

## ON THE PROSPECT OF AN INTERIM SOLUTION TO THE CHINA-TAIWAN CRISIS

Commentary by Lowell Dittmer\*

The national destinies of the peoples of mainland China and Taiwan have been moving along their distinct trajectories for more than a century now, dating from the Treaty of Shimonoseki that concluded the Sino-Japanese War in April 1895 by awarding the island to Japan, along with various other spoils of war. Yet this involuntary separation was only actual but not titular, in the sense that the Chinese peoples on neither side of the Taiwan Strait have ever reached a consensus formally acknowledging it.

This is unusual even within the relatively exclusive company of nations riven by the Cold War: the peoples of both Germany and Korea were ultimately willing to recognize the legal if not moral validity of their political divisions, permitting both "halves" to pursue UN representation and membership in various other international organizations. Yet few people in mainland China, even after decades exchanging invective, artillery barrages, missile "test" shots, and other unpleasanties, have been prepared to concede the separation of Taiwan; nor have the peoples of Taiwan forfeited their Chinese national identity, although they have been perceived to be moving in that direction since undertaking democratization at the end of the 1980s (the government's official position is now that China is one country under two sovereign jurisdictions, as of July 1999 two states).

Taiwanese attitudes toward the mainland have actually varied considerably since the advent of systematic public opinion polls on the issue, and indeed for a while in the early 1980s, as trade, tourism and "mainland fever" (*dalu re*) rose like a Phoenix from the ashes of the KMT dictatorship that forbade all contact with the mainland, it seemed that the "three links" were the skeleton key to eventual unity. Yet political democratization in Taiwan and nationalism's displacement of ideology in the PRC have given rise to contrary tendencies on both sides. The relationship is richly ambivalent, something like the bad marriage to which it is sometimes compared (e.g., "marry me or die").

Moreover, the dispute is not purely bilateral. The United States has been inextricably involved in it from the outset — indeed, before then, in the form of American assistance to the Nationalist regime during the civil war whose loss precipitated the latter's flight to the island. After "leaning to one side" (*viz.*, recognizing the Republic of China on Taiwan) during the first two decades of the cross-Strait stand-off (and persuading much of the rest of the world to do likewise), Washington found a way to open relations with Beijing without altogether repudiating Taipei by acknowledging the common core to both sides' conflicting claims (*viz.*, that there was only one China), without endorsing either claim to exclusive sovereignty. Yet this

---

\* Political Science Department, University of California at Berkeley.

was in the long run no more acceptable to Beijing than it was to Taipei, and Washington found itself beseeched with increasing urgency to take sides.

Washington enjoyed better relations with both "Chinas" than they had with each other and occasionally sought to extricate itself from their dispute in order to preserve these, only to find that this risked a flare-up of violence; at the same time, any American effort to mend relations with Beijing evoked panic in Taiwan, while reassurances to Taipei precipitated howls of outrage in Beijing. As the tension reached a sort of crescendo in the mid-1990s, it seemed to many policy observers that the US position in the ambiguous middle was no longer tenable, and that it should spell out its respective commitments more precisely in order to prevent any misunderstanding or conceivably dangerous miscalculation. Joseph Nye and Kenneth Lieberthal, prominent academics and sometime high officials in the Clinton administration, floated proposals to that effect in the context of "second track" diplomacy in 1997-1998, and the essay at hand by Professor Lynn White represents perhaps the most fully fledged and articulate version of this proposal (with certain modifications from the original, to be duly taken into account).<sup>1</sup>

White's argument is based on a series of clearly stated premises and trend projections, which it may however be best to recapitulate briefly. First, he contends that although the mainland war games and missile test shots into the waters surrounding Taiwan's largest ports constituted the first threat of violence for nearly 40 years and has not been repeated since, this potent reminder — never relinquished in theory — of Beijing's "right" to take the island by force cannot be expected to fade away. In fact, the Chinese threat to Taiwan's national security, he predicts, will continue to grow, as will Beijing's diplomatic capability to prevent Taiwan from acquiring the weaponry needed to defend itself. Unlike Pakistan's need to be reunited with Bangladesh, Malaysia's attachment to Singapore, US designs on parts of Canada, or Germany's nostalgia for Alsace-Lorraine or East Prussia, China's determination to reclaim the island will not flag with the passage of time and the onset of domestic prosperity, White insists. This is partly because Chinese nationalism, as in Russia, Germany and Japan, "has generally been collectivist and authoritarian" (a somewhat offhand resort to national character analysis); and partly because as China's relative power increases, it will have less incentive to moderate its claims. Taiwan's defense and deterrence capabilities must thus ultimately fail.

The resultant imbalance of power may be expected to affect American calculations as well. At present Beijing has only about two dozen ICBMs capable of targeting US cities from fixed bases in Western China, most of them older and less reliable liquid-fueled models, though two new mobile, solid-fueled missiles are

---

<sup>1</sup> Cf. Joseph Nye, "A Taiwan Deal", *Washington Post*, 8 March 1998; Professor Lieberthal presented his proposal, "Cross-Strait Relations", at the international conference on "The PRC After the Fifteenth Party Congress: Reassessing the Post-Deng Political and Economic Prospects", Taipei, 19-20 February 1998 under the auspices of the Institute for National Policy Research and Mainland Affairs Council, Executive Yuan. The paper is included in the conference proceedings (no page numbers).

neering operationalization (the DF-31 was successfully flight-tested last August), and the Chinese are believed to be modernizing their currently tiny SLBM force and on the verge of introducing multiple warheads (MIRVs).<sup>2</sup> American defense policy analysts will no doubt wish to reassess American security commitments once China has an assured second-strike capability; as one PLA General put it to a prominent American diplomatic visitor in the fall of 1995, will the US still opt to intervene on behalf of Taiwan at the risk of losing Los Angeles?

Thus it seems to behoove prudent American policy engineers to do something to avert the looming train wreck. Here we come to the second part of White's argument: his solution, his "truce". In its essentials, White's proposal echoes that already tabled by Nye and Lieberthal: Taiwan forswears its right to independence, and the PRC in turn forfeits its right to use force against Taiwan. I think we may reasonably assume that this is not just an academic exercise but a serious political proposal; although floated on the "second track" that permits the Clinton administration to retain deniability, the high academic and political status of its proponents leads one to assume that any indication of interest from either side of the Strait would quickly be greeted by a more formal document. To ensure mutual compliance, White (p. 8) thoughtfully suggests "previous publication of a simple list of the current diplomatic posts of each side", ensuring an end to Beijing's attempts to blockade Taiwan diplomatically by reducing the number of states recognizing it to zero, and a reciprocal quietus to Taiwan's provocative quest for diplomatic "living space".

This truce is to last 50 years, giving the mainland Chinese time to adopt democracy or at least to achieve higher living standards, and giving the Taiwanese time to prepare to become part of "Greater China". One issue that has bedeviled previous such proposals has to do with who is empowered to arrange such a truce, now that Taiwan is after all a functioning democracy in which its citizenry might be expected to have some voice in its future. White's answer is deceptively simple but quite original: the "unofficial" organizations already established to negotiate functional problems on behalf of their regimes without all the protocol, namely the Straits Exchange Foundation (Taiwan) and the Association for Relations Across the Straits (China), should be authorized to negotiate such an agreement. Though both the SEF and ARATS are unofficial bodies lacking the standing to negotiate a treaty or formal agreement, White points out that many international treaties (e.g., START II, the CTBT) are never formally ratified yet continue to guide the actions of their signatories (sometimes even, albeit to a lesser extent, those who never even signed them).

The third step in White's argument is in a sense rhetorical. Having made a strong case that a major departure from the status quo is needed and that his own proposal is best qualified to fill the bill, he concludes by predicting that it will never be adopted. Why not? Because various "crucial leaders in both Taiwan and China gain short-term domestic political benefits from cross-Strait tensions", they are

---

<sup>2</sup> See Robert S. Norris and William M. Arkin, "Chinese Nuclear Forces, 1999", *Bureau of Atomic Scientists*, Vol. 55, No. 3 (May 1999), pp. 79 ff; also James R. Lilley and Carl Ford, "China's Military: A Second Opinion", *National Interest*, No. 57 (Fall 1999), pp. 71 ff.

"unlikely to negotiate even a temporary truce". Although these political spoilers are never explicitly named, White seems to have the leadership of the Taiwan Independence (Taidu) forces in mind, as most powerfully represented by the Democratic Progressive Party (DPP), since he notes caustically (cf. p. 16) that the stipulation adopted in the 1996 "National Development Conference on Cross-Strait Relations" to permit minority opposition parties to participate in major policy decisions regarding cross-Strait relations "almost surely scuttles in advance any kind of truce with the mainland". Lacking such an agreement, the cross-Strait arms race will continue, resulting in a growing imbalance in Beijing's favor, given the relative distribution of resources and projected gap in economic growth rates, leading inevitably to crushing mainland superiority. When that point is reached, Taipei's bargaining position will be substantially eroded and there will be war, which will be severely and unnecessarily damaging to the participants (especially, he presumes, to Taiwan) and incidentally to American interests on both sides of the Strait. If the US becomes militarily involved, as the Taiwan Relations Act (TRA) appears to prescribe, the situation also becomes threatening to regional, even international, peace and stability. White's apocalyptic scenario thus serves as an implicit warning: under the circumstances the US may, White suggests, opt to reassess its commitment to the island because, having made a reasonable offer to Taipei, "America's leaders are likely to consider their commitment to Taiwan fulfilled". In other words, reject this offer at your own risk.

White's interim agreement proposal features a number of attractions. First of all, by dispelling "strategic ambiguity" in favor of a clear definition of reciprocal commitments and rights, it promises to stabilize the relationship and lay the foundation for peaceful and profitable relations across the Strait. Such a contribution should be quite timely, one would think, at a time of the imminent entry of both China and Taiwan into the World Trade Organization, the provisions of which will prescribe Taipei's acceptance of the "three links" and the inauguration of direct trade links, facilitating a much more intimate cross-Strait relationship than heretofore. By relinquishing a quest for formal independence that was under the circumstances without realistic practical effect anyhow, Taiwan gains *de facto* autonomy; while the mainland, by forfeiting a resort to violence that would if employed destroy or alienate the host population and further blemish the PRC's problematic "human rights" record, stands to enjoy greater access to the economic resources of a high-tech "silicon island" and a strategically vital military base. Thus Washington can finally extricate itself from its thankless intermediary position, unable to satisfy either side, and — without even technically violating the Taiwan Relations Act — cultivate friendly and profitable relations with both.

Yet my own preliminary survey, consisting of informal interviews with highly placed policy intellectuals from either side of the Strait (who prefer to remain nameless), indicates that the proposal is not apt to engender immediate agreement. My Beijing correspondents predicted that the PRC would not be likely to relinquish its option to resort to force even if Taiwan foreswore independence, essentially because Beijing would lose its only leverage over a Taipei that cannot be trusted. For China to relinquish the use of force within what it regards as its own territorial jurisdiction

would not only be an intolerable forfeiture of sovereignty (a forfeiture equally unacceptable to the US, Zhu Rongji recently pointed out, as indicated by our Civil War), but might have a domino effect resulting in fissiparous tendencies in Tibet or Xinjiang. My colleagues in Taipei foresaw grave difficulties with Taiwan's renunciation of independence, which would conflict with the island's democratic rules of the game. The DPP would certainly resent being thrown back into the political purgatory of the Jiang era, when one could do hard time (or spend years in exile) for supporting independence.

Assuming this preliminary sampling is more broadly representative, what does such a bracing reality check imply? It is of course conceivable that in the relatively choppy, tension-wrought atmosphere that has afflicted cross-Strait relations since the 1995-1996 crisis, neither side is able accurately to perceive its own interests. Thus it is not impossible that Beijing and Taipei might at this time reject the best deal that can probably be reached under current circumstances, but that given time for the atmosphere to improve, their moods might improve sufficiently for one or both sides to take a second look. Certainly any proposal that promises to permit people on either side of the Strait to do business and otherwise interact without the tension that has afflicted the relationship in the last several years should not be rejected out of hand. At present, it would appear that advocates of an interim agreement and other would-be reunification engineers in all three relevant countries are biding their time, waiting for the dust to settle after the American and Taiwanese millennial presidential elections.

What we can do here, in an academic analysis unburdened by material interest in any particular solution, is to consider the proposal on its merits with as much dispassionate objectivity as we can muster. The proposal consists essentially of three steps, the first of which we might refer to in colloquial terms as "futuology", the second as "the deal", and the third the "upshot".

The futuology consists of a comparison of relative resource bases (e.g., China has 60 times the population, 260 times the territory) and an extrapolation of current trends into the future, resulting in an increasing projected imbalance between the political economic power of mainland China and that of Taiwan. If such an extrapolation is correct, it may be in Taiwan's interest to deal now, before its relative bargaining power diminishes. It is well known that China's growth rate over the past two decades of reform has been among the highest in the world, a rate exceeding even that of "small tiger" Taiwan, which has a GDP roughly a third that of the mainland.

Yet straight line projections can be risky. Should Churchill, after Dunkirk, have reached a *modus vivendi* with Hitler, based on the superior projected growth rate of a Nazi-dominated continent? Though that might have made economic sense, history defied rational expectations: his adversary was far too impatient to give full play to his expanded economic base, for one thing. This is not to say that Jiang Zemin can be equated with Hitler, of course, but the fiduciary responsibility involved in transferring a reasonably well-governed polity's sovereignty to an alien political framework based on statistical extrapolations alone is weighty indeed. Who would have bought stock in Israel, tiny Jewish island in a hostile Islamic sea, in

1948? Khrushchev's famous boast that Soviet economic power would "bury" the West was based on sound projections, as Soviet growth rates were at the time substantially higher than those of either the United States or Western Europe.<sup>3</sup>

"One country, two systems" is an ingenious way to moot that issue by allowing the host polity to retain its own governmental arrangements and even command its own military and security forces, and in my judgment the PRC record with regard to Hong Kong since 1997 constitutes an encouraging precedent for such an arrangement (though the economic benefits of economic retrocession have not yet materialized for Hong Kong). Still the people of Taiwan cannot be blamed if they prefer to give this unique arrangement a longer trial period before locking themselves into an analogous arrangement. White's "truce" is equal to the occasion, providing 50 years for this purpose. During that 50 years, all relevant futurological trends would of course be free to play themselves out as they will, under the no doubt intense scrutiny of the Chinese, the Taiwanese, and various interested observers.

White's prognosis, that China's macroeconomy, per capita income and military strength will continue to wax rapidly and that democracy will follow inevitably but somewhat more slowly, is a reasonably good synopsis of the conventional wisdom and God willing, it will come to pass. In any scenario foreseeing a successful marriage of development and democracy, even if the sequence is slightly out of kilter, it would rationally behoove Taiwan to reach an accommodation sooner rather than later. Yet 50 years is a long time, and history is full of surprises: what will happen if relative economic, political and social trends during the intervening trial period do not play out favorably for socialism with Chinese characteristics? Before agreeing to forfeit sovereignty (a decision not granted to the people of Hong Kong), policy makers in Taiwan will no doubt opt to use a multiple scenario analysis.

A less rosy scenario might be that China's rate of economic growth (GDP, FDI, foreign trade) continues its recent slide while the political regime remains frozen, and that at the end of 50 years there is hence still a perceptible gap between Taiwan and the PRC. This is not an insuperable obstacle — there was also a wide gap between Hong Kong and the mainland in 1997, yet retrocession was still perceived to be to Hong Kong's economic advantage for the market access and investment opportunities it offered (although if China's growth rate "normalizes" in the meantime, that advantage may diminish). If the differential in economic growth rates continues as Beijing politically deflects the winds of "peaceful evolution" and adheres to Deng's Four Cardinal Principles while overtaking Taiwan in arms spending, Beijing's propensity to put pressure on Taiwan would be enhanced without a commensurate increase in the attractiveness of its offer.

In other words, one can imagine all sorts of different trend mixes, some of which would make China an irresistible marriage partner for Taiwan, some of which would make it a suitor less desirable but more difficult to resist, some of which might make it neither irresistibly attractive nor powerful enough to forgo peaceful

---

<sup>3</sup> Klaus von Beyme, *Economics and Politics within Socialist Systems: A Comparative and Developmental Approach*. New York: Praeger 1982.

persuasion (e.g., a Soviet-style reform implosion). And of course the economic and political future of Taiwan is equally open-ended. Deferring the question for 50 years is one way to ensure peace and stability in the *hic et nunc*, with the offsetting downside of binding one's children to a future still out of sight. Would Lord Palmerston have signed a mere 100-year lease for a barren rock with hardly a house upon it if he could have foreseen what Hong Kong would eventually become? Would China have signed any lease at all?

As for the contents of White's proposal, it seems *prima facie* fair enough. Yet quibbles are predictable when one gets to the fine print, and before signing any binding contract it is advisable to anticipate distressing surprises by spelling out all contingencies. The first possible snag has to do with White's ingenious and novel procedural shortcut for striking the deal; i.e., let Taipei's Straits Exchange Foundation and Beijing's Association for Relations Across the Straits draw up and sign the contract on behalf of their respective "sides" of the Taiwan Strait, thus avoiding the issue of who is entitled to speak for the people of Taiwan, whose government Beijing refuses to recognize or meet with in any formal capacity. The SEF and ARATS are informal appointive organs created for the purpose of cutting through protocol barriers, so although their endorsement would mean something to their respective governments it is difficult to say how much; presumably any such commitment would promptly be challenged in court by parties who disagreed with such prior restraint (e.g., the DPP, or the smaller uncompromising Taiwan Independence Party). Would such an agreement be a treaty or law, or more on the level of a communique? Should domestic constituencies choose to disregard the accord and continue to organize in pursuit of political goals forsworn therein, by what right could the state proscribe this? Presumably there would have to be special constitutional/legal arrangements to forestall a disabling verdict. But even if all legal obstacles were resolved, resistance based on subethnic cleavage cannot easily be precluded. If one state were to prove more effective in silencing dissenters it might conceivably become annoyed with its less effectively repressive counterpart and accuse it of colluding with the opposition, with a resulting tendency for repressiveness (and politically expedient legal shortcuts) to spread from the less to the more liberal system.

A second provision made insufficiently plain is the type of limits on international behavior to be mutually imposed during the 50-year trial period. White's proposal to "note a third party's list of current diplomatic ties (without legitimating these formally), so that neither side could later claim the other was breaking the truce because of old diplomacy", is an ingenious one, implying that the race for diplomatic recognition (which Beijing has been winning) would be frozen in place. Taiwan no less than Beijing might be expected to welcome an end to this intense but seemingly trivial competition, which has caused both sides to squander foreign aid and diplomatic energy in pursuit of such micro-payoffs as the recognition of Papua New Guinea, the Marshall Islands, or an unexpectedly costly Macedonia.

Although White seems fully justified in pointing out that neither Taiwan's security nor its trade balance depends on those some two dozen micro-states who still formally recognize it, his proposal will in effect perpetuate Taiwan's lopsided

disadvantage in the global arena, leaving it even more isolated than Hong Kong — which was grandfathered into the IMF, MFA, and other strategic economic fora from which Taiwan has been excluded. On the other side, the *quid pro quo* for Taipei will be Beijing's promise not to invade — a significant concession. While we might say that cross-Strait tension has moderated over the long term anyhow (despite the 1995-1996 missile "tests," this was the first flareup since 1958, and no live artillery rounds were exchanged), the economic buildup (e.g., stock markets, extensive FDI) has in the meantime made both sides more vulnerable to disequilibrium. Yet a joint renunciation of force will need to be spelled out more fully: no invasion, no blockade, no threat of force, no rocket launchers, no saber rattling to influence electoral outcomes. All of these measures should do much to moderate tension and alleviate the incentive for cross-Strait arms race, though any outright ban on arms acquisitions would probably arouse too much mutual suspicion of covert rearmament to be enforceable. To facilitate these arrangements confidence-building measures will no doubt be advisable. If the political will is there for joint agreement (actually, Taipei has long since renounced any threat to "recover the mainland"), working out the specific guidelines and safeguards should be quite feasible in view of the extensive experience the world has had with successful strategic arms control talks since SALT I was jointly approved in the mid-1970s.

Finally, we may well inquire what exactly happens at the end of the 50-year trial period. White's answer is not explicit, but presumably some sort of national referendum in Taiwan would be in order. Provided Beijing could be persuaded to agree (they oppose the DPP's proposal of a national referendum on the issue, suggesting instead an "all-China" referendum), how might the question be phrased? Would the people of Taiwan at the end of 50 years be permitted to exercise a democratic right to vote against an affiliation with the PRC and in favor of formal independence — and if they did, would Beijing graciously concede? Or would it invade? From the current vantage point, it is difficult to imagine Beijing agreeing in advance to allow such a question to be posed. Perhaps that is not even envisaged; without spelling it out, White seems to be suggesting a closed-end deal: "From Taipei's viewpoint, its role would be like the 1997 expiry of the New Territories lease", he suggests (as if that arrangement had been a hit in Hong Kong). But if the truce is a dead end, like the 1984 Sino-British Joint Declaration, why should Taipei accept? Obviously, the exact procedures and options will have to be spelled out more precisely. And they will probably have to be open-ended, if Taipei is expected to sign on voluntarily.

The gloomy upshot of the White proposal is its concluding embrace of the "null hypothesis": the interim solution will not be accepted because politicians who derive an interest from the tension-filled status quo will block it. Of course, a lot of politicians derived benefit from the Cold War as well, but could not prevent its demise. To have a reasonable chance of success, a proposal must indeed appeal to the interests of politicians responsible for accepting or rejecting it on behalf of their constituencies. It must also be carefully balanced, lest the interim agreement be seen to prejudice the final agreement.



Yet here there's a rub. If the deal is: no Taiwan independence, no invasion, then Beijing sees no advantage to signing what looks to them an indefinite perpetuation of the status quo. If the deal is: no invasion, no independence, reunification in 50 years, then Taiwan is apt to resist signing away the future of its next generation on a set of futuristic assumptions. It seems that a balanced deal leaves both sides indifferent, but that any deal acceptable to one side is abhorrent to the other.

The interim solution strategy, if I understand it correctly, attempts to finesse this problem by first vouchsafing Beijing's minimal interests (one China, tacitly recognized to be the PRC), with the aim of then using the *quid pro quo* of a provisional security guarantee to induce Taipei to moderate its provocative international behavior. The underlying assumption is that whereas China is an increasingly indispensable Asian diplomatic actor, Security Council member and emergent world power, Taiwan has limited growth potential and even less strategic significance, and in view of its dependence on US patronage would be well advised to adopt whatever security arrangements Washington deems in its best interests.

This may be a realistic approach under normal circumstances, but when stakes are high the strategy of securing one side's approval and therewith leveraging the other can easily backfire. In this instance, without even generating Beijing's approval, pressure for an interim solution reportedly helped to precipitate Lee Teng-hui's diplomatically hopeless but disruptive announcement of a "special state-to-state relationship" with the mainland, which in turn revived the cross-Straits cold war. Even had Beijing's approval been forthcoming, it would have been difficult (perhaps even more difficult) to pressure Taipei to accept a deal perceived to risk the island's security on behalf of Beijing.

For better or worse, it is a political fact of life in Washington that the island state's vaunted Congressional lobby in effect gives it veto power over US-China policy, at least where its own sovereignty is concerned. While Washington has increasingly important geopolitical and economic interests in China, Taiwan's symbolic value as a political "football" cannot be discounted: any national politician can imagine the fallout if the US cuts Taiwan loose and the mainland promptly invades — Kuwait redux! Thus while blocking Taiwan's independence on behalf of Beijing, Washington also feels under some constraint to safeguard Taipei's minimal interests. And unless the PRC opts to risk all in an invasion, some effort on their side to satisfy those interests might be the better part of valor.

What are those interests? Since Koo Cheng-fu's October 1998 "ice-melting" visit to the mainland, Taipei's main counterdemand has been for the development of democracy in China. My friends in the PRC dismiss this as essentially a clever tactical ploy, an excuse for not negotiating designed to draw attention to an admitted area of relative PRC weakness and advertise one of Taiwan's strong points. Yet is it not also conceivable that Taiwan would have greater operational autonomy in a democratic PRC than it would as a Special Administrative Region (even one with more powers than Hong Kong) in a unitary socialist dictatorship? Taiwan's demand for democratization may be not just a tactical pretext but a reasonable precaution for the survival of democracy in Taiwan — after all, "one country, two systems" guarantees the future of capitalism and socialism, not democracy. In terms of American

interests, the survival of democracy in Taiwan is probably more consonant with the bipartisan ideological thrust of US foreign policy than any visible alternative.

Of course, there are democracies of every degree and variety; for Taiwan to insist on progress in the PRC equivalent to what has unfolded on the island in the past decade would clearly not be realistic. And multiparty democracy on the mainland would pose such acute short-term risks to incumbent CCP leaders that damage-limiting behavior would have to be taken in stride. Still, some reasonable startup proposals might be explored. For example, why not permit the KMT, the DPP *et al.* to compete freely in mainland elections? Or authorize the mutual accreditation of news bureaus and the free circulation of electronic and printed media? Beijing has already suggested that leading Taiwan politicians should also be eligible to hold positions in the PRC government "as high as vice premier". This is an encouraging sign of flexibility, but why should eligible Taiwanese politicians not be permitted to compete for any position in the PRC government (not that any would have a realistic chance of winning, for the time being)?

Another sweetener that would make the package more appealing in Taiwan would be to grant it more living space in the international arena, particularly in those economic fora vital to the survival of the world's 14th trading state. The competitive pursuit of diplomatic recognitions is a meaningless game that can be frozen in place at only nominal sacrifice to Taiwan's dignity, given that Beijing has essentially already won. Far more likely to elicit interest in Taipei would be for Beijing to make its maximum offer up front: to wit, all the international living space China has been promising for the post-reunification era — e.g., the IMF, World Bank, WHO, observer status on the UN General Assembly — should be granted on credit, as it were, upon acceptance of the deal. After all, if Taiwan renounces claims to independence, giving Taiwan a voice in international fora for the next 50 years could be expected to rebound to Beijing's advantage. In a worst-case scenario, if Taiwan opts out at the end of the trial period, Beijing could demand rescission of this concession.

Although PRC democratization is essentially a reinsurance policy for Taipei to compensate for the loss of sovereignty, risks should not be altogether one-sided. The trade advantages (and trade imbalance) the island has enjoyed for the past two decades must at last be reciprocated, for example; and if Taiwan's parties and news agencies are granted access to the mainland, Taiwan must also open its doors to the CCP and the New China News Agency — also to Chinese direct private investment, and in principle even to the participation of CCP politicians in its elections.

Foreseeing that neither the mainland's demands for Taipei's termination of its quest for international breathing space and the convention of unification talks nor Taipei's demands for the democratization of the PRC will result in prompt agreement, we return in conclusion to White's ideas. This is a reasonable if not flawless proposal, in my judgment, an attempt to transcend nationalist paranoia in favor of international cooperation quite in tune with the globalizing spirit of the day. Even if it finds no immediate takers, it may be a useful stimulus for new policy ideas and negotiations. Yet even if this proposal goes nowhere, I do not think conflict is the inexorable alternative. Notwithstanding their rhetoric, the confrontational states have

under a series of quite different leaders proved to be sufficiently rational in their behavior to avoid suicidal gambles, and there is no reason to think this will change. China will probably not attack as long as Taiwan has sufficient military capability to make success uncertain (and as long as there is a possibility of US intervention), while Taiwan will not declare independence when no one would recognize them if they did (and if this entails national security risks). This results in the informal equivalent to an interim solution, without the explicit rules that might limit room for maneuver.

An explicit accord might not appreciably improve the situation anyhow in view of the low level of mutual trust. The problem with an interim deal is that although it could conceivably assuage a crisis, it does not really resolve the underlying problem: to China, Taiwan's abjuration of independence is not enough — they want Taiwan; to Taiwan, China's renunciation of violence is not enough — they want secure autonomy. An interim solution would be useful to Washington, enabling the US to extricate itself from its thankless position as third party caught between two contending sides. Yet at the present time neither side really wants the US out of the picture: certainly Taipei still needs American patronage, and even Beijing, despite chronic complaints of interference in its internal affairs, dreams of enlisting American support against Taiwan (*lian Mei zhi Tai*) — à la Clinton's June 1998 "three nos". Though both are frustrated with Washington's failure to solve their problem, each finds the US more reasonable to deal with than the other side.

The "Asian way" of resolving such questions, I would submit, does not typically rely on formally documented agreements but rather on informal accommodation, an incremental series of unilateral concessions met by tacit reciprocal *quid pro quos*. The United States can probably not, for the time being, bow out of the ongoing approach-avoidance minuet, but it can play a useful role as "balancer" (as England did *vis-à-vis* the continent for some two centuries), encouraging these two deeply ambivalent polities to resolve their open-ended relationship amicably, while using "strategic ambiguity" as a shield to mask its own situational uncertainty over which way to "tilt".

The most worrisome aspect of the current standoff is the failure to reconstitute the high-level channel for regular cross-Strait communications, despite repeated attempts to do so since 1996; blocked communication allows tensions and illusory solutions to build up based on fallacious assumptions. It is difficult to see through the haze of diplomatic and propaganda battle precisely who is most responsible. The trust needed to maintain such a channel can only be established gradually, as both sides test the range and limits of the diplomatic moves they can make without irretrievably damaging their relationship. Inadequate though it is, "moving from stone to stone to cross the river" may also turn out to be the most viable map across the Taiwan Strait. Appearances to the contrary notwithstanding, I think there has been progress in this journey. But "no hurry, be patient" seems to me a prudent traffic advisory.