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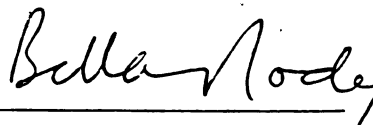
thesis entitled
TAIWAN'S TV INDUSTRY
DEDUCTION IN DEPENDENT DEVELOPMENT
FROM 1960 TO 1990

presented by

MIMI SY-PING FANG

has been accepted towards fulfillment
of the requirements for

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TAIWAN'S TV INDUSTRY:
REDUCTION IN DEPENDENT DEVELOPMENT
FROM 1960 TO 1990

BY

MIMI SY-PING FANG

A THESIS

Submitted to
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ABSTRACT

TAIWAN'S TV INDUSTRY: REDUCTION IN DEPENDENT DEVELOPMENT FROM 1960 TO 1990

BY

MIMI SY-PING FANG

Taiwan is a "third world country" which used to heavily relied on economic assistance from the United States and Japan. Now she is famous for her own successful economic achievement.

TV communications were started in Taiwan in the 1960s by the ruling party, KMT, as the best propaganda tool. The U.S. and Japan provided hardware and software. Thirty years later, Taiwan's TV is controlled by the domestic industry. Only 20 percent of stock is held by the Japanese and over 70 percent of programming is produced locally. The TV industry is presented as an illustration of the dependent of Taiwan.

Finally, from the economic and communication angles, there are three points to discuss in Taiwan's TV communication: (1) Taiwan is having difficulty escaping the controlling shadow of the U.S.'s economy and Japan's technology. (2) The Taiwan's TV programming is still entertainment-oriented. (3) In the cable industry, Taiwan has to listen to the mother nation's policy such as Japan since there is no satellite in Taiwan.

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CHAPTER ONE: INTRODUCTION

RESEARCH OBJECTIVE:

In the past forty years, Taiwan has grown from an agricultural society in the 1960's to a business society, using her limited resources to build herself. { U.S. economic aid from 1951 to 1965 followed by Japanese loans came after the U.S. economic assistances were the major forces in Taiwan's economic development. }

In the 1960's Taiwan was poor and could not afford everything for her people. TV communication was started by the ruling party, KMT, in order to fight Mao Tse-tung's regime and convey the Nationalist's political ideologies. { The first TV network, TTV was opened by the KMT with 40 percent of Japanese stock and 90 percent of imported U.S. programming. }

{ The research objective in this study is to demonstrate how the indigenous development of the TV sector in Taiwan was under the framework of dependent development, reflecting the character of the overall dependent development of the economy. }

The importance of this study is to show how Taiwan used foreign aid to develop a proud economy, how she used U.S. software and Japan's hardware before and now she is building up the TV industry by herself.

RESEARCH QUESTIONS

How did Taiwan develop its television sector after initial dependence on the U.S. and Japan?

In an analysis of the dependent development of the Taiwan's economy and the TV industry, the role of Taiwanese government is a crucial factor. The research problems in this study are:

{ How did the Taiwanese government protect and encourage the domestic economy and TV industries? How did Taiwan advance beyond the dependence on Japanese loans?

How is Taiwan presently developing selected important technologies which were under Japanese control and supervision? }

THEORY:

The author uses {dependent development theory } because Taiwan's economy and TV communication industry demonstrates how a developing country, which accepts outside assistance, can develop alongside its dependence.

TAIWAN'S ECONOMIC AND POLITICAL BACKGROUND

Taiwan is located in the south Pacific Ocean. After 1949, Chiang Kai-Shek, the leader of the Kaomington (KMT) Nationalists, established his empire by moving from China to Taiwan. Forty years later, Taiwan is noted for its miraculous economy, and is known in business literature as one of the "Four Little Asia Dragons". Compared with the other three little dragons, Singapore, South Korea and Hong Kong, Taiwan has achieved the highest economic growth of the four (Table 1).

Table 1..1

ANNUAL ECONOMIC GROWTH OF FOUR ASIA LITTLE DRAGONS 1961-1988

Taiwan	9.3%
South Korea	8.6%
Hong Kong	8.4%
Singapore	8.5%
* Japan	6.6%
* W. Germany	3.1%
* USA	3.2%

SOURCE: IMF (International Financial Statistics. 1989)

To understand the development of Taiwan's economy we must look back to the early days of this century. In the early 1600's, when the Netherlands and Portugal intervened in Taiwan, Taiwan provided a harbor for maritime commerce, importing, and exporting. During the Japanese occupation from 1895 to 1945, Taiwan's agricultural

base was exploited, with sugar and rice produced not only for Taiwanese and Japanese domestic consumption, but also for Japanese export to other nations.

With the arrival of the KMT in 1949 and its take-over of all governing powers, Taiwan faced many new problems. Among them were the arrival of large numbers of people from mainland China, with resulting racial conflicts between natives of Taiwan and new immigrants. Even though common cultural ties existed in both Chinas, Taiwan became divided by cultural and language differences, aggravated by a rapidly expanding population. Taiwan became home to native Taiwanese and mainland Chinese and to those who spoke Taiwanese, Ha-kanese, and the many dialects of mainland China. After 1949, the KMT government isolated itself from Mao's government in China, resulting in a domestic capital shortage.

{From 1951 to 1965, Taiwan accepted a loan from the United State government, whose effects are still felt on the economy. In general, U.S. aid included general financial aid (Mutual Security Act) and surplus agricultural products (The Public Law 480). The amount of the loan was US\$1,443.3 million.

This U.S. aid was just like a powerful injection to the small island. Half of the aid to Taiwan went for military and political use. The other half was used for the building of infrastructure and social facilities. According to the survey by Jacaby(1966:38) "When aid began during 1951, Taiwan had about 8.4 million people and produced an annual GNP of around US\$880 million. After fifteen years of rapid population growth and economic development, in 1965 its population

was 12.6 million and its annual GNP around US\$2.4 billion. [The purpose of the U.S. aid was to sugarcoat its attempt to monopolize Taiwan's economy at that time.]

Taiwan was reluctant to negotiate with Japan or let the relationships of the past continue. However, in 1949, a Taiwan-Japanese trade contract was signed, and then again in 1965, the same year U.S. aid ended, Taiwan and Japan signed a treaty that was worth about US\$1,500 hundred million. It was called "Japanese Loans" [The usage of the Japanese loans by Taiwan was mainly for public and governmental organizations. This included electricity, fertilizers and transportation.]

Japan could scrutinize the projects performed with the loan and dictate that all the laws, judgements and explanations had to obey Japanese Law (Yearbook of the R.O.C., 1965:346-347). If a loan repayment was delayed, it would result in assessment of compound interest. The products of foreign trade with Japan during the colonial period (1895-1945), which was ninety percent of total exports, were sugar, rice, bananas and pineapples. The same path was being followed as when Taiwan was occupied by Japan (Chu, 1982:80-82). On the other hand, the importation of products from Japan consisted of eighty percent industrial goods. [So Taiwan was not only the supplier of food but also an important consuming market for Japan's industrial appliances. The percentage of exportation with Japan from 1951-1965 was still around thirty percent of Taiwan's total trade (Liu, 1992:364) (See Table 1.2)]

TABLE 1.2

THE STRUCTURE OF FOREIGN TRADE IN TAIWAN FROM 1951 TO 1965

	EXPORT			IMPORT		
	Amount	Percentage		Amount	Percentage	
	US\$1,000,000	Japan	U.S.	US\$1,000,000	U.S.	Japan
1951	93.1	48.3	5.6	183.8	41.2	34.1
1952	119.5	52.6	5.9	188.7	45.7	31.2
53	129.8	46.4	5.5	190.6	51.2	28.5
54	97.8	53.9	4.8	204.0	52.4	30.3
55	133.4	60.6	4.3	190.1	47.0	30.9
56	130.1	35.5	4.8	228.2	37.0	34.7
57	168.5	38.9	2.6	252.2	37.0	33.6
58	164.4	43.9	6.1	232.8	37.3	35.1
59	160.5	42.7	9.3	244.4	33.5	39.4
60	169.9	37.4	12.5	252.2	40.8	34.6
61	214.0	28.4	24.2	324.1	43.2	32.1
62	238.6	24.3	24.6	327.5	43.3	32.7
63	357.5	33.1	16.3	336.8	44.8	28.8
64	463.1	30.2	18.1	410.4	35.6	34.2
65	488.0	31.1	20.0	556.4	34.4	37.0

SOURCE: Taiwan Statistical Book, 1966, p.128-129.

As shown above, the economy in Taiwan was typically dependent on the U.S. and Japan, but that now is decreasing. Taiwan was poor and built herself up because of the U.S. and Japan. In the 1980's, Taiwan was moving toward riches. During the time of economic development in Taiwan, she was under the wings of these two super economic nations. Now, Taiwan is developing without foreign economic assistance.

TAIWAN'S EARLY TV INDUSTRY

The television industry began in Taiwan in the 1960's when Taiwan was still a relatively poor island nation. The government could not afford to support people's basic needs. In politics, diplomatic relations with the U.S. were terminated at the instigation of The People's Republic of China, and Taiwan withdrew from the United Nations. Domestically, there were no sound public facilities such as transportation systems, public utilities, and hospitals; except for limited telephone networks introduced by the Japanese. The only benefit left by the Japanese was a census that had been taken by the Japanese when Taiwan was its colony. {With nothing more to work with, the ruling KMT party used television as a tool to control their people with propaganda and to advocate the idea of taking back China. }

{At that time, Japan needed an outlet to sell their old Black-and-White TV sets. On the 2 and 28 February, 1962, Taiwan and Japan signed a treaty for technological cooperation between Taipei and Tokyo. Taiwan had to purchase broadcasting equipment plus 15,000 fourteen inch black and white TV sets from Japan's Bureau of Electronic Appliances, Mitsubishi and Hitachi} (Hsu, 1986: 56-57).

{Not only did Taiwan buy TV sets from Japan but the Japanese held almost one-third of the capital stock in the first broadcasting company. } After 1982 the stockholding was decreased to 20 percent (TTV 20 Years, 1982,). {The reason why the Japanese held TV stocks was because Taiwan's TV industry was in it's infancy in the 1960's.

Taiwan had no ability to provide hardware and software with its own resources. Some Taiwanese in higher positions in the government wanted to get help from the U.S., but Taiwan and the U.S. could not reach an agreement. Taiwan turned to seek support from Japan (Huang, 1987:104).

In regard to TV programming in Taiwan, ninety percent of foreign programs were imported from the U.S. before 1980. Later, Cantonese soap operas became popular. In late 1983, the three TV networks decided that they would never broadcast Hong Kong drama series regardless of the high ratings to protect domestic programming (Wu, 1986). The Taiwanese Broadcasting and Television Law (1976) states that no less than 70 percent of programming should be produced locally (Article 19) to protect domestic culture.

The first TV network in Taiwan was TTV (Taiwan Television Company). TTV was opened in October of 1962. Until 1969, TTV's broadcasts were in black and white. A color trial was successful that year, and CTV (China Television Company) was on the air as the second TV network in Taiwan and was the first channel to broadcast the colorful news programs in Asia except Japan. Two years later, in 1971, CTS (Chinese Television Services) was established by the Ministry of National Defense and the Ministry of Education. The three networks were all under government control: the long-time control by the ruling party of TTV, Taiwan's Provincial government control of CTV and the Ministry of National Defense ownership of half the stock of CTS. The other half was held by private investors.

Government control created problems and difficulties in Taiwan's TV industry such as the higher number of appointments are occupied by mainlanders, suppression of the Taiwanese language in broadcasting and commercial-oriented broadcasting industry.

It is very clear to see that Taiwan's TV industry is much like Taiwan's economy---going from dependent to less dependent and developing. In the 1950's, Taiwan had no TV industry, and relied heavily on the foreign forces of the U.S. and Japan. Since the 1980's, Taiwan controls its own TV environment and protects its own culture.

1950's → 1980's + 1990's

METHODOLOGY:

This paper is a contextually-grounded study that investigates Taiwan's development since the 1950's when she was a Japanese colony. The contents of this study will present the indicators of the economic growth in agriculture, industry, GNP, and exports and TV industry's growth in hardware and software from 1960 to 1990.

To understand how Taiwan grew up with outside assistance and self efforts, the change of ownership/capital in TV networks, the distribution and production of TV sets, and the decrease of the foreign percentage in TV programming will be discussed.

Taiwan accepted the U.S. economic aid and the Japanese loans during the 1950's to 1960's. The aid went toward military uses (63% of the U.S. aid) and private and public activities or constructions (Japan). This paper will demonstrate where the money went and how it trickled down to the society without leading to widening the gap between the rich and poor.

REVIEW OF THE LITERATURE

Following Evans (1979:32) we define:

Dependent development as a special instance of dependency, characterized by the association or alliance of international and local capital. The state also joins the alliance as an active power, and the resulting triple alliance is fundamental factor in the emergence of dependent development

In Cardoso's work, "dependent development---means the progress of productive forces, mainly through the import of technology, capital accumulation, penetration of local economies by foreign enterprises, increasing numbers of large-earning groups, and intensification of the social division of labor" (Cardoso & Falleto, 1979:xxiv).

Taiwan's economic development came from U.S. aid and Japanese loans in the 1950's. The emergence of the U.S. and Japan's economic assistances not only released Taiwan's inflation but also triggered the domestic economic growth. The technological co-operation and technological transformation from the U.S. and Japan such as The Texaco Develop Co. and Taiwan Misubishi Corporation went with many international and transnational companies to Taiwan such as Ericsson and General Motor. Some of these companies would like to deliver their matured technologies and rountinized technologies to other nations and then to develop more advanced technologies domestically.

Communication and National Development

After World War II, modernization theory became the

dominant paradigm. Modernization theory states that there is a relationship between national development and the mass media: mass media is an important implement to promote modernization, in terms of persuasion attitude change and behavior modification. Scholars such as Daniel Lerner who believes that the mobile personality is characteristic of modern man. That is, people can learn various new conceptions and ideas through the mass media. Empathy promoted mobility.

A prime mover in the modernization of very aspect of life---the basic personal skill that underlines the whole moderning sequence (Lerner,D.1977:341).

"Communication is fundamental to all social process; it's really society interacting." Therefore, information is typically treated as part of something else---part of commerce, for example, or part of education of politics (Schramm, 1976:44).

In 1948, Lasswell, H (1948:37-51) in 1948 applied the theory of Stimulus-Response to the communication process. Some researchers take the modern-traditional viewpoint, which divide the world system into two: the developed modern world first and the traditional third world. They explain that national economic growth comes from industrialization. Valenzuela, J.(1979:31-65) also concerns that the developing countries' imitation from the industrialization nations is the only way toward the modernization.

In the aspect of cultural communication, the development of mass media and economic growth are under the same framework to

be studied, which is regarded the developed countries' economic invasion is prepared for the cultural communication.

Dagnino (1973:129-148) in her article of the "Culture and Ideological Dependence: Building A Theoretical Framework" points out that "---the importance of culture and ideology as agents in the maintenance and reproduction of dependent relationships cannot be denied.---Thus, in order to cope with potential pressures from marginalized sectors---whose very marginalization makes possible the privileged position of the internationalized elites---the capitalist system had to engender an ideology that provides its own justification as the ideal system for all human beings. The internationally shared set of values, the "way of life" adopted by these elites is then erected as a model for the society as a whole. Dependent elites enthusiastically embrace a capitalist culture, a capitalist ideology, as substitutes for their national cultures, in attempt to achieve a cultural homogenization that is crucial for the maintenance and strengthening of the international capitalist system.

"---While, in an empire, the political structure tends to link culture with occupation, in a world-economy the political structure tends to link culture with spatial location---cultural homogenization tends to serve the interests of key groups and the pressures build up to create cultural-national identified.---In such states, the creation of strong state machinery coupled with a national culture, a phenomenon often referred to as integration, serves both as a mechanism to protect disparities that have arisen with the world system, and as an ideological mask and justification for the

maintenance of these disparities (Schiller, 1976:349).

Taiwan's moral code of the Television:

National interest and public welfare are the overriding objectives of the television enterprise. Being a mass medium is basically different from other profit-making enterprise (Moral Code of the Television Enterprise, R.O.C.).

Taiwan has had TV industry for thirty years. In 1949, the Republic of China, led by the leader of the Nationalist, Chiang Kai-shek moved to Taiwan after the Communists occupied the mainland. TV, as a best tool to present Taiwan is the free-enterprise entity:

When television was inaugurated it was at the peak of American expansionism. Taiwan, or Free China, was eager to show the international community its commitment to a private, free-enterprise system, a commitment which can be seen as part of an overall effort to contrast Taiwan with the Communist regime on the mainland. Television was a timely showcase for such an endeavor (Lee, 1987:149).

The bureaucratic-commercial complex of the TV industry

Taiwanese government controls the important appointments, finance, and content. In the sector of the ownership, the Taiwan Television Company (TTV) transmitted its first signal in 1962, it was owned by the Provincial Government (49%), four Japanese television The other two TV networks, China Television Company and the Chinese Television Services, without foreign capital. In Lee's study: TTV was under deficit operation for two years, but with a

thriving economy it soon began to make lucrative profits. In 1969 it harvested a net profit of US\$3 million with a growth rate of 120%. The three television stations garnered a total profit of US\$5 million in 1977 (Lee, 1973:184).

Taiwan's economic growth began in the 1950's and 1960's when Taiwan accepted economic assistance from the U.S. and Japanese. Some transnational companies and co-op technological projects moved from the U.S. and Japan.

Schiller (1976:349) points out a world-system definition "--is based on intensive division of labor. This division is not merely functional, that is, occupational---but geographical.---the range of economic tasks is not evenly distributed throughout the world system---it is a function of social organization of work, one which magnifies and legitimates the ability of some group within the system to exploit the labor of others, that is, to receive a larger share of the surplus."

Meanwhile, some scholars such as Frank, Amin who study "imperialism" and "dependent development" theories and then come up with the idea of the multilevel power of mechanism in the world system (Bodenheimer, 1971:38); some others study the center nations who exploit the periphery countries with economic surplus (Frank, 1969.1973:99-100); and popularize the viewpoint of development of underdevelopment can be used in the third world (Amin, 1974.1976) in the 1960s and 1970s. The other scholars of dependency school such as Dos Santos believed that the dependent development is "one coin has two sides", which has pros and cons.

By dependence, we mean a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected. The relation of interdependence between two or more economies, and between these and world trade, assumes the form of dependence when some countries (the dominate ones) can do this only as a reflection of that expansion, which can have either a positive or a negative effect on their immediate development (Santos, 1970: 231).

Taiwan's economic tookoff since the late 1970's. {The reason why dependent development was feasible in Taiwan because of not only there were some transnational companies but also there were some internal factors such as modern infrastructures and agricultural productivities. Neither did the neo-marxism scholars who consider that Taiwan is just a fundamental station for export trade improvement nor did they think that Taiwan's labor exploited by transnational companies and damage the environment and twist the social allocate structure. } This thesis uses the conception of the dependent development theory to explain Taiwan's economic reliance on U.S. and Japan which regards national regime and the transnational organizations which are interdependent from the 1950s. }

{The dependency theory puts too much emphasis on the external dominant factors in terms of ignoring the internal organizational structures. } Although the U.S. and Japan played important roles in Taiwan's economic growth, domestic capital approved of this foreign investment benefited from it, as we will show on Chapter Two.

Taiwan's experience has been consistent with Baran (1957:194): The emergence of a group of merchants expanding and thriving within the orbit of foreign capital, and the native industrial monopolists, in most cases interlocked and interwoven with domestic merchant capital and with foreign enterprise---would be swept by the rise of industrial capitalism.

Futhermore, the dependency theorists believe that the labor in developing countries is exploited and their human rights are not respected by the developed countries. Recently, Taiwan's democratic ideologies are rising, the voice of strike events on students, farmers and laborers can be heard, which are not the colonial imperialists anymore. ?

CHAPTER TWO: ECONOMIC DEPENDENCE ON THE U.S. AND JAPAN

This chapter is divided into three parts. The opening section briefly describes the economic history of Taiwan. The second part deals with U.S. aid to Taiwan. The third part deals with Japanese aid.

BRIEF DESCRIPTION OF TAIWAN'S ECONOMIC HISTORY

To understand the development of Taiwan's economy, it is necessary to trace back to the early days of the 1600's, when the Netherlands and the Portuguese intervened in Taiwan. Taiwan provided these countries good harbors for import and export. Immediately following this period, imperial Japan took over the island from the decaying Chinese Manchu government under the Treaty of Shimonoseki (Ma-Kaung Treaty) and set it as a productive agricultural colony. Due to Manchu empire's economic backwardnesses and political decay, the Manchu Empire lost Taiwan in 1895 of Ma-Kaung (Shimonoseki/Sino-Japan) Treaty.

During the colonial period of the Japanese (1895-1945), Taiwan was indeed a base in south Pacific for Japan. Because of natural advantages and geographically favorable circumstances, the aim of Japanese policy was to make this land a base for the southward expansion of Japan's "East Asia Co-Prosperity Sphere".

(Japan focused its efforts on raising Taiwan's agricultural productivity and wanted it to be Japan's food supplier and industrial

consuming market for its population. Japan was planning to build up Taiwan from basic civil order, public infrastructure, telecommunication networks to land reforms. The Japanese also gave strong incentives to landowners and tenants, to organize monetary, marketing and other basic economic institutions (Ramon & Chang, 1963. Vol.4).

According to Angus Maddison (1965:320-36), after 1890 Japan applied the developmental policies that had succeed so well in speeding her own economic escalation a generation earlier. These policies emphasized obtaining technical assistance, instituting elementary education and developing appropriate agricultural technology. It is clear that Taiwan was on the road of dependent development during the period of Japanese colonialism.)

(Certainly, Taiwan's trade was dominated by Japan in the colonial time. From 1911 to 1940, Japan took 85 percent of the island's exports, primarily agricultural products and supplied 74 percent of its imports.) Most of the imports were fertilizers, machinery and manufactured products. Japan sold Taiwan approximately three-quarters of its imports during the period of 1911 to 1940. Japan's imports from Taiwan's rose from less than two-third to nearly nine-tenth of the total of Taiwanese exports up to WWII (Myers & Chang, 1963:557).

Taiwan consistently exported a large net surplus of commodities to Japan during 1911 to 1940. This surplus was partially offset by an export deficit with other countries as well. At this time, Taiwan's net export surplus to Japan averaged about 12.4

percentage of net domestic production (See Appendix I & II).

{ Not only in fundamental infrastructures but also in financial markets or some related concepts, Taiwan was moving toward an advanced society even though she was under Japan's governing. } Shortly before and after 1938, and until 1945, the Second World War was raging in the south Pacific. Taiwan was becoming a base for Japan's military operations in China. Taiwan's natural economic resources assisted the Japanese immediately, and Taiwan became the target of Allied bombing attack. Postwar's Japan was weak and Taiwan returned to the rule of mainland China.

1949 was a key year for both Chinas. Taiwan was under the Nationalist's control and mainland China's government leader was Mao Tse-Tung. Since then, Taiwan and China have had colorful political differences. Until now many countries, such as the U.S. and Japan, treat Taiwan, free China, as a favorite tool against mainland China.

BRIEF CONCLUSION:

{ Taiwan's economic growth can be seen as a good example of dependent development through economic history. }

{ The Taiwanese government accepted US\$3 hundred million from the U.S. and Japan during the 1950's and 1960's. } These powerful economic injections were the basis for the growth of Taiwan's economy. In stead of this assistance and the leadership and encouragement of the Taiwanese government, { Taiwan went toward riches and is famous for its miraculous economic growth. } We can

say that, before the 1970's, the foreign capitals of the U.S. and Japan in Taiwan played important roles. After that, the Taiwanese government and its industrious people built the country up.

The U.S. Aid Program to Free China During 1951-1965*BACKGROUND DESCRIPTION*

In the late 1950's the Korean War started. Taiwan was influenced by these odd international political circumstances. The Republic of China was viewed as an important ally by the U.S. Congress in the struggle against Communism aggression. As a keystone in the U.S. defense in the south Pacific area, Taiwan diverged from mainland China to become a self-reliant political regime at that time.

There were four main peoples together in this small island, which included mainlanders escaping Communist China, native Taiwanese, mainlanders of Taiwanese origin returning from the southeast coast of mainland China, and Ha-kanese. When the Nationalists moved to the capital of Taiwan, Taipei, most of the powerful positions in government and public organizations were occupied by the generation of immigrant mainlanders. Racial conflict occurred all the time, mainly between by the Taiwanese from the southeast coast of China and mainlanders. The worst racial conflict was the Two Two Eight Event on the twenty eighth of February in 1947, which was a beginning for much of the political instability in Taiwan. There were many bloody riots, parades, and demonstrations caused by the Two Two Eight Event as well.

Approximately six million people immigrated from China in the late 1940's which created in Taiwan a situation with shortages of food and clothing. The KMT government had to spend large monetary sums in national defense against China as well as in

assisting with the needs of the people. With Taiwan facing these outside and inside difficulties, the U.S. Congress provided an aid program from 1951 to 1965, a total aid amount of US\$1,465 million (See Table 2.1), to Taiwan, which was a powerful stimulous to this small, poor, and highly populated island. Along with this US\$100 million annual aid came conditions which constructed political and economic inter- ference.

Table 2.1

U.S. ECONOMIC AID OBLIGATIONS BY STATUTORY INSTRUMENT, FY 1951-65

(In Millions of U.S. Dollars)

<u>Instrument of Aid</u>	<u>1951</u>	<u>1952</u>	<u>1953</u>	<u>1954</u>	<u>1955</u>	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1961</u>
<u>1.Project</u>	<u>13.7</u>	<u>13.4</u>	<u>21.4</u>	<u>31.7</u>	<u>36.1</u>	<u>28.1</u>	<u>42.9</u>	<u>29.7</u>	<u>55.4</u>	<u>33.6</u>
Defense support	11.4	10.2	16.0	23.1	28.6	24.7	39.3	26.6	22.0	10.7
Direct forces	0.6	2.3	3.2	5.0	5.1	0.1	0.2	--	--	--
Technical co-op	1.7	0.9	2.2	3.6	2.4	3.3	3.4	3.1	2.6	2.5
Development grant	--	--	--	--	--	--	--	--	--	--
Development loan	--	--	--	--	--	--	--	--	30.8	20.4
<u>2.Nonproject</u>	<u>69.7</u>	<u>69.5</u>	<u>79.2</u>	<u>76.6</u>	<u>95.9</u>	<u>73.5</u>	<u>64.0</u>	<u>52.0</u>	<u>69.1</u>	<u>74.5</u>
<u>Agriculture</u>	<u>49.5</u>	<u>45.2</u>	<u>51.6</u>	<u>55.6</u>	<u>53.2</u>	<u>54.4</u>	<u>57.2</u>	<u>52.0</u>	<u>59.0</u>	<u>44.0</u>
Defense support	48.7	42.3	45.5	43.6	43.1	35.4	30.9	33.3	36.4	30.7
Direct forces	0.8	2.5	6.1	11.5	7.5	9.4	6.5	1.6	--	--
PL 480	--	0.4	--	0.5	2.6	9.6	19.8	17.1	22.6	13.3
Program loan	--	--	--	--	--	--	--	--	--	--
<u>Nonagriculture</u>	<u>20.2</u>	<u>24.3</u>	<u>27.6</u>	<u>21.0</u>	<u>42.7</u>	<u>19.1</u>	<u>6.8</u>	<u>--</u>	<u>10.1</u>	<u>30.5</u>
Defense support	16.1	11.7	10.3	11.0	25.8	18.6	6.8	--	10.1	30.5
Direct forces	4.1	12.6	17.3	10.0	16.9	0.5	--	--	--	--
Progrm loan	--	--	--	--	--	--	--	--	--	--
<u>Grand Total</u>	<u>83.4</u>	<u>82.9</u>	<u>100.6</u>	<u>108.3</u>	<u>132.0</u>	<u>101.6</u>	<u>106.9</u>	<u>81.7</u>	<u>124.5</u>	<u>108.1</u>

Table 2.1 continued:

Instrument of Aid	1961	1962	1963	1964	1965	Grand Total
<u>1. Project</u>	<u>24.4</u>	<u>8.2</u>	<u>2.0</u>	<u>59.5</u>	<u>0.6</u>	400.7
Defense support	5.7	--	--	--	--	218.3
Direct forces	--	--	--	--	--	16.5
Technical co-op	2.0	--	--	--	--	27.7
Development grant	--	3.0	2.0	2.1	0.6	7.7
Development loan	16.7	5.2	--	57.4	--	130.5
<u>2. Nonproject</u>	<u>72.9</u>	<u>59.1</u>	<u>82.6</u>	<u>84.0</u>	<u>42.1</u>	<u>1,064.7</u>
<u>Agriculture</u>	<u>60.1</u>	<u>59.1</u>	<u>63.7</u>	<u>69.5</u>	<u>42.1</u>	<u>816.2</u>
Defense support	29.7	--	--	--	--	419.6
Direct forces	--	--	--	--	--	45.9
PL 480	30.4	59.1	62.9	68.8	42.1	349.2
Program loan	--	--	0.8	0.7	--	1.5
<u>Nonagriculture</u>	<u>12.8</u>	<u>--</u>	<u>18.9</u>	<u>14.5</u>	<u>--</u>	<u>248.5</u>
Defense support	12.8	--	--	--	--	153.7
Direct forces	--	--	--	--	--	61.4
Program loan	--	--	18.9	14.5	--	33.4
<u>3. Grand Total</u>	<u>97.3</u>	<u>67.3</u>	<u>84.3</u>	<u>143.5</u>	<u>42.7</u>	<u>1,465.4</u>

SOURCE: U.S. AID Mission to China, FY 1951-64: actual obligations as of June 30; Fy 1965: Programmed as of April 15, 1965.

Taking the fifteen-year aid period as a whole, the principal statutory source of financial aid to Taiwan was Defense Support ---this was money intended by the U.S. Congress to enable the recipient country to maintain an agreed level of military strength without retrogressing economically, that is, to offset the military burden on its economy (.Asher, 1961:50).

From the Table 2.1, we can understand that the Defense Support aid was used heavily to fund aid projects, and it was the

principle means of financing the commodity import program. Direct Forces support, just below Defense support in the Table above, was used for military construction, and to purchase commodities and materials directly for the military. (Both Direct Forces Support and Defense Support were under section 402 of the U.S. Mutual Security Act of 1953.)

The third category of assistance was Surplus US Agricultural Commodities, which was under Public Law 480. The total amount of surplus agricultural commodities was US\$349 million. The MSA (Mutual Security Act of 1953) was divided into Defense Support, Direct Forces, Technical Cooperation, Development Grant and Development Loan. All aid was classified as project or program (non-project) aid. Project aid was described as a discrete activity or activities, which had its own bill of requirements of equipment and capital. Project aid has several advantages. It helps to establish ground rules acceptable to both countries. (It provides a means of training officials of the recipient country in techniques of engineering and economic analysis and investment decision-making (Jacoby, 1965).

In Taiwan, almost three quarters of the whole aid was of the non-project type and consisted of a large commodity-import program. Commodity imports had a stronger and more immediate anti-inflationary impact than capital projects. Basically, the U.S. aid program consisted of:

(1) General economic assistance which was categorized in four items: (MSA)

- * Defense Support
- * Direct Forces
- * Technical Cooperation
- * Development Loan

(2) Public Law 480 --- Surplus Agricultural Commodities

(3) Aid of International Development, AID.

In general, the U.S. aid to Taiwan from 1951 to 1965 was the item (1) & (2).

There were three time stages discernable in the U.S. aid program. The contents included grants and loans from 1951 to 1956. Over the period of the first stage, Taiwan was in poverty and indigence. The objectives of U.S. economic aid to Free China was presumed that of economic and political stability (Jacoby, 1966:31). The statement by the Mutual Security Agency to the U.S. Congress in the spring of 1953 asserted that: The MSA economic aid program is specially directed toward:

- (a) Economic stability.
- (b) Support of the U.S. military effort.
- (c) Improving Formosa's capacity for self-support.

Expanding the statement on assistance to the Republic of China, the Mutual Security Agency stated (Jacoby, 1966:31):

The MSA economic aid program is especially directed toward:

- (a) Economic stability---Control of inflation is a prerequisite to progress in other fields and is necessary to assure orderly processes of budgeting and taxation, mobilization of domestic and foreign capital, and the distribution of commodities for internal consumption and export.

(b) Support of the U.S. Military effort---This support takes three forms. First, counterpart financing of local projects recommended by the MAAG (Military Assistance Advisory Group), such as air field, barracks, harbors and warehouse. Second, furnishing of counterpart funds to cover government budget deficits arising from high military costs. Third, financing and construction of "joint-use" facilities (required for both military and civilian use), such as highway bridges, harbors, railways and power plants.

(c) Improving Formosa's capacity for self-support---MSA policy is to make possible the reduction or termination of aid through planned development. The principal MSA effort thus far has been the rehabilitation of out-dated or under-maintained plants; but recently assistance has been given in the expansion of existing plants and construction of new plants where markets warrant.

Even though it appears from MSA statement that "economic stability" would receive priority among U.S. aims, it was clear that support of military effort to Taiwan really received priority, for only with U.S. aid was Taiwan able to maintain a huge military establishment. Despite the military emphasis, by 1956 Taiwan had regained the prewar level of GNP. The next logical step was a sustained rise in per capita GNP.

The second stage of U.S. economic aid to Taiwan was from 1956 to 1960. In 1958 the U.S. Congress approved the Development Loan Fund which removed the deception practiced by U.S. AID up to that time of financing development behind the facade of Defense Support. The characteristics of the Development Loan were targeted to those who had no connection with the government. Characteristic of this phase was the transition from Defense Fund to heavy commitments to infrastructure and industrial projects. During the

1956 to 1960 period, real GNP rose by almost seventeen percent (Jacoby, 1966:33).

In the late 1950's, Taiwan's economic condition was still limited by the slow growth of domestic markets. Because Taiwan's domestic markets were immature at that time and were not very large, the economy remained sluggish. [From the Development Loan, Taiwan's economy was reluctant to open foreign exporting markets in stead. The second stage of U.S. aid to Taiwan, we can say that, was helping Taiwan to open the domestic markets. On the other hand, U.S. buried and dominated Taiwan's markets deeper and deeper.]

The third stage of U.S. aid to Free China was from the year of 1961 to 1965. After 1961 the aid accepted by Taiwan consisted of development loans, development grants, technical cooperation and the surplus agricultural commodities of the Public Law 480. (In the year 1961, Taiwan's government was administering policies to encourage foreign capital investments and develop foreign export markets. There was a gradual decrease on general economic development and an increase on fostering private enterprise, promoting exports, and terminating U.S. assistance.)

(Over the period of 1961-65 some events that indicated the improvment of Taiwan's investment climate were the rapid rise of exports and the termination of U.S. aid obligations by mid-1965.) During 1963 and early 1964, Taiwan's agricultural and industrial exports continued to rise with unexpected growth. The U.S. Congress in Washington DC, meanwhile, was discussing the foreign aid for the next fiscal year. Taiwan's economic growth was a successful case

of U.S. economic assistance. The Administrator of AID announced in May, 1964, that no further economic aid would be committed to the Republic of China after June 30, 1965 because of the achievement of economic independence (Jacoby, 1966:37)

As a matter of fact, the economic assistance for defense or the military from the U.S. in Taiwan had reached two-thirds of the total amount. {That is, the loans and the grants of the economic aid were mostly spent on supporting the KMT's military and regime's expansion of power instead of industrial use.}

{U.S. monetary aid during the 1960's in Taiwan was focused on electricity, fertilizer, transportation and public infrastructure. These U.S. dollars trickled down to the society in NT\$ (New Taiwan dollars). Similarly, the development loan of MSA, which was a part of the U.S. grant, was partially administered by the China Development Co., which re-loaned to domestic public and private businesses. This means that the U.S. economic aid had mingled with Taiwan's private capital.

The Allocation of U.S. Economic Aid

{The allocation of U.S. economic aid to Taiwan not only trickled down to the public but also to the private sector.} More than two-thirds of all U.S. capital assistance, including aid-generated local currency as well as U.S. dollars, went to infrastructure and agriculture. Investments of aid capital in the human resources and industrial sectors accounted for less than one-third of the total (See Table 2.2). In another words, the U.S. aid helped or generated

Taiwan's private investment through public investment.

Table 2.2

ALLOCATION OF U.S. ECONOMIC AID TO PPROJECTS, BY SECTORS OF THE ECONOMY FROM 1951 TO 1963

Sector	U.S. Dollar Project Aid		NT Dollar Project Aid		Total Project Aid	
	Amount	Per cent	Amount	Per cent	Amount	Per cent
	(millions)		(millions)		(million)	
Infrastructure	\$ 220.6	55.9	\$ 203.4	30.9	424.0	40.7
Agriculture	43.5	10.5	212.9	29.2	256.4	21.8
Human resources	41.4	9.9	169.4	26.4	210.8	20.0
Industry	<u>78.7</u>	<u>23.7</u>	<u>78.7</u>	<u>13.5</u>	<u>157.4</u>	<u>17.5</u>
Total(4 sectors)	\$384.2	100.0	\$ 664.4	100.0	\$ 1,048.6	100.0
Private	26.5	6.9	\$ 37.5	5.6	\$ 64.0	6.1
Mixed	52.3	13.6	232.9	35.0	285.2	27.2
Public	<u>305.3</u>	<u>79.5</u>	<u>394.0</u>	<u>59.3</u>	<u>699.3</u>	<u>66.7</u>
Total(2 sectors)	\$384.2	100.0	\$ 664.4	100.0	1,048.6	100.0

SOURCE: Jacoby, N. 1966:175.

During the economic aid from 1951-1965, American capital assistance supplied seventy-four percent total domestic investment in infrastructure and fifty-nine percent in agriculture, but only eighteen in human resources and thirteen per cent in industry. [Relatively less money went directly to industry, and relatively more funds were invested in infrastructure, agriculture, and urban development.

Evidently, U.S. AID intervened in Taiwan in different areas such as agriculture, politics, and in the economy. The U.S. aid was involved in Taiwan, not only in the military, but also in some national organizations. For instance, the Department of Agriculture, which

deals with grants of surplus agricultural commodities, the Department of Defense, which operates the U.S. military establishment and conducts foreign Military Assistance Programs, the Central Intelligence Agency, which carries on intelligence activities, etc.. Within Taiwan the economic aid program was administered by the U.S. Aid

Mission to Free China, which coordinated with the activities of other U.S. National Security agencies in Taiwan by the "country team".

From above we know that the U.S. economic relationship with Taiwan was continuous from 1951 to 1965. The relationship is complicated and hard to deal with clearly. The US\$1,465 million aid to Taiwan did help Taiwan to face the international economic storms. Taiwan's public and private business, monetary systems, its people's consumptive powers---all contribute now to Taiwan's fame as a successful world economy. It is undeniable that a significant economic relationship has existed between Taiwan and the United States.

BRIEF CONCLUSION:

Because the majority of the U.S. aid to Taiwan was used for military purpose, Griffin (1973:35) believes that the U.S. economic aid did obstruct the Taiwanese economic growth. On the contrary, Lee Kow-ting (1961:24) considers that the U.S. aid played an important role to Taiwan in helping the development of private enterprises. The importance of the U.S. aid did not only raise the resources of the investment foundation but also encouraged a

channel that supported the flow of foreign capital.

~~X~~ According to Evans (1979:25), the internal growth and development of domestic manufacturing economic development of peripheral society can co-exist with imperialism.

TAIWAN'S DEVELOPMENT UNDER JAPANESE LOANS, 1965 TO 1970*Background Description*

To understand the economic relationships between Taiwan and Japan it is necessary to retrace the period of "Japan's colony" as Taiwan was known from 1895 to 1945. Sugar was the biggest Taiwanese product then, not only for export to Japan but for Japanese export to other countries. In 1920, the amount of sugar export was 2.5 hundred million yen. Ninety-eight percent of the sugar was from three Japanese sugar companies, which were Fujiyama, Mitsui and Misubishi. The Japanese could own stocks and control the ownership of companies which were established in Taiwan, and also could decide upper management positions such as general manager and production manager (Discovering Taiwan, 1992: 363).

Taiwan's domestic capital was short since the KMT Governemnt was isolated from mainland China in 1949. {Taiwan was reluctant to connect trade and business with Japan (Liu, 1992: 363). Taiwan's economic ties to Japan were again developing at that time, however, and was in danger of falling into the same dependency upon Japan as had been the case in the long economic relationship since Taiwan was colonized.

The Japanese loans

In April of 1965, as the U.S. was ending economic aid to Free China, Taiwan signed a US\$15 hundred million loan agreement with the Japanese Government. Through April of 1970, there were one hundred million U.S. dollars invested in different projects in Taiwan

which were loaned by Japanese import and export banks (annual interest rate was 5.75%). There was also a US\$0.5 hundred million loan for building the Zen-Wen Dam in southern Taiwan. The total amount of loans from Japan was US\$15 hundred million (The Yearbook of R.O.C. 1965:346-347). (See Appendix III). There was US\$1.390 hundred million used to set up Taiwan's public infrastructures and for governmental use which included seventeen projects from Japanese loans.

An amount of US\$15 hundred million from the Japanese government to the Republic of China was to help finance public investment projected in the Four-Year Plan of 1965-69. Meanwhile, the Taiwanese government was seeking other help to improve the domestic private investment climate from the World Bank, the Export-Import Bank, and other countries (See Appendix IV).

There was no time lag between the ending of the U.S. aid and beginning of Japanese loans. Moreover, these two foreign economic forces were targeted on both Taiwan's governmental and public infrastructures. The focus of the projects was electricity, fertilizer, highways and telecommunications. Obviously, Japan followed the U.S. pace to support the ruling party.

It is worth noticing that the Japanese loans were made with some additional conditions. The Yearbook of the R.O.C. in 1965, pages 346-347, points out that the Japanese could scrutinize the projects and make judgements about how the loans were utilized, and the uses had to be based on Japanese laws. If loan payments were overdue, the result would be payment of compound interest until paid. That

is, Japan's loans to their previous colony, Taiwan, was similar to U.S. aid, following the road of ambitious monopoly to dominate Taiwan's government and public. From here, it can be seen that the loans, no matter from Japan or from the U.S., were just a veil to dominate Taiwan's economy and politics.

At that time, the structure of Taiwan's foreign trade with Japan consisted of ninety percent exports of sugar, rice, bananas and pineapples which totally followed the time when Taiwan was occupied (Chu, 1990:80). On the other hand, the configuration of imports from Japan consisted of eighty percent industrial goods.

From above, we know that Taiwan was not only the supplier of food for the Japanese but also a consumer of Japanese industrial appliances. The percentage of business/trade connected with Japanese business and technology from 1951 to 1965 was still 30 percent.

Even though the economic loans from Japan were following immediately after the U.S. economic aid to Taiwan, Taiwan's economy relied not only on the U.S. and Japan but also on the capital of the World Bank, which supported developing/under-developed countries. There were no differences between the U.S. aid, Japanese loans, and capital from the World Bank in the way they were used. From 1962, Taiwan's government accepted US\$58 million from the World Bank and the World Bank.II. Most of these loans were for governmental use, while the others focused on some particular public or local organizations.

BRIEF CONCLUSION:

The total amount of Japanese loans was around US\$14 hundred million for supporting the Taiwanese government's Four-Year Plan (1965-1969) and other governmental use. There were 17 projects such as the improvement of Taiwanese shipbuliding and constructing the Kao-hsiung second harbor.

Taiwan accepted the Japanese loans in 1965 since these five years of dependence on Japan. Forty years have passed, the Taiwanese economy is going toward the age of consuming (China News Daily, Mar. 5th. 1993). It means that the Taiwanese economy is developing and the people not only know how to make money but also know how to spend it.

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CHAPTER THREE: TAIWAN'S TV INDUSTRY

This chapter deals with the Taiwanese TV industry. It is organized into the following sections: an introductory background description followed by sections of ownership and financing, programming and hardware.

Background Description:

Taiwan has had a TV industry since the early 1960's. This small island was in a bad situation because of shortages of general merchandise and foodstuffs. The government could not support the people's basic needs. Internationally, Taiwan broke relationships with the U.S. and withdrew from the United Nations; domestically, there were no sound public and private systems and facilities with the exception of some investigations such as census had been taken by the Japanese when Taiwan was its colony.

{ The ruling party, KMT, used TV as the best tool for a Chinese cultural renaissance to control their people, to spread it for propaganda and to convey their political ideologies in hopes of taking back mainland China. }

As Lee (1987:149) says,

When television was inaugurated it was at the peak of American expansionism. Taiwan, or Free China, was eager to show the international community its commitment to a private, free-enterprise system, a commitment which can be seen as part of an overall effort to contrast Taiwan with the Communist regime on the mainland. Television was a timely showcase for such an endeavor. Television was hitting at the right time to play the role as an economic window. The reason why Taiwan had TV was because of economic and political concerns.

Thomas Gold (1981) indicates that the 1960's was a time when there were many developing countries, especially Latin America countries. Trying to exclude the invasion of those transnational companies to their societies. Taiwan, on the contrary, was making efforts to improve the domestic environment in order to get foreign investments. During the 1960s, the major foreign capitals to Free China was from the U.S. and Japan. They just wanted to seek outlets for their industrial, food surplus or the out-of-date products. The U.S. was attempting to invest their low-cost products and the chief products including electronic appliances, especially the TV, in their export.

The purpose of the introduction of TV development from Japan to Taiwan in 1960s was that the Japanese needed an outlet for selling their old Black-&-White TV sets. On February 10th and 28th of 1962, Taiwan and Japan signed a treaty for cooperation in Taipei and Tokyo, which stated that Taiwan had to purchase Japan's electronic appliances for broadcasting use and had to buy 15,000 14" B/W TV sets from Japan's three big companies: the NEC, Mitsubishi and Hitachi (Hsu, 1986:56-57).

Not only did Taiwan buy TV sets from Japan but the Japanese were holding over one-third (40 percent) of the stock. After 1982, the stockholdings of the Japanese decreased twenty percent (TTV Twenty years, 1982:200). The reason why the Japanese held TV stocks was because Taiwan's TV industry and domestic economy in the 1960s was in its infancy. This small island had no ability to provide hardware and software by the KMT government. Some

Taiwanese in higher positions in government wanted to get help from the U.S.; but neither side reached an agreement so the Taiwanese turned to seek support from Japan (Hwang, 1987:104). [Ninety percent of the programming was imported from the U.S. before 1980.] In the early 1980's, the Cantonese soap operas became popular in Taiwan. Two years later, in 1983, the Taiwan's government decided to protect its culture (Wu, T.C., 1986). [Since then almost ninety percent of TV programming has been produced locally.] In late 1983, three TV networks, TTV, CTV, and CTS decided that they would never broadcast the Hong Kong drama series again. In 1982, CTV added Hong Kong drama series to its programming in the prime time on the weekend such as "Chu Liu Shang", "The Green Dragon". These series created 70% rating in Taiwan (Television Academy 1984). The other two TV stations, TTV and CTS protested this situation because nobody watched their programs during that period. Therefore, the GIO regulated that only 17 episodes on the air in each turn. In late 1983, for protecting the domestic programs, the three TV networks decided that they would never broadcast the Hong Kong drama series because of many articles blamed the bad quality of the domestic programs would never compete with Hong Kong drama series (Wu, 1986).

The first TV network in Taiwan was TTV (Taiwan Television Station), which opened in October of 1962. Until 1969, TTV's color trial was successful. The same year, the CTV (China Television Company) was aired in Taipei which was the first TV channel to broadcast colorful news programs in Taiwan. It was the second

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country which had colorful news in Asia. The third TV network was CTS (Chinese Television Services); which was established in 1976 by the Ministry of National Defense and the Ministry of Education.

The three TV networks were under the long-time control and were under oligarchy of the ruling party (TTV), Taiwan's Provincial Government (CTV) and the Ministry of National Defense for thirty years. The three companies' stocks, however, were spilt by the ruling party, government, military and private investors. Some problems and difficulties still exist in Taiwan's TV environment such as the systems of organization and the quality of programming.

The following discussion will include the changes of hardware and software such as ownership, programming, and import/export of the electronics home appliance in Taiwanese TV industry. It will also mention how did the foreign forces work in the development of Taiwanese TV industry and the Taiwanese escape from the shadow of foreign controls.

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OWNERSHIP AND FINANCING:

Taiwan's economy reflects on many sections; the rate of TV's growth is the one of the manifest indicators. Economic reliance on the U.S. and Japan was from the 1950's to 1960's. However from the 1970s, the expansion of the medium business import and export in Taiwan demonstrated her economic capability (See Table 3.1):

Table 3.1
PERCENTAGE OF IMPORT AND EXPORT OF MEDIUM BUSINESS FROM 1972 TO 1986:

<u>YEAR</u>	<u>IMPORT (%)</u>	<u>EXPORT(%)</u>
1972	44.33	55.67
1973	41.56	58.43
1974	55.73	44.27
1975	45.10	54.90
1976	43.20	56.80
1977	46.50	53.50
1978	43.30	56.70
1979	41.00	59.00
1980	33.30	66.70
1981	26.40	73.60
1982	24.00	76.00
1983	28.40	71.60
1984	28.06	71.94
1985	31.10	69.90
1986	33.30	66.70

SOURCE: Ministry of Economy, Department of Middle Business.

No matter under what kind of political and economic conditions, Taiwan's government wanted to set up TV communication for the people. Foreign forces' invasion should not be ignored here.

Japan and the U.S. used various means to intervene in our economy and politics. TV, the most advantageous investment to a nation integration, became immediately controlled by those two countries in hardware of Japan and software of U.S's industries.

In the 1960's, a three-people team was sent to Japan for investigating Japan's TV condition and development. After one year, Taiwan's TV industry Preparatory Committee was founded by the Taiwan Provincial Government, with four Japanese electronic companies. These were NEC, Fuji Television Co., Hitachi, and Tokyo Shibarrua; together they owned 40 percent of stocks in TTV, the first TV network in free China.

Under the shadow of U.S. aid and Japanese loans, Taiwan's TV industry became harder and harder for TV industry in Taiwan to escape hold from these two financial powers.

According to the TV Preparatory Committee's agreement:

1. Foreign investments should not exceed 49% of the total capital.
2. Foreign participation should be sought for the establishment of plants to assemble receiving sets.
3. The Taiwanese side would retain full control of programming policy.
4. Foreign partners would be approached for technical assistance and help in personnel training.
5. The new company would be run as a private enterprise.

SOURCE: Taiwan Television Academy, 1976:15.

These four Japanese companies held 40% of the TTV stocks for twenty years from 1962 to 1982. After 1982, stockholding by

the Japanese was decreased to 20% (TTV Twenty Years, 1982). The reason why the Japanese held TV stocks was because Taiwan was in its early stages of TV industry in the 1960's. Taiwan had no ability to provide hardware and software locally. { Japan requested that Taiwan should purchase their electronic appliances for broadcasting plus 15,000 14" B/W TV sets from NEC, Fuji, Hitachi and Tokyo Shibarrua. } These four companies needed an outlet to consume their old, out of fashion B/W TV sets. } The TTV's stocks held by the Japanese went from 40% to 20%; the rest of the 20 per cent stocks were turned to some private investors domestically.

It seems that only Japan has some capital involved in Taiwan's TV industry. In fact, some people in higher political positions wanted to seek help from the U.S.. { The Taiwanese government and the U.S. failed in their negotiations. Finally, Japan became one of the pioneers in Taiwan's TV industry. }

The Three TV Networks Capital Conditions are as follows

ITV: Taiwan Television Company was Established in 1962 by Taiwan Provincial Government with four Japanese electronic appliance companies.

Stockholding: Taiwan Provincial Government holds 48.94 percent of stock which includes some big governmental banks such as the Taiwan Bank, Hwa-Nan Bank, the Land Bank. The percentage of 11 of the stock is held by some domestic private investors. The remaining 40 percent is owned by the Japanese four companies: NEC, Fuji TV Co., Hitachi and Tokyo Shibaura. These four Japanese companies shared 40 percent of TTV's stock before 1982. After that, Taiwan and TTV's financial condition became better. Only 20 percent of the stock is

kept by these four Japanese companies (TTV Twenty Years.1982:221).
CTV: China Television Comapny was set up in 1969 by the KMT and its central businesses.

Stockholding: The KMT owned 60.27 percent before 1991. After that, CTV's stock retained by the KMT decreased 50 percent. There are some radio stations such as the China Broadcasting Company, Fung-Ming Radio Station and other private investors that shared the rest of 50 percent of the CTV's stocks (CTV,1982:182).

CTS: Chinese Television Services was instituted by the Ministry of National Defense and the Ministry of Education in 1971. The former CTS was ETS, the National Education TV Station which was founded on 14 Febrary, 1962. The ETS should be concerned with the first TV station. The CTS was used as an educational instrument. Until 1971, the TTV and CTV made a lot of money; the ETS expanded and changed its name to CTS.

Stockholding: The Ministry of National Defense owned 51 percent and the Ministry of Education shared 49 percent.

From the beginning of 1962, the TTV had only one transmission station in northern Taiwan. It set up its microwave relay system for the western coast audience in 1965. The TTV completed the island's transmission system in 1975.

According to Lee (1980:150), "Taiwan was hard hit by a worldwide recession caused by the Arab Oil embargo in 1974, the three TV stations garnered a total profit of US\$5 million in 1977."

From the above description, we can understand that Taiwan's TV capital is actually owned by five systems. There are Japan's four companies, the KMT, the Taiwan Provincial Government, the military and some so-called " private investors". As a matter of fact, those

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private stockholders are controlled by the ruling party or the central government. }

Basically, Taiwan's three TV networks run as commercial businesses. However they are still on the government's hands. Furthermore, foreign force such as Japan in capital control which invades our TV industry. It is really difficult to see a clear, objective and neutral vision on our TV screen.

BRIEF CONCLUSION

The foreign capital entered in the Taiwan's TV industry was that of the four Japanese electronic companies which held 40% of TTV's stock. After 1982, due to the economic boom in Taiwan, only 20% of the stock was held by Japanese hands. Two other TV stations , CTV and CTS, have no foreign capital involved.

{ From the above description, The Taiwanese TV industry was dependent on foreign financing but now the dependence is decreasing. }

PROGRAMMING CHANGE

The paradox of Taiwan today is that its economy is part of Maritime China but its political ideology is still that of Continental China (Fairbank, 1976:4)

Taiwan is an obvious case of matching the old and the new ways of thinking. It is also reflecting on Taiwan's TV programming and TV industry.

{ Lee (1987:187) criticized Taiwan's TV industry saying that is a combination of a bureaucratic-commercial complex. } Indeed, the initial idea of having TV in Taiwan was based on politics that could preach the advantages of the Nationalists. Then the three TV networks, TTV CTV and CTS, by making the incredible bonus even though Taiwan's economy was in darkness in the early of 1960s. Taiwan was trying to maintain the people's living needs and was trying to against Mao's government at that time.

After the 1970's, Taiwan's economy was stable and people still believed that people in China were living in an awful and miserable situations. Taiwan could stand in front of the international arena by herself but not beneath China's wings. TV became an entity of commerce instead of educational and national defense instruments. These three TV networks, TTV CTV and CTS, are operated by either the KMT, the Taiwan Provincial Government or the Ministry of National Defense.

From the TV advertising volume and the ownership of the three TV networks, it is easy to see that Taiwan's TV industry is the composed of a bureaucratic-commercial combination. The following table will show the role of local root culture in Taiwan during the

1960's through the 1990's in the programming is being ignored. Sources from the Taipei Advertising Agencies Association and Ming-Shen News, found that the advertisement costs of the three TV networks, TTV CTV and CTS, were NT\$1,360,000 in 1962 and NT\$3,474,000,000 in 1982. In 1975, the TTV's surplus was NT\$4.9 hundred million, the CTV was NT\$4.3 hundred million and the CTS was NT\$4.5 hundred million.

In the language sector of programming, the languages used in the TTV from 1962 to 1979 were Mandarin, English and Taiwanese (TABLE 3.2).

Table 3.2

THE LANGUAGES USED IN THE TTV'S PROGRAMS FROM 1962 TO 1979
LANGUAGE USE (MINUTES PER WEEK/PERCENTAGE)

YEAR	MANDARIN/CHINESE	ENGLISH	TAIWANESE
1962	1,430/62.86	715/31.43	130/5.71
1963	1,645/64.26	745/29.10	170/6.64
1964	1,570/57.30	835/30.47	335/12.23
1965	1,595/52.29	1,100/36.07	334/11.64
1966	1,715/53.43	1,080/33.64	415/12.93
1967	1,760/52.54	1,115/33.28	475/14.18
1968	2,134/57.30	1,120/30.08	470/12.62
1969	2,425/58.00	1,215/30.00	540/12.00
1970	2,239/48.33	1,525/32.90	870/18.77
1971	3,451/62.53	1,228/22.25	840/15.22
1972	3,272/65.10	1,055/21.10	692/18.80
1973	3,207/73.35	745/17.05	420/9.60
1974	2,423/71.31	648/19.04	327/9.62
1975	2,293/66.83	691/20.14	447/13.03
1976	2,552/72.40	603/17.11	370/10.49
1977	2,609/75.78	470/13.65	364/10.57

Table 3.2 continued:

1978	2,645/77.29	442/12.92	335/9.79
1979	2,532/71.87	542/15.38	449/12.75

SOURCE: Television Yearbook of The Republic of China.
1961 -1975, 1976-1977, 1978-1983.

Table 3.3

THE PERCENTAGE OF LANGUAGES USED IN THE THREE TV NETWORKS:

	TTV			CTV			CTS		
LANGUAGE(%)	Chinese	English	Taiwanese	Chia.	Eng.	Taiwan.	Chia.	Eng	Taiwan
YEAR									
1978	78	13	10	72	17	12	73	16	11
1979	72	15	13	70	17	13	71	17	12
1980	75	13	12	72	15	13	76	12	13
1981	80	9	11	77	10	13	80	9	11
1982	80	9	11	79	9	11	82	7	11
1983	85	4	11	84	5	11	87	6	6
1984	85	4	10	84	5	11	87	6	6
1985	84	8	8	77	14	9	85	9	6

SOURCE: Television Yearbook of The Republic of China, 1984 & 1986.

As can be seen in the previous table (Table 3.3), Mandarin/Chinese is still the major language used in Taiwan's three TV networks. The percentage of English programs dropped from 31.43 percent in 1962 to 32.90 percent in 1970. Before the year of 1981, less than 10 per cent of English programs were in three TV networks. [The Broadcasting TV Law of Article 19 points out that self-produced programming shall not be less than 70 percent of all broadcasting and TV programs.] Foreign-language programs shall be presented with Chinese subtitles or Mandarin narration. The Department of

Information of the Executive Yuan in the central government, the GIO, regulates Chinese dubbing in foreign programs. In recent years, the dubbed programming has become popular. From the language aspect, foreign language programming has decreased to 10 percent in all programming.

Ever since the ruling party took over the three TV networks, the higher positions were filled with mainlanders. Chinese or Mandarin is considered the official and major language used by the most important mass media. In the 1980's, a variety of social reforms happened on this small island. The first and the strongest opposition party, the Democratic Progressive Party, the DDP, was found in Taipei. At the same time, some political restrictions had been released such as the Martial Law which stated that all newspapers had to be registered, the government had to welcome all political parties, and give amnesty to some political prisoners.

The DDP's primary political ideologies are claiming to wake up the traditional Taiwanese root culture, to the fact that Taiwan should be independent from the mainland China. While domestic social and political atmospheres have changed, three TV networks still uphold their ancient mission to recover the mainland China. Furthermore, in Article 20 of the Broadcasting and TV Law, it indicates that: The time to allocate other programs and the proportion between the use of Mandarin and dialects shall be reported with their detailed justification and duration of implementation to the GIO for approval. Yet, Taiwanese is the native language for most of the Chinese who live in Taiwan, and people

often speak Chinese only in the capital Taipei. In TV communication, Taiwanese is still the minority language, in fact, the percentage of Taiwanese used in the three TV networks has decreased from the average of 47 percent in 1970 to 12 percent in 1980; only 8 percent in 1985. Nowadays, some DDP legislators demand that dialects such as the Ha-Kanese should be respected in our TV communication, but this suggestion is still being argued in the Legislative Yuan.

BRIEF CONCLUSION:

Taiwan was dependent on U.S. programming until 1980 (90%). Article 19 of the Taiwanese Broadcasting and Television Law states that no less than 70% of all programming should be locally produced. Even though the Hong Kong drama series was hot during the late 1970's, Mandarin Chinese programs are still the major language used in Taiwan's TV.

From the heavy reliance on U.S. programs in 1960's and 1970's to the achievement of self-reliance of domestic programming, TV programming in Taiwan's TV industry is another example of a dependent development.

Changes in Hardware

In order to comprehend the transfer of Taiwan's TV hardware, two angles of discussion are necessary. One is simple from the annual growth in TV set production; the other is from the imports/exports over the period from 1950 to 1980 of Taiwan's economy.

The first angle to investigate in our TV hardware is to account for the figures from the TV set production (B/W and color) per year. In accordance with the Statistical Quarterly of the Republic of China, there were 58,000 B/W TV sets for export in 1968. In 1985, the figure reached 1,562,000. The major nation for export was U.S.. The amount of B/W TV sets which got to was the US\$67 million and this figure was 78.1 percent of the total export amount in that year. Color TV sets were 80 percent of the industrial export goods in 1985.

From the Television Yearbook of the Republic of China, the annual increase in TV set production is shown by the following:

Table 3.4

ANNUAL PRODUCTION AND SALES OF TV SETS IN TAIWAN:

YEAR	OUTPUT	DOMESTIC SALES	OVERSEAS SALES
1962	4,400		
1963	7,600		
1964	31,055		
1965	49,540		
1966	66,260	65,105	
1967	111,711	24,280	65,964
1968	650,205	182,000	56,121
1969	974,539	247,413	340,271

Table 3.4 continued:

1970	1,254,125	378,000	705,465
1971	1,891,846	381,300	1,602,001
1972	3,590,752	336,000	3,175,801
1973	4,541,995	386,332	4,107,232
1974	4,036,204	410,644	3,764,623
1975	2,934,971	396,515	2,592,381
1976	3,850,046	414,760	3,642,214
1977	4,926,000	474,000	4,454,000
1978	7,096,000	593,000	6,159,000
1979	6,698,000	711,000	5,955,000
1980	4,041,000	655,000	6,517,000
1981	6,924,000	544,000	6,333,000
1982	4,724,000	497,000	4,352,000
1983	5,152,000	417,000	4,752,000

NOTE: Domestic sales include both locally manufactured and imported sets.

After 1977, the number below one thousand does not count.

SOURCE: Television Yearbook of The Republic of China, 1961-1975, 1976-1977, 1978-1983.

The development of TV set manufacturing was under the governmental policy which determined the percentage of domestically produced TV sets. The annual growth in the sector of the TV communication which included the B/W TV sets, color TV sets and the VCRs is represented by the following table (TABLE 3.5):

TABLE 3.5

SELF-PRODUCED RATE REGULATED BY THE TAIWANESE GOVERNMENT:

[illegible]

Table 3.5 continued:

ITEM/YEAR	1975	76	77	78	79	80	81	82	83	84	85
B/W TV	90%	90%	90%	90%	90%	90%	90%	90%	90%	---	---
COLOR TV	50%	50%	60%	60%	60%	60%	60%	60%	60%	60%	60%
VCR	---	---	---	---	---	---	---	---	35%	45%	55%

SOURCE: Wu, Taiwan Industrial Development Strategy.

Some import/export strategies regulated by the Taiwanese government were to urge and protect the domestic industrial environment by such things as encouraging investment, protecting domestic markets and persuading exportation. The content of these three rules during the 1950's and 1970's included tax reduction, tariff protection, export limitation, foreign currency regulation and restricted and controlled the rate of self-production. The rule for TV's produced domestically in the 1960's was primarily for protecting the domestic markets. Under this article's direction, 40 percent of new products of assessories should be produced from the local/domestic companies. The remain 60 percent are allowed for import.

From above tables, that Taiwan's ecomony was dependent on the U.S. and Japan and then developed by herself is understandable. However, the annual growth rate of B/W and color TV sets is just a simple explanation to express the "amount" of TV set growth instead of the growth of the entire TV hardware industry. In this sector, in order to realize the importance of the association of Taiwanese TV hardware industry with the assistances of Japan and the U.S.'s assistances, analyzing the import and export economic background

from the beginning is required.

In the late of 1980's, Taiwan's electronic home appliance industry was developed quite rapidly. The major products included B/W TV sets, color TV sets, tape recorders, refrigerators, washing machines and rice cookers. Most of these were for export. A decade later, the annual growth rate the electronic home appliance for export reached 34.87 percent. In 1980, the amount of export which got to the US\$35.99 hundred million. In the year of 1983, the amount of electronic home appliances for export exceeded the textile export, which was the highest export good previously.

Over the period of 1952 to 1979, the items for foreign investment and technological cooperation in Taiwan's electronic appliance industry had reached 646 totally.

Table 3.6

ITEMS FOR FOREIGN INVESTMENT AND TECHNOLOGICAL COOPERATION:
FOREIGN INVESTMENT:

<u>JAPAN</u>	<u>U.S.</u>	<u>OTHERS</u>	<u>TOTAL</u>
190	86	33	309

TECHNOLOGICAL COOPERATION:

<u>JAPAN</u>	<u>U.S.</u>	<u>OTHERS</u>	<u>TOTAL</u>
236	80	21	337

SOURCE: Taiwan Investment Commission 1980.

From the previous table, it is apparent that Japan and the U.S. were/are the major trade partners with Taiwan. Nevertheless, the trade triangle relationships among Taiwan, Japan and the U.S. are complicated. In general, Japan exports raw materials, electronic accessories and semi-products to Taiwan, then Taiwan ameliorate and improve imports and exports to the U.S. and Japan. The role of Taiwan's trade is in the flow of the merchandising system between the U.S. and Japan. Besides, Taiwan is a factory of Japanese products assembling.

As Simon (1981) says, the electronic appliance and chemicals which make tremendous profits to Taiwan are based on the usage of foreign technologies. In another words, Taiwan's economy relies heavily on foreign technologies which support Taiwan's economic activities.

Indeed, Kieth Griffin (1974:4) emphasized that technological improvement is an engine for urging the change of world modernization. More and more evidence had shown the device and introduction of new technologies and novel products are the primarily factors of economic development. Griffin is concerned that neither the natural resources nor the percentage of capital of labor can determine national economic development. Only technological power can determine national economic development.

The average export growth rate of Taiwan's foreign investment for the electronic appliance industry from 1976 to 1985 was 71.87 percent and 28.13 percent in domestic distribution (See Table 3.7).

Table 3.7

TAIWAN IMPORT/EXPORT TRADE IN ELECTRONIC APPLIANCE SECTION:

YEAR	DOMESTIC DISTRIBUTION	EXPORT
1976-77	32.05%	67.95%
1978-79	31.90%	68.10%
1980-81	30.80%	69.20%
1982-83	24.65%	75.35%
1984-85	21.24%	78.76%
ANNUAL AVERAGE	28.13%	71.87%

SOURCE: Accumulated The Yearbook of The Republic of China from 1977-86.

THE DILEMMA OF TAIWAN'S TV INDUSTRY

Taiwan's TV industry was developed in the 1960's. The only TV network at that time was TTV, which had 40 percent of its stock owned by the Japanese. They operated "the whole package" to help and develop TV communication systems and other developing countries. { Japan provided the whole package by providing both hardware equipment, programming and commercial stuffs. } This proposal was approved by the TTV's TV Preparatory Committee but was refuted in Taiwanese Legislative Yuan. The final agreement was that Japan took care of the hardware and the U.S. exported programming to Taiwan. }

{ Taiwan is dependent on foreign capitals in the area of technology. } Even though she is able to export TV sets, some high-grade technologies and equipments are still considered top secret by

the Japanese. The internal technologies and financial controls are beyond Taiwan's control. A few reports say that until recently, some key manufacturing procedures are hiding in dark boxes---an isolated area for "key personnel only" (Ting, 1980:816).

Futhermore, there is 80 percent of four industrial sectors (electronic appliances, chemicals, mechanics and hardware) that have signed contracts with Japan for technological cooperation. Ironically, less than 70 percent of Japanese technology can be transferred to Taiwan in these technological cooperation contracts (The Economic Daily News, 1978, 6, 20).

To sum up, Taiwan's economy is on the right track. In the long run, however, Taiwan's economy will be in an embrassing situation. It is difficult for a developing country to develop her own related technologies, under the goals of a foreign society and economy, since the primary economic sector is subjected to imported technologies (Parmar, 1975:19). Taiwan is in this kind of bottleneck. In spite of the fact that Taiwan's economy is keeping pace with the U.S. and Japan, some equipment of TV's hardware is still dominated by other developed nations.

Generally speaking, Taiwan's TV hardware industry is both a dependent one and a developing one. The foreign technological and capital cooperations contributed to Taiwan's economic development and societal stablility. In the cooperative procedure with transnational consortia, the relationship between a dominant and secondary status will become clear. Under this center-satellite circumstance, it is hard to achieve autonomy. Even though Taiwan is

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subjected to technological breakthroughs, Taiwan's industry is still dependent on the international economic environment.

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TAIWAN'S TV MYTH:

Before 1982, above 90 percent of TV programming was imported from the U.S.. After that, under The Broadcasting and TV Law (Article 19th), the foreign programming should not exceed 30 percent of the total programming. Even though 80 percent of TV programming is produced by the Taiwanese, most of the formats are copied from the U.S. *over 2013/*

Taiwan's legislators argued that their TV is the communication bureau of the Legislative Yuan. Some legislators of the 1960's forbade the Japanese to enter Taiwan's TV industry. In the Article 20th of The Broadcasting and TV Law } which rules that foreign investment should not exceed 40 percent. Foreigners can only provide technical assistance and personnel training. Furthermore, the CTS and the CTV have no foreign capital. From the above situation, Taiwan's government should protect the local Taiwanese root culture. Unfortunately, the portion of Taiwanese programming decreased from 50% in 1970 to 8% in 1980. } The three TV networks, TTV CTV and CTS, still ignore that there are over half of the Taiwanese are speaking in Taiwanese. The Taiwanese government does not take care of the local culture. Is the Taiwanese TV industry independent of the U.S. programs

If we say the Taiwanese was dependent on foreign programming, Taiwan is developing because Taiwan produces their programming above 70 percent by themselves. We say Taiwan is independent, but many TV programming formulas are copied from the U.S. such as, "Love Connection" and "Sixty Minutes".

It is hard to say that the viewing habits can reflect on Taiwanese media culture. { If the audience really likes to watch the U.S. and Japanese programs, why is the highest rating still on the Taiwanese prime time (8:00-9:00) soap opera. } Secondly, 90 percent of foreign films and sitcoms such as the Cosby Show and the Golden Girls are dubbed. Next, the diversity of geographics should not be disregarded. Teenagers might prefer the American and Japanese programs more than an audience over age 25 because of higher rate of imitation. { For people over age 25 and more educated, they just want to get closer to the global information instead of just watching the U.S. and Japanese movies. }

In some parts, Taiwan excludes superficial economic dependency, such as the indicators, figures of the programming or the TV sets imported. In other parts, { the form of dependency still exists in mental and psychological dependency such as absorbing external messages and getting closer to international information. } This sector can be a starting point for the further study.

BRIEF CONCLUSION:

Since the Taiwanese government lifted the Martial Law in the late 1980's, many voices can be heard from the different corners of a real democratic society. The international city of Taipei, Taiwan's capital, always gathers different cultural resources such as foreign books, magazines, movies, and seminars about cultural related knowledge.

CHAPTER FOUR: CONCLUSION

The purposes of the this study are:

1. ✓ How did the Taiwanese government protect and encourage its domestic economy and TV industry? During the period of fifteen years economic aid, how did Taiwan establishment the image of an Asian Dragon?
2. ✓ How did Taiwan escape the shadow from Japanese loans and its interference in the TV industry?
3. ✓ Under the long-term control of Taiwan's TV industry by the ruling party, where will the audience go?

This research indicates that:

1. The Taiwanese government accepted economic assistance around US\$15 hundred million from 1951-1965. This powerful economic injection was basis for the growth of Taiwan's economy. Instead of foreign aid and the leadership and encouragement of the Taiwanese government on domestic market protection, tariff reduction and an export-oriented policy, Taiwan has advanced toward riches and is famous for its miraculous economy.

On the other hand, more and more transnational companies enter in Taiwan. How does Taiwan's economy deal with the international recessions and storms?

2. In 1965, the same year of termination of the U.S.'s economic aid, Taiwan accepted around US\$14 hundred million from Japan for

domestic constructions. Forty years have past and Taiwan's economy is going toward the age of consuming (China News Daily, Mar. 5th 1993). It means the economic dependence on Japan is decreasing and Taiwan is developing its economy.

Due to a long-term involvement in the situation of co-operative technologies with Japan. It is getting harder and harder for the Taiwanese to breakthrough the bottleneck of up-grading its technologies

In TV communication, the foreign capital that entered in the Taiwan's TV industry was that of the four Japanese electronic companies which held 40% of TTV's stock. After 1982, due to the economic boom in Taiwan, only 20% of stock was held by Japanese hands.

3. Under 30 years control by the ruling party and its entertain/benefit-motivated, Taiwan's TV industry is facing some challenges such as the quality of programming, format copying from the U.S..

{ The dependence on foreign programming is not a problem anymore in Taiwan's TV industry. However, the purposeful suppression of the Taiwanese language by the ruling party is another issue that cannot be ignored. }

The folloeing section elaborates on the points above: after 1949, the leader of the Nationalist of KMT, Chiang Kai-Shek established his empire by moving from China to Taiwan. Taiwan was poor and in a bad situation. The economic assistances and loans from the U.S. and Japan during the 1950's and 1960's were

a powerful injection to the small island. Forty years later, Taiwan is famous for her economic success and also called one of Asia's four little dragons. The foreign aid from the U.S. (US\$1,456 million) and Japan (US\$1,390 million) did help Taiwan construct of private and public infrastructures and establish monetary system and capital accumulation.)

Taiwan has had a TV industry since the early of 1960's. { TV, was the best tool for cultural communication. It proved that she was a free-enterprise system to the world (Lee, 1987:149)}. The first TV network in Taiwan was the Taiwan Television Company, TTV, ^{Ownership} which was owned by the ruling party and 40 percent of stock by the four Japanese companies. After 1982, only 20 percent of stock was held by the Japanese in TTV and the other two TV networks without foreign capital. In programming, 95% of TV programming was ^{imported} imported from the U.S. before 1980. In 1983, the Taiwanese government decided to protect her own culture. It said that no less than 70 percent of TV programming should be produced domestically.

Except for the three TV networks, Taiwan has cable TV as the second choice for the audience. There are nine film suppliers for providing the programming and the cable operators are responsible for the distribution networks..

Taiwan was heavily relied on the foreign assistances in economy and TV industry. Now she is controlling her own destiny and has a successful achievement.

RETHINKING

{ Even though Taiwan can control her own economy, it is getting harder and harder to breakthrough the bottleneck of advanced technologies. More and more transnational companies move to Taiwan which results in the situation of more complicated trade with some powerful countries such as Japan and the U.S. }

In Taiwan, TV is the box of showing her free-enterprise system to the world. However, in programming, format copying from the U.S., the content has no creativities, and Taiwanese government control the important appointments, language use and content. { The media monopoly does not go with the development of economy. }

LIMITATION OF THE STUDY

The problem in this study is many sources come from magazines, newspapers and references at different time periods. It needs to be very careful in dealing with then credibility.

FURTHER RESEARCH:

According to Debby Chen's study (1993:44-47), she points out a fairly high level of English and Japanese comprehension does not mean that people are happy to watch English or Japanese programs. { In addition to Chen's study, a survey done by the Frank Small & Association (1992:48) indicates that the Chinese Channel in STAR TV is still the most popular cable channel. }

In what condition will people choose their favorite channel? More and more international and global information is available in Taiwan, especially the capital Taipei. People in different back-

grounds such as education, races (generations of mainlanders or Taiwanese) or geographics will have different tastes. It is worthy for the further study.

APPENDICES

APPENDIX I

EXTERNAL TRADE WITH JAPAN AND WITH OTHER COUNTRIES

Appendix I

EXTERNAL TRADE WITH JAPAN WITH OTHER COUNTRIES, FOR QUINQUENNIAL PERIODS In Million of Taiwan Yen

	EXPORTS			IMPORTS			EXPORT SURPLUS		
YEAR	To Japan	To Other	Total	From Jpn	Fr Other	Total	To Jpn	To other	Total
1911	Y 51.6	Y 13.2	Y 64.8	Y 33.7	Y 19.6	Y 53.3	Y 17.9	Y -6.4	Y 11.5
1915	60.2	15.4	75.6	40.6	12.8	53.4	19.6	2.6	22.2
1920	181.1	35.2	216.3	112.1	60.4	172.4	69.0	-25.2	43.8
1925	215.2	48.0	263.2	129.9	56.5	186.4	84.3	8.5	76.8
1930	218.6	22.8	241.4	123.1	45.1	168.2	95.5	-22.3	73.2
1935	314.2	36.5	350.7	218.1	45.0	263.1	96.1	-8.4	87.6
1940	459.3	106.8	566.0	425.8	56.1	481.8	33.5	50.7	83.2
(Percentage of Total Trade)									
1911	79.6	19.4	100.0	63.2	36.8	100.0			
1915	79.6	19.4	100.0	76.0	24.0	100.0			
1920	83.7	16.3	100.0	65.0	35.0	100.0			
1925	81.7	18.2	100.0	69.7	30.3	100.0			
1930	90.6	9.4	100.0	73.2	26.8	100.0			
1935	89.6	10.4	100.0	82.9	17.1	100.0			
1940	81.1	18.9	100.0	88.4	11.6	100.0			

SOURCE: Jacaby, N. 1966:79.

APPENDIX II

RELATION OF NET EXPORTS TO JAPAN TO TAIWAN'S NET DOMESTIC
PRODUCT FOR QUINQUENNIAL INTERVALS OF THE PERIOD 1911-40

APPENDIX II

RELATION OF NET EXPORTS TO JAPAN TO TAIWAN'S NET DOMESTIC PRODUCT FOR QUINQUENNIAL INTERVALS OF THE PERIOD 1911-40 (In Millions of Current NT Dollars)

Year	Net Exports To Japan	Net Domestic Product	Percent of Net to Net Domestic Product
1911	NT\$ 17.9	NT\$ 167.1	10.7
1915	19.6	181.6	10.8
1920	96.0	495.9	13.9
1925	85.3	573.3	14.9
1930	95.5	567.7	16.8
1935	96.1	766.3	12.5
1940	33.5	1,287.8	2.6

Arithmetic mean of annual figures 12.4

SOURCE: Jacoby, N. 1966:80.

APPENDIX III
JAPANESE LOANS FROM APRIL OF 1965:

APPENDIX III

JAPANESE LOANS FROM APRIL OF 1965:

<u>Project</u>	<u>AMOUNT(US\$1000)</u>
1. Da-jein Dam	6,251
2. Project of Improving Taiwan Aluminum Industry	2,400
3. Improving the Electricity	26,162
4. Modernization of Taiwan Sugar Ind.	10,635
5. Construction of Kee-Lung Harbor	1,436
6. Ammonia Factory	8,500
7. Construction of Kao-Hsiung Harbor	3,500
8. Improving the Taiwan E.E. Company	2,002
9. Construction of the Taipei Bridge	1,400
10. Improving the Taiwan Fertilizer Co.	4,842
11. Improving the Urinary Factory	4,300
12. Tang Eng Iron Works	7,173
13. Sulphuric Acid Factory	1,300
14. Improving the Telecommunications Ind.	3,500
15. Improving the Taiwan Shipbuilding Corp.	3,200
16. Improving the Air transportation Ind.	3,150
17. Zen-Wen Dam & Kao-Hsiung 2nd Harb	50,000
<u>Total</u>	<u>139,801</u>

SOURCE: Yearbook of the Republic of China.1963:485, 1964:436.

APPENDIX IV

SOME INTERNATIONAL LOANS BEFORE AND AFTER THE U.S. AID

APPENDIX IV

SOME INTERNATIONAL LOANS BEFORE AND AFTER THE U.S. AID

Bank	Date of Loan	Project	Amount/US\$1000
The World	1962	Taipei district waterpipe enlargement)	
Second Bank	1962	Taiwan's underground water development)	13,300
	1962	Harbor, wharf and shipbuilding projects}	
	1962	China Development Co., for industrial and business use.	5,000
	1963	Sea-going shipbuilding project	7,800
The World Bank	1964	The China Development Co. loan for public use	5,000
	1965	Equipment for Taiwan's railroad	20,000

SOURCE: Yearbook of the Republic of China 1963:485. 1964:436.

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