

Dealing with the Godfathers

BY SIN-MING SHAW

MANY TAIWANESE I talk to worry about whether their society can be considered genuinely democratic while the Mob plays such an important and powerful role in public life. Organized crime permeates Taiwan's politics and the economy. Yet President Lee Teng-hui seems confident he has the situation under control. Is he right?

When I visited Taipei in February, the local newspapers were full of stories about mobsters. My impression of an island in the grip of corruption was reinforced by an excellent exposé of the Mob ("*Taiwan's Dirty Business*") by Allen T. Cheng in April's *ASIA, INC.*

Former Justice Minister Ma Ying-jeou told me that one-fifth to one-quarter of Taiwan's 1,553 elected officials at national and county level are known to have a criminal record or links to the Mob. Ma initiated 341 prosecutions against these officials. None has been convicted to date. No one I talked to believes that any of them will be.

At the peak of his crime-busting campaign last year, Ma was sacked by Lee for pursuing the Mob a bit too aggressively. Ma, now a minister of state without portfolio, is considered the most popular official in Taiwan. Lee's KMT still sees vote-getting value in him: He is slated to run for election as Taipei's mayor.

Lin Chung-cheng, an authority on the Mob and a legislator in the opposition Democratic Progressive Party, says that 20 percent of Taiwan's economy is "underground," and much of that is Mob-linked.

The Mob is involved in underground finance companies that are loan sharks in disguise. It has entered the construction industry in a big way. It controls agricultural and fishery credit co-ops. The Mob is to blame for fixing elections and rigging baseball games. Alarming, some otherwise law-abiding citizens now find it expedient to work with the Mob in order to turn a profit, or to gain political power. According to Lin, the rigging of huge government contracts requires the cooperation of high officials and the private sector. So far, only junior-



Lee declares victory



SHANGHAI-BORN BUSINESSMAN SIN-MING SHAW WAS BITTEN BY THE MASS-MEDIA BUG EARLY IN A CAREER THAT HAS PROPELLED HIM FROM ACADEMIA TO JOURNALISM TO THE HELM OF HIS OWN INVESTMENT COMPANY IN HONG KONG. SHAW SHARES HIS INSIGHTS ON THE REGION'S LEADING ISSUES IN A REGULAR *ASIA, INC.* COLUMN

level gangsters have been hauled in by the police.

The Mob's origins are deeply rooted in Chinese history. During the Republican era when Chiang Kai-shek moved against the warlords, he made extensive use of Shanghai's Green Gang to prepare for his takeover of that city in 1927. He used the mobsters to slaughter Communists. Even during martial law in Taiwan, the KMT maintained a link with the Mob. Yok Muming, a former high-ranking KMT official and a legislator in the opposition New Party, admitted to me that many mainland mobsters arrived with Chiang Kai-shek and, from time to time, performed services for the regime.

However, Yok insists that the Mob, under Chiang Kai-shek and his son, President Chiang Ching-kuo, was a localized phenomenon with limited influence. It played little part in Taiwan's political life.

That changed at the time of last year's presidential elections, which, according to both Lin and Yok, marked the beginning of a quantum jump in the influence of the Mob on electoral politics. Criminal money (known in Taiwanese lingo as *hei jin*, or black gold) also assumed a new importance.

According to most accounts, the Mob only emerged "above ground" under Lee's reign. When Lee succeeded Chiang Ching-kuo, he had no power base within the KMT, which was dominated by Chiang's followers, mostly mainlanders. Lee is a native Taiwanese, educated initially in Japan. To stay in power, he needed votes. So, in order to broaden his support, he reached out beyond party channels. KMT officials allowed the Mob to engineer a high voter turnout.

Lee was guided by two considerations. He realized that the way to get around the KMT apparatus was to democratize the entire political system, while he changed personnel within the party. Second, he wanted to please Washington. He knew that introducing democratic reforms would strengthen the tenuous ties be-



Opposition party activists burn Lee's image in a pre-election protest

tween Taiwan and the U.S., especially the U.S. Congress.

The March 1996 elections brought the mobsters' involvement into full view, a development that received extensive coverage from both the local and mainland press. But local concerns were soon obscured by the missile threat from China. This turned the international press into Taipei's biggest supporters, depicting a tiny freedom-loving Taiwan standing up to a giant communist bully. Since the life and death of a nation seemed to be at stake, the role of the Mob was overlooked.

Many political analysts believe that if China had not made the colossal blunder of threatening Taiwan, Lee would have won the election anyway, but he probably would not have won a majority of the votes. So Lee has Beijing to thank for his convincing victory. His mandate was assured by a popular landslide (to be fair, most Taiwanese of Fujian origin wanted their native son to win), and he was able to break loose from the traditional KMT power structure.

I suspect that Lee may not feel the aversion that others would feel about having a working relationship with the Mob. This may be due to his strong affinity to Japanese values, having grown up in colonized Taiwan and later studied at Kyoto Imperial University. He has been quoted as saying he feels more at home thinking

in Japanese, and that the first newspapers he reads are Japanese dailies. Do his Japanese roots explain his nonchalance? In Japan, *yakuza* organized-crime groups and the Liberal Democratic Party have long co-existed peacefully in a relationship guided by unspoken rules about the parameters of criminal activity. For years, blue-chip companies hired *yakuza* muscle men to evict fractious shareholders from annual general meetings in order to preserve the "harmony" prized by a consensus-conscious Japanese society.

Lee seems confident in his power to turn off the Mob as easily as he allegedly turned it on. He appears to agree with those in Taiwan who feel that the police and the army can always rein in or crush the Mob if and when necessary. Is his thinking seriously flawed? The answer will decide whether history records him as a true democrat or an arrogant autocrat leading Taiwan to moral and social decay.

The government never should have tolerated the Mob in any size or form in the first place. A democratic society must be built on the peaceful resolution of conflicts, not through Mob violence, or the threat of it. One last thought: You don't need to revisit Francis Ford Coppola's magnum opus *The Godfather* to know that when you owe the Mob, one day it'll collect. ■

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