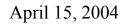
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PacNet

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Regional Overview: CVID, WMD, and Elections Galore by Ralph A. Cossa

The six-party coalition of the not-so-willing held its longawaited second meeting in Beijing in February with CVID – the complete, verifiable, irreversible dismantlement of all of North Korea's nuclear programs – becoming the new mantra. CVID fit snugly into the Bush administration's broader focus on halting the global spread of weapons of mass destruction, underscored in a major address by the president in early February. In the "be careful what you wish for because you might get it" category, democracy in Taiwan and South Korea became a bit too vibrant this quarter as the region prepared for elections that could change the political face of East Asia. Anxiety levels were also beginning to rise in advance of November's U.S. presidential elections. A question on many minds: "Were Pyongyang and Washington already playing a 'wait until November' game?"

U.S.-Japan: Staying the Course by Brad Glosserman

It's only fitting that the United States and Japan marked the 150th anniversary of the Treaty of Kanagawa this quarter as they celebrated "the best relations ever" between the two nations. To the delight of alliance managers on both sides of the Pacific, both governments managed to stay the course. There were no surprises or shocks, despite concerns about the risks in Japan's deployment of Self-Defense Forces to Iraq. That historic event was part of a larger effort to strengthen the framework for intensified collaboration between Washington and Tokyo. That agenda continues to move forward. There were some bumps along the way, but they were minor. All in all, it was a very good quarter.

U.S.-China: A Familiar Pattern: Cooperation with a Dash of Friction by Bonnie S. Glaser

U.S. and Chinese diplomats held consultations this quarter on a rich agenda of bilateral issues and regional and international security matters, including North Korea, Iraq, Libya, Iran, Taiwan, and curbing proliferation of weapons of mass destruction. The pace of China-U.S. military exchanges accelerated. At the same time, friction mounted on trade and human rights as the U.S. filed the first case against China at the World Trade Organization (WTO) and introduced a resolution condemning Chinese human rights practices for the first time in three years at the UN Commission on Human Rights in Geneva. The presidential election in Taiwan captured attention and elicited concern in both Beijing and Washington, although their responses diverged.

U.S.-Korea: In the Eye of the Beholder: Impasse or Progress in the Six-Party Talks? by Donald G. Gross The six-party talks on the nuclear issue with North Korea failed to reach an agreement or even release a joint statement.

North Korea balked at accepting the eventual "complete, verifiable, and irreversible dismantlement" of its entire nuclear program. Still, the U.S. assessed the meetings as making a "good deal of progress," especially in their agreement to "institutionalize" the process by establishing working groups. The U.S. was also pleased that Russia and China endorsed the goal of fully dismantling North Korea's nuclear program, verifiably and irreversibly. It will fall mainly to China to bridge the U.S. and North Korean positions. A continuing impasse may ratchet up domestic political pressure on President Bush to take tougher measures against North Korea.

U.S.-Russia: Elections Bring Tensions by Joseph Ferguson U.S.-Russian relations continued the downward spiral that marked the chilly fall months. Bush administration and U.S. government criticism of Russia's March 14 presidential elections was thinly veiled, and the international press had a field day decrying both the electoral process and the outcome. Nonetheless, structural factors continue to keep the two countries' relations from plummeting to extreme depths. Although energy cooperation has eased to some extent, the allimportant war on terrorism, and the drive against the proliferation of weapons of mass destruction are issues of great importance to both nations. Ironically, democratic elections can prove divisive in diplomatic relations as the most recent one in Russia demonstrated. With an upcoming presidential election in the United States, Russia could again become a whipping post for the U.S.

U.S.-Southeast Asia: A WMD Discovery in Malaysia and Counter-Terrorism Concerns in the Rest of Southeast Asia by Sheldon W. Simon

The interdiction of nuclear centrifuges bound for Libya manufactured by a Malaysian company reveals that the region is not immune to weapons of mass destruction proliferation. Communal violence in southern Thailand and continued Muslim-based militance in Indonesia and the southern Philippines reinforced U.S. efforts to cooperate with these governments in tracking down militants and/or helping to negotiate compromises to defuse militancy. However, America's continued presence in Iraq has complicated relations with Indonesia where forthcoming elections have led President Megawati Sukarnoputri to publicly distance herself from U.S. policy. Southeast Asian discontent with the U.S. is exacerbated by Washington's continued refusal to permit direct access by regional investigators to captured Jemaah Islamivah leader Hambali.

China-Southeast Asia: A Lull, and Some Complaints by Lyall Breckon

There was a lull in the mutual courtship between China and Southeast Asia during the first quarter of 2004. Early tariff reductions under the China-ASEAN free trade negotiations drew protests from Thailand and Vietnam, whose products faced frustrating obstacles in China's southern provinces. There were complaints that China's dam construction had drastically reduced the Mekong River's flow, spoiling ricefields and fisheries and raising the specter of future conflict over water. China took unusual steps to deal with the flow of drugs and HIV/AIDS while avian flu, dengue fever, and other cross-border threats underlined the need for more transparency and cooperative action. Beijing, Hanoi, and Manila tussled verbally over claims to the Spratly Islands. Beijing would be well advised to take seriously complaints about the effects of its actions.

China-Taiwan: Election Drama and Implications

by David G. Brown

The presidential campaign and referendum issue dominated cross-Strait relations this quarter. Taiwan President Chen Shui-bian's narrow reelection gives him a weak mandate to lead a society deeply divided over Taiwan's national identity and future relationship with China. The election outcome reflects the extent to which opinion on Taiwan has moved away from the "one China" concept in the eight years since Taiwan's first direct presidential election in 1996. President Chen now faces concrete choices about how to pursue cross-Strait relations, and Beijing is confronted with difficult choices and the need to review its policies toward Taiwan. Washington can expect to be caught in the middle and to be challenged to find effective ways to deter President Chen from changing the cross-Strait status quo.

North Korea-South Korea: Marking Time

by Aidan Foster-Carter

There were no dramatic developments in inter-Korean ties. The quarter's main event was multilateral rather than bilateral, as a second round of six-party talks at last convened. Yet inter-Korean ties look likely to preserve their special character as two halves of a divided nation. The nuclear crisis will not prevent cooperation, but it will continue to limit it from Seoul's side, in part due to pressure from the U.S. to go easy on the carrots while the North remains in nuclear defiance. From Pyongyang's side, several actions seemed a reversion to old-style game-playing, or at best suggested that North Korea has no immediate wish to further develop North-South ties, but will continue to milk the relatively one-sided and shallow channels of contacts that now exist.

China-Korea: Can China Unstick the Korean Nuclear Standoff? by Scott Snyder

China's hosting of the second round of six-party talks in Beijing marked the high point of China's Korea diplomacy in the first quarter, stimulating a flurry of diplomatic contacts and shuttle diplomacy involving China and the two Koreas. A squall over historical interpretations of the Koguryo kingdom has heated up amid attempts by China and the DPRK (backed by South Korean scholarship and the government) to claim the kingdom as part of its history. Despite South Korea's increasing dependence on exports to China for growth, China is competing with the ROK as an export competitor and an importer of raw materials in third-country markets.

Japan-China: Dialogue of the Almost Deaf

by James J. Przystup

Set off by Prime Minister Koizumi's Jan. 1 visit to the shrine, Yasukuni served as the leitmotif for extensive high-level political and diplomatic exchanges throughout the first quarter.

Neither the prime minister and his political proxies nor China's political leaders gave ground. In the meantime, the Self-Defense Forces deployed to Iraq, raising back-to-the future concerns in Beijing, and a landing by Chinese activists on the Senkaku Islands raised nationalist sentiments in both countries. In Japan, suits brought by Chinese nationals seeking compensation for wartime forced labor kept alive the issues of history. The good news was economic. Commercial relations rapidly expanded during the quarter, stimulating Japanese growth. As a result, Japanese views of China were shifting from "threat" to "market opportunity."

Japan-Korea: Happy Birthday, Mr. Kim by Victor D. Cha Japan-DPRK relations show no progress on abductions. In the meantime, the Japanese have passed new sanctions legislation as a birthday gift to Kim Jong-il. Japan-South Korea free trade agreement talks gain momentum, as do historical animosities. Finally, the quarter saw Japanese and South Korean contributions to the Iraq reconstruction effort. In both cases, America's two most prominent Asian allies have shown their support for establishing stability in the Middle East – Japan with the second largest monetary contribution, and South Korea with the third largest contribution of manpower. The size and substance of this support show that the scope of both these American alliances in Asia has effectively expanded beyond Asia to embrace global issues of common interest.

China-Russia: Presidential Politicking and Proactive Posturing by Yu Bin

There was unprecedented diplomatic posturing by China and Russia this quarter: the Shanghai Cooperation Organization was inaugurated and the second round of six-party talks on the Korean nuclear issue was held. Meanwhile, the Russian military conducted its largest exercises in 22 years and the People's Liberation Army went to high alert when Taiwan's presidential politicking moved to hyper mode. To minimize the impact on China of Moscow's decision to proceed with the Angarsk-Nakhodka oil pipeline, President Putin authorized Russian railroad ministry and transportation companies to increase oil exports to China. Russia's move would allow it to meet at least part of China's growing need for energy, and seemed to signal Russia's final decision in favor of the Taishet-Nakhodka (Japan) line.

U.S.-Taiwan Relations: Four Years of Commitment and Crisis by Nancy Bernkopf Tucker

U.S.-Taiwan relations over the four years of Chen Shui-bian's first term shifted between commitment and crisis. The DPP's rise to power initially frightened U.S. policymakers, who feared the radicalism of a party long identified with independence. They discovered that Chen could be pragmatic and willing to accept guidance from the U.S. Taiwan accordingly received significant support for reform and expansion of its military capabilities; support which sometimes exceeded what the DPP and the Taiwan military were prepared to accept. While Taiwan has enjoyed unprecedented friendship in Washington, Chen has pushed the limits by taking initiatives considered provocative by China and the U.S. without prior consultation with his U.S. supporters. The result has been anger and friction with uncertain implications for the future.