

## Symposium on Taiwan

### PREFACE

In the winter of 1979, the United States shifted diplomatic relations from Taipei to Beijing. At that time, many international observers predicted that Taiwan's economic and political stability as well as its international stature would decline. Yet, Taiwan's economy is stronger now than it was ten years ago, with Taiwan's treasury holding roughly 75 billion dollars in foreign exchange reserves, placing it third in the world behind Japan and West Germany. In international affairs, Taiwan is gaining formal diplomatic recognition from a number of countries that had never recognized it before or that had shifted relations to Beijing. Since the death of former Republic of China (ROC) President, Chiang Ching-kuo, internal politics have changed dramatically. First, in July 1987, the government of the ROC lifted martial law which had been in effect since 1948. Second, the Kuomintang (KMT), which had long presided over a one-party system, agreed to accept a multi-party system and to allow the opposition parties to compete with it for genuine political power. Increasingly open political debate and more searching and penetrating scholarly inquiry into the legitimacy of government policies and procedures have accompanied these changes by the KMT. Moreover, both domestic and foreign parties with economic interests in Taiwan are demanding greater economic and legal protection.

While the authorities in Taiwan have tolerated demands for change and effected political and legal reforms, events in the People's Republic of China (PRC) have regrettably proceeded in the opposite direction. Even before the tragic and violent events of June 1989, it was clear that conservative elements in the Chinese Communist Party leadership were gaining strength in inner party councils. Since the Tiananmen massacre of June 4, 1989, the Chinese leaders have intensified political control, creating an atmosphere of intimidation in place of the increasingly open and dynamic climate that had emerged over the previous decade. Furthermore, the current leadership of the Chinese Communist Party has decided to slow down and even reverse many economic reforms, curbing the private economy and restraining the collective sector as well. Reports suggest the likelihood of increased central economic planning in the future. Curiously, while

domestic economic reforms are on hold and political debate is chilled, official PRC policy continues to promote expanded relationships with Taiwan. In Taiwan, meanwhile, private interests in the Mainland continue to grow with tacit government support.

In light of the above-noted developments in Taiwan and in the Mainland, it is not surprising that foreign investors and their legal advisors have shifted their attention from the Mainland to Taiwan. Many are interested in studying the outcome of the recent elections in Taiwan to determine whether true political opposition will be tolerated by the long-dominant KMT. Foreigners are looking to developments in ROC banking laws for assurances of greater opportunities for foreign banks to provide a full range of financial services in Taiwan. The exciting and volatile Taiwan stock market has captured the attention of potential foreign investors as well as mesmerized the residents of Taiwan who have observed their neighbors become millionaires overnight.

In the midst of these political and economic developments in Taiwan, legislators, legal scholars, and lawyers have focused on developing a rational and systematic legal framework in Taiwan to provide for rapid and stable development. At the same time, civil libertarians in Taiwan now call openly for genuine constitutional reforms to ensure meaningful protection for individual rights.

The editors of the *Journal of Chinese Law* are proud to present a two-volume symposium on legal developments concerning Taiwan. The contents of the two-volume symposium fall into four categories: the first category relates to legal aspects of Taiwan's international status and its foreign policy; the second concerns reforms in the domestic public law of the ROC, with particular attention accorded to constitutional law and judicial reform; the third focuses on laws relating to domestic financial and economic activities; and the fourth and final section concerns legal issues, principles, and regulations arising out of the growing relationships between Taiwan and the Mainland. Leading officials of the government of the ROC and influential legal scholars and prominent lawyers from Taiwan, the PRC, Hong Kong, and the United States have contributed articles and comments to this two-volume symposium. It serves as a legal guide to be followed when conducting activities in Taiwan and between Taiwan and the PRC and is indispensable reading for scholars, businessmen, and lawyers.