant was bitterly attacked in corporate circles and by sections of the KMT, in large part due to Taiwan's mounting economic woes.

The last six months have seen sharp falls on Taiwan's stock markets, rising unemployment and a decline in business confidence due to the global collapse in the speculation on Internet and technology companies. With so many Taiwanese-based firms engaged in the manufacture of computers and computer-related equipment, the Taipei stock market has slumped 50 percent since April, paralleling the fall on Wall Street's NASDAQ index. Numbers of Taiwanese firms have accelerated the transfer of their operations to mainland China, where cheaper labour, energy and land enable them to cut costs. In the last 10 months alone, Taiwanese investment to China has doubled.

Under conditions of stock market turbulence and capital flight, Chen's power plant decision was decried for aggravating a perception that Taiwan is no longer an attractive place to invest.

Under the constitution of the Republic of China (ROC)—Taiwan's official name—the president can be impeached by a two-thirds vote in the 221-seat

parliament, the Legislative Yuan. A successful impeachment triggers a popular referendum. If more than 50 percent of the vote is against the president, new elections are held in which the impeached president is barred from contesting.

After enduring decades of authoritarian and corrupt Kuomintang rule, the Taiwanese people delivered an overwhelming repudiation of the KMT in the March presidential election. The KMT candidate, Lien Chan, received only 23 percent of the vote and finished a distant third behind Chen's DPP, with 39 percent, and independent presidential candidate and former KMT powerbroker James Soong, with 37 percent.

However, due to the time-gap between the presidential and the parliamentary elections, which are not scheduled until late 2001, the KMT still holds an outright majority of 115 seats in parliament. Chen's DPP has only 68. The Peoples First Party (PFP), comprising Soong supporters who broke from the KMT, has 17 seats. The New Party, which is closely aligned with Soong's party, holds nine, and the remaining 12 legislators are independents.

With the support of the PFP, the New Party and some independents, the KMT claimed to have the numbers to call for impeachment on the grounds that Chen, by overturning previously passed legislation without the permission of parliament, had exceeded presidential authority and violated the constitution. A motion was never lodged, however, and on November 25 KMT Secretary-General Lin Fen-cheng announced that plans to impeach Chen had been shelved.

The KMT's retreat was partly as a result of public reaction. By mid-November, opinion polls, while recording a slump in Chen Shui-bian's approval rating, showed over 60 percent of Taiwanese opposed any KMT-organised impeachment. Support for Soong's PFP fell, calling into question whether it would actually support an impeachment motion.

The political uncertainty produced another series of major runs on the stock market. Chen himself sought to diffuse the situation by publicly apologising to the KMT and appealed to the Council of Grand Justices, Taiwan's highest court, to rule on the constitutionality of the decision to cancel the power plant.

Divisions began to open up in the KMT. According to the DPP, at least 20 KMT legislators belonging to a faction close to former president Lee opposed both the reconciliation with the PFP and any impeachment. Lending credibility to the claim, the KMT issued a threat to expel any legislator who did not toe the line and vote against Chen. DPP leaders immediately offered to take in any legislator expelled by the KMT and help them gain re-election. If it pursued impeachment, the KMT faced the prospect of a defeat in parliament and another split in the party.

At the heart of the conflicts inside the KMT are differences over the key issue of Taiwan's relationship with mainland China. In June 1999, the previous president Lee Teng-hui declared that China and Taiwan had "state-to-state" relations—a challenge to Beijing's claims that Taiwan is an integral part of China. The statement sharpened conflicts with China and provoked opposition within the KMT from those layers, including Soong, who seek a rapprochement with Beijing and negotiations over eventual reunification.

Lee's stance brought the KMT closer to the position of the DPP, which since its formation in 1986 has advocated an independent Taiwan. With Soong standing as an independent and threatening to win the presidency, business figures closely linked to the KMT threw their support behind the DPP campaign—a critical factor in Chen's narrow victory over Soong. In the initial months after Chen's inauguration, he governed through a de-facto coalition with the KMT, with Lee's former defence minister, Tang Fei, as his Premier and 13 other KMT members in his cabinet.

The alliance has broken down in recent months, with Tang Fei resigning reportedly due to conflicts over the power plant. As the impeachment crisis has demonstrated, the KMT remains deeply divided, with factions leaning toward either the DPP or Soong's PFP. This year the KMT's membership has fallen from over two million members to 600,000, with large numbers of former KMT supporters transferring their allegiance to other parties. In at least one key area, the central Taichung county, a number of leading KMT members have recently resigned to join the DPP.

As next year's parliamentary elections draw closer, and Taiwanese politics continues to polarise over policies towards China and the country's economic decline, further desertions from the former ruling party to the DPP and PFP are likely.



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