

Regional Overview:

Multilateralism and Democracy March On, To Many Different Drummers

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Six-party talks about North Korea's nuclear weapons programs dominated the multilateral agenda this quarter. The two working-level and one senior officials meetings in May/June constituted as much movement as had been seen in the entire 21 months since the stand-off began in October 2002. Whether this movement constituted real progress was still not clear at quarter's end, however. Meanwhile, Washington's efforts to develop a broader global consensus in support of its campaign against weapons of mass destruction (WMD) saw some progress with the passage of a United Nations Security Council (UNSC) resolution and the convening of a first anniversary Proliferation Security Initiative (PSI) plenary session, even as the regional implications of its Global Posture Strategy were beginning to be felt.

Elsewhere in Asia, the democratic process moved forward, albeit unevenly. Taiwan President Chen Shui-bian's reelection was certified, as was Philippine President Gloria Macapagal-Arroyo's, and a subsequently unimpeached President Roh Moo-hyun saw his preferred Uri Party win a majority of seats in the ROK National Assembly. A huge upset took place in India and perhaps in Mongolia as well. Meanwhile, Indonesia's largely peaceful parliamentary elections set the stage for its first direct presidential election in July, demonstrating that democracy is alive and well in Jakarta. Events in Burma were less encouraging. Despite promises to the contrary, Aung San Suu Kyi remained under house arrest in Rangoon, making Burma's constitutional convention an even bigger sham than it otherwise promised to be, and China's leaders took one step backward regarding the introduction of more representational democracy in Hong Kong.

There was a flurry of other multilateral activity, including an ASEAN Regional Forum (ARF) ministerial at quarter's end. Several major track-two events were boycotted by the PRC, demonstrating that its "fourth no" still applies, despite conciliatory gestures from Chen Shui-bian during his May 20 inauguration address.

In economic developments, Asia continues to be the most dynamic area in the world, with a forecast annual growth of 6.8 percent for 2004. Confidence remains high despite concerns over the regional impact of China's attempts to curb overheating and the region's growing thirst for oil.

Finally, in the Middle East, President Bush promised to “stay the course” in Iraq, even as the U.S.-installed governing coalition was replaced at quarter’s end by a UN-arranged new sovereign entity, thus opening the door for broader global participation in the effort to reconstruct and democratize Iraq. NATO took a small step toward joining the “coalition of the reluctant” but how many, if any, additional Asian nations would be willing to walk through this door remained to be seen.

Six-Party Talks: Some Good, Some Bad, Some Ugly

A significant upswing in diplomatic activity surrounded the six-party process as China, Japan, North and South Korea, Russia, and the United States attempted to deal with the North Korea nuclear weapons challenge this past quarter. As agreed at the second plenary session in February, the parties set up a working group to help lay the groundwork for subsequent more senior-level plenary meetings. The first working-level session was held in Beijing from May 12-15. Little progress was expected or reported, beyond allowing each party “a chance to clarify its positions.” According to U.S. Assistant Secretary of State James Kelly, in June 2 testimony before the House International Relations Committee, working group participants at the May meeting “began exploring the structure of a resolution – a structure that would involve concrete actions by North Korea with corresponding measures taken by other parties in a coordinated fashion.” This testimony reaffirmed Washington’s willingness, despite earlier resistance, to accept a step-by-step approach to handling the crisis, as previously proposed by Seoul.

The second working group meeting took place on June 21-22 but was largely overshadowed by the third plenary session that followed immediately June 23-26. According to the Chairman’s Statement issued at the end of these back-to-back meetings, the parties had “constructive, pragmatic and substantive discussions” that “reaffirmed their commitments to the goal of denuclearization of the Korean Peninsula and stressed the need to take first steps toward that goal as soon as possible.” The statement stressed the parties’ support for “a step-by-step process of ‘words for words’ and ‘action for action’” – an earlier DPRK formulation – but provided few specifics, other than to say that “proposals, suggestions and recommendations were put forward by all parties.” Informally, a Chinese Foreign Ministry spokesperson was more specific (and enthusiastic), claiming at a media briefing that “All the parties involved reached a crucial political consensus that a verifiable nuclear freeze should be the first step toward the fundamental goal of a nuclear-free Korean peninsula.” (The Chinese hosts had apparently wanted a more formal Joint Statement but had to settle for another Chairman’s Statement, reportedly because “the U.S. does not want to take part in the time-consuming work needed to draw up a joint statement.”)

U.S. spokesmen described the results of the meeting as “some good, some bad, some ugly,” noting that no breakthroughs occurred and that, most disturbingly, Pyongyang still refuses to admit that its clandestine highly-enriched uranium (HEU) program exists. Given past meetings, however, when the most that could be agreed upon was to meet again, it was encouraging that both Washington and Pyongyang put serious proposals on

the table, more clearly defining their respective positions and what could potentially be gained from a decision to move forward.

It's unlikely that either will accept the other's offer as stated – going-in positions rarely survive the first round of debate – but forward progress now at least seems possible: Pyongyang agreed that its proposed “freeze for rewards” would be a first step toward dismantlement of all its nuclear weapons programs – a consistent U.S. demand – and the U.S. agreed that rewards could come early in the process, at least from the other parties . . . and Seoul, Beijing, Moscow, and even Tokyo seemed amenable to front-loading some energy and economic assistance if a verifiable freeze process could be initiated.

While details of both sides' proposals are sketchy, the DPRK reportedly promised to “freeze all of our nuclear facilities and reprocessed nuclear materials,” provided that the U.S. “takes corresponding measures.” These reportedly included removing Pyongyang from its list of terrorist-sponsoring countries and lifting economic sanctions. “If the conditions were met,” a North Korean spokesman said in a press briefing, “we will no longer produce, test or transfer nuclear weapons.” One possible hang-up: Pyongyang seems to be insisting that Washington directly participate in the proposed provision of 2 million-kilowatts of energy aid – not coincidentally the amount of energy that would have been provided by the two light-water reactors promised under the now-defunct 1994 Agreed Framework. Washington had earlier made it clear that, while it would not object to others participating in step-by-step incentives, the Bush administration would not be providing “rewards” in advance of the complete, verifiable, irreversible dismantlement (CVID) of all the North's nuclear weapons programs. Nonetheless, an administration spokesman said Washington would “seriously consider” Pyongyang's proposal.

For its part, Washington reportedly put forth a detailed, seven-page proposal that laid out in specific terms the steps North Korea needed to take to dismantle its nuclear weapons program and, most significantly, what Washington and its allies were prepared to do in return. While much of this had been said before, it was laid out more clearly and, reportedly, in softer terms. CVID was not specifically mentioned, given the political baggage associated with this acronym, even though it remains the only acceptable long-term outcome. As a Chinese colleague mentioned at a recent Council for Security Cooperation in the Asia Pacific (CSCAP) meeting, “can anyone believe that Washington (or anyone else) would be willing to accept an incomplete, unverifiable, easily reversed dismantlement?” Assistant Secretary Kelly also held closed door bilateral talks with his North Korean counterparts and, for the first time since contacts began at the April 2003 three-party “talks about talks” in Beijing, press reports indicated there was evidence of real give and take.

The North Korean delegates said Pyongyang would give “careful consideration” to the “constructive” U.S. proposal. It's a bit early to break out the champagne, however. Washington's detailed offer had been demanded by the others as a demonstration of the Bush administration's willingness to move forward. It was seen as a win for the “engagers” over administration “neocons” who wanted to continue to squeeze Pyongyang, despite the obvious damage this tactic was having on its negotiating partners.

Pressure by Japanese Prime Minister Koizumi Junichiro at the June 8 G8 summit was seen as instrumental in convincing President Bush that Washington had to be more forthcoming in this round of talks – Koizumi had stated publicly that he came away from his May 22 second summit meeting in Pyongyang convinced that North Korean leader Kim Jong-il was prepared to deal away his nuclear weapons programs. He reportedly urged Bush to “stress the advantages that would flow to Pyongyang if it dismantled its weapons.” China and South Korea had also been calling for a more detailed, flexible plan from Washington. It remains to be seen, however, if Washington is prepared to really take “yes” for an answer if Pyongyang is smart enough to give this response.

Pyongyang’s answer will be a real test of North Korean willingness to seriously negotiate now, rather than wait and hope for “regime change” in Washington come November, as many suspect is its current tactic. How Pyongyang shapes its response will provide the best indication of its sincerity. Will it see Washington’s gesture as opening a window of opportunity that it should seize upon, or as a sign of weakness to be further exploited?

From Washington’s perspective, the chief impediment to progress, both before and after this quarter’s round of meetings, remains North Korea’s refusal to admit that its HEU program exists, despite overwhelming evidence – including Pakistani nuclear scientist and proliferator extraordinaire A.Q. Khan’s public confession – and its own (since recanted) October 2002 admission which initiated the crisis. Washington continues to insist that any freeze (and eventual dismantlement) must include Pyongyang’s clandestine uranium enrichment program as well as its acknowledged plutonium-based reprocessing efforts.

The temptation for Pyongyang to continue to stonewall is high. Prior to the June talks, Beijing openly challenged Washington’s contention that the North’s HEU program exists – presumably to exert pressure on the Bush administration to be more flexible and to demonstrate its “even-handedness” to Pyongyang – and Seoul has suggested that the uranium issue could be set aside and dealt with later. Such reactions almost certainly guarantee a prolonged crisis. As long as Pyongyang believes that its denial can drive a wedge between Washington and its negotiating partners, it will consider it to be in its strategic interest to continue to deny the program’s existence. China’s response is particularly disheartening, if not disingenuous; given its “special relationship” with Pakistan, it’s hard to believe that China is not fully aware of A. Q. Khan’s dealings.

The other parties know – or should realize – that President Bush cannot yield on this point: to turn a blind eye toward the HEU program now does more than “reward bad behavior”; it says that the whole crisis was unnecessary in the first place. Both election-year politics and sound strategic reasoning preclude such a step. Turning a blind eye toward Pyongyang’s major indiscretion would almost certainly guarantee future crises, even if this one were somehow temporarily defused. Likewise, a repetition of the North’s new politically unacceptable demand that Washington take part in the initial round of rewards, if repeated, would demonstrate that it is more interested in driving wedges than in defusing the crisis, especially if Beijing, Seoul, and others once again play into Pyongyang’s hands.

But, can North Korea recant and still save face? History says that it can. After decades of denying that it was kidnaping Japanese citizens, Pyongyang suddenly fessed up, “discovering” that some rogue intelligence elements had been carrying on this program unbeknownst to the central government. This type of “implausible denial” defense was later used by Islamabad when, much to its declared shock and dismay, it discovered that the father of its bomb was running a nuclear WalMart, selling technology and components to all comers (Pyongyang included). Perhaps its time for Pyongyang to discover an A. Q. Kim in its own midst, so we can finally move forward toward a resolution of the problem. Waiting until November is like playing Russian roulette . . . and there is no guarantee that a Kerry administration, if there was to be one, would be any more flexible on this point, or that Congress would allow it to be.

The diplomatic process is expected to continue next quarter with all six parties agreeing to a fourth plenary in Beijing by the end of September 2004. At the June meeting, the senior officials also approved a concept paper that will guide the future efforts of the working group and authorized the working group “to convene at the earliest possible date to define the scope, duration and verification as well as corresponding measures for first steps for denuclearization, and as appropriate, make recommendations to the fourth round of the talks.” Meanwhile, all eyes will be on the July 2 ASEAN Regional Forum (ARF) ministerial meeting in Jakarta, which will provide a rare opportunity for Secretary of State Colin Powell and DPRK Foreign Minister Paek Nam Sun to directly discuss the U.S. proposal and Pyongyang’s eagerly anticipated response . . . if they choose to hold such a conversation. *[Note: The two did meet, but preliminary press reports indicate neither went much beyond repeating previously stated positions.]*

PSI and other WMD Coalitions of the Willing Continue to Expand

While the six-party process continues to search for a diplomatic solution to the North Korea nuclear problem, Washington’s counter-proliferation “coalition of the willing” continued to focus on preventing the spread of weapons of mass destruction, by North Korea or others, through the ever-expanding Proliferation Security Initiative (PSI). The PSI had first been suggested May 31, 2003 by President Bush during a speech in Krakow, Poland. On the first anniversary of that speech, the 14 core participants – Australia, Canada, France, Germany, Italy, Japan, the Netherlands, Norway, Poland, Portugal, Singapore, Spain, the UK and the U.S. – meet in Krakow to celebrate the transformation of the PSI “from a vision into an active network of partnership and practical cooperation.”

Most significantly, a 15th country, Russia, joined the core. Russia, like China, had initially reserved judgment on the PSI, both out of concern for its possible impact on North Korea and over concerns that it would encourage U.S. extralegal unilateral military actions. Moscow’s endorsement further isolates Beijing, which seems to be moderating its own stance against the PSI but does not yet appear ready to enter the coalition.

All told, over 60 countries sent senior representatives to the Krakow meeting, “highlighting the worldwide support of the PSI and its [Sept. 2003] Statement of Interdiction Principles.” The Chairman’s Statement stressed that the PSI “is an important element in responding to the growing challenge posed by the proliferation of Weapons of Mass Destruction (WMD), their delivery systems, and related materials to or from states and non-state actors worldwide.” It further stressed that “PSI activities had to be consistent with national and international law and frameworks.” To this end, it highlighted the unanimous adoption, on April 28, 2004, of United Nations Security Council Resolution 1540, which calls upon all states “to take cooperative actions to prevent illicit trafficking in nuclear, chemical or biological weapons, their means of delivery and related materials.”

As noted in previous *Comparative Connections* overview chapters, this resolution grew out of President Bush’s September 2003 challenge to the UN to act more forcefully and effectively against WMD proliferation. It was directly linked, at least in Washington’s mind, to the PSI even though Russia and China prevented a direct reference to this U.S. initiative from appearing in the final version of UNSC Resolution 1540. While the resolution does not include penalties for noncompliance, it was adopted under Chapter VII of the UN Charter, which makes it obligatory for all members and thus could allow for eventual sanctions or the use of force against those who flaunt the resolution.

Of note, with Russia’s entry, all G8 members are now among the PSI’s core participants. Despite continued differences with Washington over Iraq, their commitment to countering WMD proliferation is clear. At their June 8 summit in Sea Island, Georgia, the G8 leaders endorsed an Action Plan on Non-Proliferation and agreed on a one-year ban on the transfer of equipment and technology for uranium enrichment and reprocessing. As noted last quarter, President Bush had been calling for a total ban as part of his broader nonproliferation program. G8 members also supported the further strengthening of the PSI and pledged to work together to address the threat posed by the DPRK and by Iran.

The PSI’s effectiveness – and ability to work effectively within the framework of international law – was further enhanced in April by a bilateral arrangement between the U.S. and Panama, similar to one reached in February with Liberia, which established procedures that allow interdiction of vessels flying its national flag. These two agreements alone subject nearly 15 percent of the world’s roughly 50,000 large cargo ships to being boarded and inspected on short notice. One area of future focus for the PSI will be to increase the number of such agreements. If all 62 nations represented at the Krakow meeting fully cooperated with the PSI interdict effort, it would allow for the rapid consent for searches of roughly 46 percent of the world’s shipping fleet.

The political and strategic implications of PSI for Asia were hotly debated at a CSCAP working group meeting in Hanoi in late May. While most participants acknowledged the need for more effective nonproliferation regimes, many expressed suspicions about the PSI’s legality or Washington’s commitment to act strictly in accordance with international law. One participant decried PSI as a violation of the UN Charter and

international law, calling it a “device to isolate the DPRK and check its peaceful economic activities.” Another worried whether actions taken in the name of the PSI would always be consistent with freedom of navigation.

There was widespread agreement that PSI should be consistent with international law and, in point of fact, all PSI activities to date have been. While some chose to focus on concerns about extra-legality or unilateralism, others pointed to the need, above and beyond UNSC 1540, to further strengthen or modernize international law. Plainly, the threat and danger posed by WMD proliferation is as great (if not greater) than that posed by piracy, slavery, or drug smuggling, areas where interdiction protocols already exist.

CSCAP participants pointed out that U.S. credibility vis-à-vis maritime interdiction would be enhanced if Washington were to formally ratify the 1982 UN Convention on the Law of the Sea. The Senate Foreign Relations Committee unanimously endorsed ratification in February 2004 with support from both the Defense and State Departments but Senate conservatives continue to block its movement toward a vote, demonstrating that the ghost of Jesse Helms (the treaty’s primary antagonist over the years) still walks those hallowed halls.

Another hotly-debated topic at CSCAP and other forums was the U.S.-generated proposal for a Regional Maritime Security Initiative (RMSI), which grew out of congressional testimony by U.S. Pacific Command Commander Thomas Fargo in late March. Asian press summaries of Fargo’s comments alleged (incorrectly) that he was planning on sending Marines into the Malacca Strait to counter piracy, causing immediate expressions of outrage throughout the region and especially from Indonesia and Malaysia. U.S. spokesmen subsequently described RMSI as a means of assisting regional navies to help them better patrol their own waters against pirates, terrorists, or an unholy alliance between the two. Such clarifications have done little to quell the uproar, however, especially among those who believe that any initiative emanating from the U.S. must somehow be illegal, immoral, unilateral, or all of the above.

Global Posture Strategy Hits Korea

One year ago, the regional overview chapter, anticipating future U.S. military overseas force adjustments, was entitled “Everything Is Going To Move Everywhere . . . But Not Just Yet!” Well, the time has apparently arrived. As the current Bush administration draws to a close – and regardless of who wins in November there is likely to be new leadership and new teams at DoD, as elsewhere – the sense of urgency to get the post-Cold War military structure in place has increased. This is manifesting itself most immediately and dramatically in Germany and South Korea, where major force posture adjustments are reportedly planned.

According to DoD, five considerations are shaping the process: strengthening relations with allies and building new partnerships; building in maximum flexibility and agility; including a regional, as well as a global, focus; emphasizing speed, that is, making the assets as rapidly deployable as possible; and focusing primarily on capabilities, rather

than on numbers. As a result, the reductions planned for Germany and Korea will not result in reduced capabilities or a reduced defense commitment, but only in fewer numbers of forces on the ground. For example, two army divisions are likely to be withdrawn from Germany in favor of fewer, lighter, more mobile troops with enhanced firepower and “cutting-edge capabilities.”

Korea: Oversensitive or Insensitive? Similar arguments have been made regarding the planned reduction in Korea, where some 12,500 troops – about one-third the number of forces currently deployed in the ROK – are scheduled to be redeployed off the Peninsula by the end of 2005. As spelled out in more detail in the U.S.-Korea chapter, 3,600 troops comprising the 2nd Brigade of the 2nd Infantry Division will depart this July en route to a year’s duty in Iraq. While the army has not confirmed that this unit will not return, it is broadly assumed that this represents the first step in the planned reduction.

As in the German case, DoD spokesmen argue that while numbers will decrease, firepower will increase as a result of a \$11 billion defense modernization plan, including the deployment of Patriot *PAC-3* air defense missiles and the army’s new Stryker brigade to the ROK. Nonetheless, there is growing suspicion in Korea, and among administration critics in Washington, that the reduction is retribution for growing anti-Americanism in Korea; that it is driven by a fit of pique rather than long-range defense planning by Rumsfeld and company. While no one has ever accused me of being a Rumsfeld cheerleader, this charge seems ridiculous. In fact, I would argue just the reverse. It is not the Pentagon’s over-sensitivity to what’s going on in Korea that is driving the decision and its timing but a general insensitivity to the fact that, inconveniently, the Cold War has not ended on the Peninsula and that the timing of such announcements, while making sense in the global context, are disruptive to current North-South and internal ROK dynamics. Regardless of motives, there is a growing, and one fears not totally inaccurate perception that “consultations” seems to equate, in Pentagonese, to the U.S. decides and allies are expected to agree. Style matters and DoD needs to pay more attention to how it accomplishes the task of developing its Global Posture Strategy.

Democracy Continues to Spread, not Always with Predictable Results

Throughout Asia, the democratic process moved forward, albeit unevenly. Two incumbents, Taiwan President Chen Shui-bian and Philippine President Gloria Macapagal-Arroyo survived close calls (and earlier predictions of defeat) to have their reelection certified and a subsequently unimpeached President Roh Moo-hyun saw his preferred Uri Party win a majority of seats in the ROK National Assembly. The biggest upsets took place in India, where Sonia Gandhi led her Congress-I Party to a largely unanticipated victory over Prime Minister Atal Behari Vajpayee’s Bharatiya Janata Party (BJP), and in Mongolia, where the ruling party lost its near-total control over Parliament and, pending a recount, might even go down in defeat against a coalition that previously held only four legislative seats. Indonesia’s parliamentary elections in April also served as a wake-up call for the ruling party while setting the stage for the country’s first direct presidential election in July. In Burma, Aung San Sui Kyi remained under house arrest, despite government promises (or at least hints) to the contrary, making Burma’s

constitution convention an even bigger sham than it otherwise promised to be, and China's leaders took one step backward regarding the introduction of more representational democracy in Hong Kong.

Taiwan: Olive Branches Rejected? After several months of threats and demonstrations, the pan-blue opposition begrudgingly accepted – or at least tolerated – President Chen's inauguration for a second term on May 20. A recount showed a small increase in Chen's razor-thin margin of victory over Lien Chen during the March 20 elections but did little to solve the mystery and lingering suspicions behind the election eve unsuccessful assassination attempt against President Chen and Vice President Annette Lu.

Just prior to the inauguration, Beijing warned that Chen needed to abandon his "dangerous lurch toward independence" and follow a more cooperative path. Message received! Chen's inauguration address was filled with olive branches; he even expressed understanding as to why China cannot relinquish its insistence on the "One China Principle," while leaving himself open to some new formulation of this policy: "We would not exclude any possibility," Chen promised, "so long as there is consent of the 23 million people of Taiwan." Chen's remarks addressed all of Beijing's (and Washington's) major concerns, including a reaffirmation of the promises and pledges made in his 2000 inaugural address. Regrettably, China's initial response has been *déjà vu* all over again. Beijing accused Chen of "insincerity" while demanding that Taiwan accept its rendition of "One China" as the only way forward. With crucial Legislative Yuan elections coming up in December, it is doubtful that Beijing will be more flexible toward Chen and his Democratic Progressive Party "splittists" in the near term. President Chen has taken the first step. Some pro-active diplomatic gestures by Beijing could now play a major role in setting the tone for future cross-Strait cooperation, if Beijing has the political courage and foresight to wave olive branches rather than sabers toward Taiwan.

Philippines: Arroyo Wins but Poe Refuses to Concede. Filipinos went to the polls on May 10 to elect a new president but it was many weeks before the Philippine Senate finally certified that the unelected incumbent president, Gloria Macapagal-Arroyo – the former vice president who assumed office after then-President Joseph Estrada was removed following "people power" demonstrations in 2001 – had beaten her main rival, Fernando Poe – an immensely popular movie actor with no political experience and close ties to fellow actor Estrada (who remains under detention while awaiting trial for corruption) – by just under 1 million votes. At quarter's end, Poe had still refused to concede, threatening a people power demonstration of his own. Protests notwithstanding, President Magapagal-Arroyo took the oath of office for her first (hopefully) full term in office June 30 as the 14th president of the Philippines, promising to create up to 10 million jobs in the next six years, balance the budget, improve tax collection, provide cheap medicine for the poor and unite a nation that has not quite settled down since it ousted the dictator Ferdinand E. Marcos almost two decades ago. This will be no easy task! As she was being inaugurated, Fitch Ratings warned the Philippines of a possible ratings downgrade if Mrs. Magapagal-Arroyo failed to raise taxes and solve financial problems at National Power Corporation, the state-owned and debt-ridden utility.

ROK Elections: Rough Road Ahead for Washington? The South Korean political landscape changed dramatically, and one must assume irreversibly, as a result of the April 15 National Assembly elections. The torch was indeed passed to a new generation; that much is clear. What is less clear is what this means, both in the near and long term, for ROK-U.S. and South-North relations. The April 15 vote, which handed the pro-Roh Uri Party a majority of seats in the National Assembly, was clearly seen as a vote of confidence in Roh Moo-hyun and against those who had voted in March to impeach him. It lent credence to the subsequent decision by the Constitutional Court to overturn President Roh's impeachment on May 14.

Upon his return to office, President Roh quickly proclaimed his continued faith in the ROK-U.S. alliance and his continued insistence that North Korea give up its nuclear weapons ambitions if it wants to normalize ties with the ROK (and the world in general). While the far left of center Democratic Labor Party – which, with 10 seats, now becomes the third largest party – threatened to block the deployment of an additional 3,000 ROK soldiers to Iraq, Roh held firm on his pledge, even after Washington announced that it was redeploying 3,600 ROK-based forces to Iraq in July.

In the near term, there will likely be less change than many anticipate (or fear). The long-term impact is harder to assess. For the first time in his troubled presidency, President Roh has a mandate to lead, but it is not clear what direction he wants to go in the foreign policy arena (his domestic political and economic reform agenda is much clearer and of a higher priority). Ironically, many of the U.S. force structure changes and realignments being pushed by Washington seem to coincide with Roh's and the Uri Party's desires. But how Washington goes about attaining this mutual goal of a reduced footprint (if not reduced presence) and enhanced leading role for the ROK in its own defense will be increasingly important. Seoul will have to be seen more and more as the driver of this train rather than the caboose being pulled along by Washington.

India: Gandhi Returns, then Steps behind the Scenes. Mrs. Sonia Gandhi, the Italian-born widow of slain Prime Minister Rajiv Gandhi, led her Congress-Party to an upset victory in India's 14th general elections. While many expected Mrs. Gandhi to accept the prime ministership which the party was willing and eager to bestow upon her, she elected instead to remain behind the scenes, tapping Manmohan Singh, a highly-respected economist, widely heralded as the architect of India's budding economic resurgence in the '90s. In his first speech to the nation, the new prime minister highlighted reform of agriculture and government civil service as his top goals.

As regards foreign and defense policy, Dr. Arun R. Swamy of the Asia Pacific Center for Security Studies, predicts the Congress-led government may cut defense spending, retreat slightly from India's activist international efforts under the previous BJP-led coalition government, focus on ties with South Asian regional states such as Sri Lanka and Nepal, pursue the peace process already under way with Pakistan, and lower the priority given to relations with the U.S, while refocusing attention on traditional relationships with the Middle East and Russia. On a positive note, Prime Minister Singh quickly endorsed

globalization, while further asserting that continued improvement of relations with the United States was a fact of life for India.

Mongolia: Record Turnout, Surprise Victory for Democrats. In Mongolia, conventional wisdom pointed to an easy victory for the incumbent Mongolian People's Revolutionary Party (MPRP). The MPRP held 72 of 76 seats in the Great Ikh Hural (Parliament) and had dominated election advertising, maintaining tight control over the largely state-controlled airwaves and most available billboard space in Ulaan Baatar. But the MPRP, composed of former communists, failed to provide a promised social safety net and a record 80 percent of the electorate demonstrated anew during June 27 elections the unpredictability of the democratic process. While results were not finalized at quarter's end and both sides were claiming voting irregularities, it appears that the Motherland Democracy Coalition – comprised of the Mongolian Democratic Party, Mongolian New Socialist Party, and Civil Courage-Republican Party – won at least 36 seats and perhaps could count on 3 more from unaffiliated parties, giving them one more than half the votes. If validated, their 39 seats will wrest control of the Parliament and government from the MPRP.

According to Intellibridge Vice President Steve Noerper, the challenge for whoever is ultimately declared the winner lies in establishing performance-based legitimacy, which saw the ushering out of the democrats four years ago and which checked the ruling MPRP in this poll this time around. The electorate also apparently saw the wisdom in having a more balanced Parliament. The old ruling party had limited debate on land reform – vital in Mongolia – and other issues, given its legislative domination. A more vibrant, though not necessarily more effective or efficient, democracy lies ahead for Ulaan Baatar.

Indonesia: Democracy Coming of Age? As in Malaysia last quarter, moderate Islam prevailed in Indonesia's early April parliamentary elections, but the same could not be said for President Megawati Sukarnoputri's ruling Indonesian Democratic Party of Struggle Party (PDI-P), which finished second to the previous ruling Golkar Party (21.58 percent and 128 seats versus 18.53 percent and 109 seats). Meanwhile, former coordinating minister for politics and security, Gen. Susilo Bambang Yudhoyono's new Democratic Party obtained 7.54 percent of the vote and 57 seats, allowing him to run for the presidency under his own party's banner.

At quarter's end, Yudhoyono held a commanding lead in the polls but his level of support still was below the 50 percent needed to claim victory on the first ballot. Gen. Wiranto, the candidate of the Golkar Party, was running neck and neck with President Megawati for second place and a place on the run-off ballot. The election will be the first direct vote by Indonesians for their president, an important milestone in the movement toward democracy after the collapse in 1998 of three decades of authoritarian rule by President Suharto; in 1995 and 1999, the election took place within the People's Consultative Assembly. None of the candidates represents a political party that favors introducing an Islamic state. One party that does, the Justice Party for Prosperity, received enough votes in the legislative election to run a presidential candidate but chose not to. Megawati and

Wiranto each chose running mates from the largest Muslim organization, Nahdlatul Ulama, in an effort to attract support from voters concerned about keeping Islam as an underlying element of Indonesian life.

Burma: A Growing Embarrassment to ASEAN. In Burma, hopes that Aung San Suu Kyi would be released in time for her and her National League for Democracy (NLD) to participate in the mid-May National Convention to discuss a new constitution were dashed by the ruling junta (the State Peace and Development Council, or SPDC), which announced that the NLD was welcome but not Daw Suu. Not surprisingly, the NLD refused to participate prompting the U.S. (among others) to say that the convention “lacks legitimacy.” An official State Department statement May 21 stated that “a convention that does not include [the NLD] cannot make any real progress towards democracy or national reconciliation, nor can it help Burma repair its international reputation,” while announcing that U.S. sanctions against Burma were being extended for another year. Meanwhile, ASEAN’s policy seems to vacillate between “get tough” and “stay soft” but, with Burma scheduled to assume the ASEAN Chair in 2006, a lack of progress will be an embarrassment not just for the SPDC – which has demonstrated that it is not easily embarrassed – but for ASEAN as well.

Hong Kong: One Country, One System? On April 6, the Standing Committee of China’s National People’s Congress issued a major ruling on how Hong Kong chooses its leaders, saying the territory must submit proposed political reforms to Beijing for approval. The ruling came in the form of a much-anticipated but nonetheless controversial reinterpretation of the Basic Law, Hong Kong’s mini-constitution. Chinese officials said the committee’s interpretation was necessary because certain political factions in Hong Kong were “misinterpreting” the Basic Law, giving the NPC Standing Committee “no option but to come out and exercise legislative interpretation.”

Demonstrating that the art of spin control is not unique to the West, Qiao Xiaoyang, Standing Committee deputy secretary general, claimed that the decision actually benefitted the territory. “We have not only not impeded the democratic process in Hong Kong, but we have promoted democracy in Hong Kong’s political system through our interpretation,” Qiao said. Others believe that the reinterpretation effectively ties the hands of the Hong Kong government by allowing only Beijing to ultimately approve reforms — control that pro-democracy activists have vehemently lobbied against. Opposition lawmakers in Hong Kong, predicted a massive backlash, saying that the ruling “will definitely intensify the tension between Hong Kong and the central government.” Meanwhile, Chinese officials in Hong Kong warned that any motions in the Hong Kong legislature to voice discontent with the NPC’s ruling are “against the law as well as the constitution.”

Both the U.K. and U.S. expressed concern over the ruling, with the U.S. State Department stating it was “seriously concerned that Beijing has decided to issue an interpretation of the Basic Law on this important issue before the Hong Kong people have fully aired the issues.” Saying that it “strongly supports the Hong Kong people’s desire for democracy, electoral reform and universal suffrage in Hong Kong,” the

department reminded Beijing that “It is important that the people of Hong Kong be permitted to determine the pace and scope of constitutional developments.” While perhaps premature, critics were already decrying the death of “one country, two systems” and, with it, China’s credibility vis-à-vis Hong Kong and the 1997 agreement with London.

[Note: On July 1, 350-400,000 Hong Kong residents turned out on the anniversary of the territory’s reversion to China to protest the NPC decision and to demand the “high degree of autonomy” and democratic right to chose its own leaders promised in the Basic Law. In the past, demonstrations have focused on Tung Chee-hwa, Hong Kong’s chief executive. But this time, Tung was barely mentioned as protesters showed a new boldness in denouncing mainland China for banning general elections and, in their view, trying to intimidate democrats.]

Multilateralism Marches On!

There was a flurry of multi- and mini-lateral meetings this quarter. In addition to the economic gatherings described later in the article, the Trilateral Coordination and Oversight Group met twice, allowing the U.S., ROK, and Japan to coordinate their views and approaches toward dealing with Pyongyang, and the Shanghai Cooperation Organization – involving China, Russia, and four Central Asian states (Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan) – held both a foreign ministers meeting and a leaders summit. The highlight of the latter was the creation of a counter-terrorism center in Uzbekistan. China also hosted the third annual Asia Cooperation Dialogue – a Thai-initiated gathering of foreign ministers from throughout the region and beyond (including several Middle East and South Asian nations) – plus their own Bo’ao Forum on Hainan Island – an Asian version of the influential annual Davos World Economic Forum aimed at strengthening regional economic exchanges and cooperation. ASEAN foreign ministers also met in Jakarta on June 29-30, in advance of the more inclusive ASEAN Regional Forum plus various ASEAN Plus Three and ASEAN Plus One meetings.

ASEAN Security Community. High on the list of topics for the ASEAN foreign ministers to discuss was Indonesia’s proposal for an ASEAN Security Community (ASC), which had been generally accepted “in principle” during last fall’s ASEAN summit but garnered only lukewarm support. Indonesia had laid out more than 70 specific proposals, including the creation of a regional peacekeeping force, plus the promotion of human rights and a commitment to free and regular elections and greater openness and transparency. The ASC is seen by many in ASEAN as a bridge too far and as a heavy-handed attempt by Indonesia to force its agenda on its neighbors – this after many years of lamenting the lack of leadership within ASEAN caused by Indonesia’s internal political turmoil.

ARF Becoming More Institutionalized. At its Senior Officials Meeting (SOM) in Yogyakarta, Indonesia in May, the ASEAN Regional Forum took a modest step toward becoming more institutionalized when agreement was reportedly reached to create a “unit” within the ASEAN Secretariat to serve as an ARF Secretariat. The new unit will

provide logistical, administrative, and other assistance to the rotating ARF chair. It will serve as the ARF's "institutional memory" by acting as a central archive and clearing house for ARF information, documents, and data. Once formally established at this year's ARF Ministerial (in Jakarta on July 2), this quasi-secretariat could allow the ARF finally to move forward toward its forecasted preventive diplomacy mission. It could help invigorate the recently established but as yet generally inactive Experts and Eminent Persons Group (EEPG). The senior officials apparently also decided to invite Pakistan to become the ARF's 24th member and second participant from South Asia (after India). Support was apparently also voiced for a Chinese proposal to establish a defense officials forum at the deputy minister level under ARF sponsorship. If approved in July, the first meeting will likely be held in China this fall.

Taiwan: Odd Man Out . . . or In? The Chinese proposal to create a defense officials forum within the ARF is seen by many (this author included) as aimed, in large part, at countering the track-two, nongovernmental Shangri-La Dialogue sponsored by the London-based International Institute for Strategic Studies (IISS). The annual IISS meeting in Singapore brings together, in an unofficial setting, senior-most defense officials – the U.S. was represented this year by Defense Secretary Rumsfeld; his deputy, Paul Wolfowitz was at the first two meetings – with leading scholars and security specialists. Scholars from Taiwan, as elsewhere, participate in conference sessions in their private capacity, but are excluded from the separate "officials only" side meetings and working lunches. The presence of one Taiwan scholar at the June 5-6, 2004 IISS meeting was apparently enough to keep the PRC from attending. Since the IISS format reinforces rather than violates China's "three no's" policy, one can only conclude that a fourth no – do not do anything that might be seen as giving Taiwan an inch – remains in effect, despite President Chen's conciliatory tone during his inauguration address.

Beijing also boycotted the May 31-June 3 ASEAN ISIS Asa-Pacific Roundtable in Kuala Lumpur due to the presence of a handful of Taiwan security specialists despite the strictly track-two nature of this annual gathering. It is to IISS' and ISIS' credit that neither yielded to intense Chinese pressure to uninvite Taiwan scholars. Taiwan was less fortunate in its bid to be an observer at the World Health Organization's World Health Assembly in Geneva in May. Taipei once again asked to attend as a "health entity," a formulation that reinforces China's official stance, which theoretically permits Taiwan participation in international forums if issues of sovereignty are not involved.

Since Chen Shui-bian first came to power in 2000, China has become increasingly inflexible and heavy-handed in trying to deny Taiwan "international breathing space," refusing to participate and/or walking out of academic meetings in which scholars from Taiwan had been invited to participate. Almost every think tank in East Asia has experienced Chinese bullying in this regard as Beijing has even tried to block bilateral academic exchanges between Taiwan institutes and their counterparts in Southeast Asia and elsewhere. Through such actions, Beijing not only fails to set a more positive tone for cross-Strait relations, but also undermines its own diplomatic efforts to prove that it is a good, responsible neighbor.

Regional Economic Trends: Growth is Returning.*

The Asian Development Bank (ADB) and International Monetary Fund (IMF) biannual economic growth outlook reports released this quarter forecast regional growth will increase from about 6.3 percent in 2003 to 6.8 percent in 2004, making Asia the most dynamic region in the world. Economic performance in 2003 was particularly strong in China, India, Thailand, and Vietnam, and first quarter domestic demand picked up in places where it was previously weak, notably Hong Kong, South Korea, Singapore, and Taiwan. The ADB believes that strong domestic demand is one of the two most notable economic developments in the region over the past two years, with the other notable factor being – you guessed it – the emergence of China as a major engine of intraregional trade. Despite the debate raging in economic circles about the regional impact of China’s attempt to cure overheating and whether it can achieve a soft landing, most forecasts observe that an expanding middle class and relatively young populations throughout Asia are altering consumption behavior and will compensate for any export sluggishness. “Overall,” says the ADB, “confidence is high in the economic outlook for the region.”

Analysts are watching for vulnerabilities, however, including China’s thirst for oil, a key factor in the highest oil prices this quarter since 1983. Japan is still eager to see China develop a strategic petroleum reserve, putting this on the agenda at the Sixth Meeting of APEC Energy Ministers in Manila on June 10. Acknowledging that “our diversity of views is the foundation for meaningful dialogue,” the 21 ministers – coming as they do from producer and consumer nations – continue to call on the Energy Working Group to forge agreements that can increase energy security. Of note, Indonesia imported more crude oil than it exported this quarter for the first time ever, reflecting troubled management of the country’s oil and gas resources.

Finance ministers bond. At the seventh ASEAN Plus Three Finance Ministers’ meeting in Jeju, South Korea on May 15, another step on the road toward developing regional bond markets was taken with the creation of AsianBondsOnline, an informational clearing house for the growing sovereign and corporate bond markets in the region. It may not grab headlines, but finance ministers can take credit for taking action to solve a cause of the Asian financial crisis; over-reliance on high savings rates and bank loans for economic growth. This regional move complements individual countries’ efforts to develop this important source of capital for governments and corporations alike.

APEC, Ole! Meanwhile, Asia Pacific Economic Cooperation (APEC) members are gearing up for the 2004 APEC Leaders meeting in Santiago, Chile on Nov. 20-21. On June 5, APEC “ministers responsible for trade” (MRTs) met in Pucon, Chile. It was an opportunity for USTR Robert Zoellick to follow up on his world tour in February (which included Tokyo, Beijing, and Singapore) to drum up support for the Doha Development Round. WTO Director General Supachai Pantichpakdi attended as well, to help focus attention on Doha. The APEC MRTs gave unswerving support for finding a resolution to

* Economic analysis provided by Ms. Jane Skanderup, Pacific Forum CSIS Director for Programs.

agricultural trade disputes by the late July deadline to continue the Doha Round. They also discussed the impact of bilateral and regional free trade agreements (FTAs) on APEC's agenda, including on the Bogor goals and the multilateral trading system more generally. Senior officials were instructed to prepare a set of Best Practices. At a minimum, this is an acknowledgment of the potential the trade-diverting effects of FTAs as well as the more problematic attention-diverting effects that many believe have robbed APEC of its momentum.

It is as unclear what the Bush administration hopes to get out of APEC this year. One can expect a reduced Asian attendance given the travel distance to Santiago, but the U.S. doesn't want to see APEC's importance minimized given the new and, some would say, more powerful consensus arising out of ASEAN Plus Three. Time will tell.

Other regional economic news. The World Bank sponsored an important conference in Shanghai on May 25-27 entitled "Scaling Up Poverty Reduction: Lessons and Challenges from China, Indonesia, Korea, and Malaysia." The conference was widely praised in economic development circles for being practitioner-oriented, analyzing 70 case studies by local researchers on successful approaches to reducing poverty on a large scale. It is no small matter that, according to the World Bank, "In three decades, these four countries have lifted more people out of poverty than all other developing countries combined." Who says the Asian economic miracle was a mirage?

Finally, the new head of the IMF, managing director and Madrid-born Rodrigo de Rato, visited Tokyo, Beijing, Singapore, and Hanoi from June 21-26. Mr. de Rato neither said or did anything earth shattering, but the media questions he faced in all four countries reflected the on-going need for good public relations efforts by the IMF to engage the region. It seems even the IMF learned something from 1997/98.

Iraq: Staying the Course

While President Bush promised repeatedly during the past quarter that he would "stay the course" in Iraq, it became increasingly clear that some mid-course correction was needed since the current path, according to retired Marine Corp Gen. and former Central Command chief Anthony Zinni, was "taking us over Niagra Falls." That course correction took place at quarter's end when, on June 28, the U.S.-installed governing coalition was replaced by a UN-arranged and UNSC unanimously endorsed new sovereign entity, thus opening the door for broader global participation in the effort to reconstruct and democratize Iraq. The ceremony actually occurred two days earlier than promised, no doubt to catch those who might have otherwise tried to disrupt the ceremony off guard. Iraq's new interim prime minister, Iyad Allawi, calling it a "historical day," further asserted that "we feel we are capable of controlling the security situation," a statement made possible (but by no means assured) by the continued presence of 130,000 U.S. and other coalition troops in Iraq.

A full court press has now begun to find countries willing to provide additional military support to the new Iraqi government. In this regard, Bush's personal campaigning at the

NATO summit in Turkey resulted in an agreement by NATO to provide emergency military training for the new Iraqi government, with details to be worked out. This is not likely to result in a large influx of NATO troops to Iraq, however; Germany and France insisted that the agreement allow for training outside Iraq as a condition for their support. Nonetheless, it represented a small step toward gaining broader international support for Iraqi reconstruction and democratization. How many, if any, additional Asian nations will grasp this opportunity remained to be seen however.

The good news is that those currently providing troops seem willing to stay the course, with the ROK promising to honor its commitment to send 3,000 additional troops to Iraq in July despite the horrific beheading of a Korean citizen by Iraqi terrorists in June (and the earlier-mentioned dissent within the ranks of Roh supporters). Japan pledged to keep its forces in Iraq under the new UN-mandated (but still U.S.-led) multinational force that came into being at the time of transition and the Philippines, despite hints of rethinking its commitment (mostly made during the election campaign), seems committed to also helping the new, sovereign, interim Iraqi government. Others, like Mongolia, Thailand, and Singapore have had small units in Iraq, their symbolic value far outweighing their military significance, but deeply appreciated nonetheless. No word yet from the Asian countries with some of the world's largest armies: China, Vietnam, and North Korea. Would Washington be prepared to take "yes" for an answer in these cases? For the record, Washington did not ask, and is apparently not eager to accept an offer from, Taiwan to send troops although a brief suggestion from one U.S. congressman to this effect spurred a hot debate in Taipei over whether or not to honor this nonexistent request.

Unanswered is the broader question of what impact participation in what often appears to resemble a "coalition of the reluctant" will have on American alliances with countries where public opinion seems strongly against such involvement. Will "being a good ally" help strengthen U.S. bilateral alliances or will negative public reactions chip away at the base of public support necessary to sustain any alliance over the long term. The outcome of Japan's Upper House elections in July and the parliamentary elections anticipated some time this fall in Australia will help signal the answer.

Regional Chronology April-June 2004

April 1, 2004: China rejects Taiwan President Chen Shui-bian's offer to hold cross-Strait talks without preconditions.

April 1, 2004: Joseph De Trani, U.S. State Department Special Envoy for the DPRK issue, visits Beijing.

April 1, 2004: USTR issues annual trade report on China.

April 2, 2004: Taiwan court rules President Chen and opposition leader Lien Chan must agree to terms for a recount of presidential ballots.

April 2, 2004: China's Defense Minister Cao Gangchuan visits Thailand.

April 3, 2004: Chen and Lien agree to presidential ballot recount.

April 5, 2004: Indonesia parliamentary elections.

April 6, 2004: Chinese National People's Congress (NPC) rules Hong Kong may amend its election laws in 2007, but must obtain approval from Beijing, which has veto power over any changes.

April 6-7, 2004: In Washington, Russian DM Sergei Ivanov says that Russia will not give up its cooperation with the U.S. in the war on terrorism, but warns that deteriorating bilateral relations could bring on a "cold peace."

April 7-8, 2004: TCOG meeting in San Francisco to discuss working-level talks on DPRK nuclear crisis.

April 8, 2004: Seven South Korean church group members are taken hostage near Baghdad.

April 9, 2004: ROK hostages released.

April 9, 2004: 25th anniversary of the enactment of the Taiwan Relations Act (TRA).

April 9-16, 2004: U.S. Vice President Cheney visits Japan, China, and South Korea.

April 12, 2004: Chung Dong-young, the head of South Korea's Uri Party resigns following criticism for his statements that older voters should "stay at home" on election day.

April 12, 2004: Malaysian PM Abdullah Badawi and Thai PM Thaksin Shinawatra pledge to improve security along border.

April 12, 2004: China conducts PLA Navy Drill in the South China Sea.

April 13, 2004: Senior members of Burma's National League for Democracy (NLD), chairman Aung Shwe and party secretary U Lwin are released from house arrest.

April 10-13, 2004: VP Cheney visits Tokyo, Japan; says the U.S. is grateful for Japan's leading role in combating terrorism and helping stop the spread of WMD.

April 14, 2004: VP Cheney praises China's expanded cooperation on counterterrorism in Shanghai speech, but adds "the war on terror must never be used as an excuse for silencing legitimate dissent and expressions of opinion."

April 15, 2004: Pro-Roh Uri Party wins a record 152 seats in the 299-seat National Assembly.

April 15, 2004: UNCHR votes not to consider a U.S.-submitted draft resolution criticizing China's human rights practices.

April 15-16, 2004: VP Cheney visits South Korea, meets with Acting President Goh Kun and voices concern about North Korea's nuclear program.

April 19-21, 2004: DPRK leader Kim Jong-il meets with President Hu Jintao in Beijing.

April 20, 2004: The small Caribbean island of Dominica (population 70,000) switches its diplomatic recognition from Taiwan to China.

April 20, 2004: Chinese Premier Wen Jiabao holds talks with PM Hun Sen of Cambodia; outlines China's four suggestions on the future direction of China-Cambodia relations.

April 20-23, 2004: Russian DM Sergey Ivanov visits China.

April 21, 2004: Defense Secretary Rumsfeld meets Singapore's Deputy PM and Co-coordinating Minister for Security and Defense Tony Tan in Washington; they reaffirm the U.S.-Singapore commitment to fight terrorism.

April 22-23, 2004: SCO foreign ministers meet in Moscow.

April 22, 2004: A massive explosion occurs at Ryongchon railstation in the DPRK, hours after Kim Jong-Il transits area enroute home from Beijing; at least 150 people are killed and over 1,300 are injured.

April 22, 2004: Assistant Secretary of State James Kelly testifies before the U.S. House international relations committee; says, "We have very real concerns that our efforts at deterring Chinese coercion might fail if Beijing ever becomes convinced Taiwan is embarked on a course towards independence and permanent separation from China." "While we strongly disagree with the approach, it would be irresponsible of us and Taiwan's leaders to treat these statements as empty threats."

April 22, 2004: Taiwan presidential spokesman James Huang rejects U.S. warnings over plans for a new constitution and says President Chen plans to deepen the island's democracy rather than set a timeframe for Taiwan independence.

April 23, 2004: China's Ministry of Health confirms two people have been diagnosed with SARS and confirms one death due to SARS in early April.

April 23, 2004: ROK acting President Goh Kun offers aid to the DRPK and offers his condolences to the victims of the rail disaster.

April 23, 2004: ASEAN Plus Three Health Ministers meeting held in Penang, Malaysia.

April 24-26, 2004: Third Bo'ao Forum for Asia annual conference in Hainan, China.

April 26, 2004: Chinese Standing Committee rules out direct elections for the Hong Kong leadership in 2007 and for all legislators in 2008.

April 28, 2004: About 107 suspected militants are killed by Thai troops during attacks on security posts and police stations in the southern region of Pattani.

April 28, 2004: UNSC Resolution 1540 unanimously calls for measures to prevent WMD from falling into hands of non-state actors.

May 2-3, 2004: Japanese and North Korean delegates meet in Beijing for discussions on abduction issue and proposal for a visit by PM Koizumi to Pyongyang.

May 3, 2004: PM Thaksin orders over 700 more troops to southern Thailand to bolster security.

May 5, 2004: PRC warships enter Hong Kong's Victoria Harbor as a display of strength and to honor the PLA navy's 55th anniversary.

May 5, 2004: Results of April 5 election announced; Indonesian President Megawati's Indonesia Democratic Party-Struggle (PDI-P) wins 18.5 percent of the vote; the opposition Golkar party wins 21.6 percent.

May 5, 2004: President Bush meets Singapore PM Goh Chok Tong at the White House.

May 6, 2004: Vietnamese Agriculture Ministry announces deadly bird flu has infected another farm in southern Vietnam.

May 7, 2004: Vietnam marks 50th anniversary of the battle of Dien Bien Phu that ended French colonial rule.

May 8, 2004: Senior members of NLD meet with Nobel peace laureate Aung San Suu Kyi at her Rangoon home where she is under house arrest.

May 8, 2004: PRC official says expressions of discontent by Hong Kong legislature over NPC reinterpretation are against the law.

May 10, 2004: Philippines holds Presidential elections, sporadic violence results in the death of nearly 20 people.

May 10, 2004: Taiwan begins a recount of the presidential election vote.

May 10, 2004: An East Timor court issues arrest warrant for Indonesian military chief Wiranto for committing crimes against humanity in East Timor in 1999.

May 10, 2004: The U.S. and Malaysia signed a bilateral trade and investment framework agreement (TIFA) on May 10, according to an announcement released by the Office of the United States Trade Representative (USTR).

May 10-13, 2004: ASEAM Special Senior Officials Meeting (SOM), ASEAN Plus Three SOM, and ASEAN Regional Forum SOM held in Yogyakarta, Indonesia.

May 10-16, 2004: U.S. Treasury Under Secretary for International Affairs John Taylor travels to China, Japan, and Korea to discuss global and regional economic issues.

May 12-15, 2004: Six-party working group meetings held in Beijing.

May 13, 2004: Indian PM Vajpayee concedes defeat in Indian elections; congress party claims surprise victory.

May 13-17, 2004: Asian Development Bank Annual Meeting in Jeju, South Korea

May 14, 2004: ROK Constitutional Court dismisses charges against President Roh, overturning his impeachment.

May 14, 2004: Taipei announces its strongest growth in over three years during the first quarter of 2004, due to strengthened domestic demand and a rapid rise in exports; GDP expanded 6.28 percent over last year.

May 14, 2004: The NLD opts to boycott a planned constitutional convention after junta refused to release Aung San Suu Kyi and NLD vice chairman Tin Oo from house arrest.

May 15, 2004: National Security Adviser Condoleezza Rice meets President Putin in Moscow, delivers letter from President Bush.

May 15, 2004: President Roh returns to office; offers his apologies and accepts responsibility for illegal campaign funds scandal.

May 15, 2004: Seventh ASEAN Plus Three finance ministers meeting in Jeju, South Korea.

May 17, 2004: Junta convenes Constitutional Convention in Burma without NLD representation.

May 17, 2004: Beijing tells President Chen to drop drive for independence or be “consumed in his own flames,” but also offered economic and diplomatic benefits, including “international living space” if Taiwan embraces the “one China” principle.

May 17, 2004: Washington notifies Japan and South Korea that it plans a redistribution of nearly 3,600 troops from the 2nd Brigade of the 2nd Infantry Division from South Korea to Iraq.

May 17, 2004: President Bush telephones President Roh and offer his congratulations on his reinstatement. Roh tells Bush he accepts U.S. plans to shift troops from South Korea to Iraq.

May 17, 2004: Russian and U.S. Army officers begin a joint six-day command post exercise that is the first of its kind and aims at ensuring better cooperation in the war on terrorism.

May 18, 2004: The U.S. and Australia sign free-trade agreement.

May 18, 2004: Indonesia sentences Mohammed Rais to seven years in prison for transporting chemicals used in the Jakarta attack on the Marriot Hotel, which killed seven.

May 19, 2004: Taiwan’s opposition parties, the KMT, the People First Party (PFP), and KMT splinter group, the New Party, agree to merge.

May 20, 2004: Chen Shui-bian inaugurated as President of Taiwan for a second four-year term. In his inauguration speech, Chen offers a conciliatory tone toward China.

May 20, 2004: Premier Wen holds talks with Vietnamese Premier Phan Van Khai.

May 20, 2004: Under Secretary of State John Bolton visits Moscow to press Russian leaders to join the U.S.-led Proliferation Security Initiative (PSI).

May 20-21, 2004: Former President George H.W. Bush visits the Ukraine.

May 21, 2004: State Dept. says Burma Constitution Convention “lacks legitimacy,” announces extension of sanction.

May 21, 2004: Chinese state media rejects Chen’s conciliatory remarks as a sham” and denounces Chen as a “slippery politician.”

May 21, 2004: Russian news agencies report President Vladimir Putin favors a rapid approval of the Kyoto Protocol on global warming.

May 22, 2004: PM Koizumi visits Pyongyang for one-day meeting with North Korean leader Kim Jong-il.

May 24, 2004: Approximately 19 sets of remains believed to have been U.S. soldiers killed in the Korean war are uncovered in North Korea and repatriated to the U.S.

May 25, 2004: ROK PM Goh Kun resigns.

May 25-26, 2004: ROK and DPRK senior military officers hold talks to examine proposals to improve communications between their forces; agree to further talks in June.

May 25-27, 2004: World Bank Shanghai Conference on Scaling Up Poverty Reduction.

May 26, 2004: President Roh says U.S.-South Korea alliance is “solid.”

May 27, 2004: The U.S. and Russia sign accord to reclaim poorly guarded stockpiles of highly enriched uranium (HEU).

May 27-31, 2004: Malaysian PM Abdullah Badawi leads a high profile diplomatic and economic delegation to China to celebrate the 30th anniversary of bilateral ties between the two countries.

May 28, 2004: Indonesian government expels U.S. terrorism expert Sidney Jones, head of the Jakarta office of the International Crisis Group.

May 29, 2004: DoD issues annual *Report to Congress on PRC Military Power Pursuant to the FY2000 National Defense Authorization Act*. The report claims China is reassessing how to counteract the U.S. military in a potential conflict over Taiwan.

May 31, 2004: Russia joins Proliferation Security Initiative (PSI) at first anniversary meeting in Poland.

May 31, 2004: Military authorities in Burma arrest 10 democracy activists protesting the one year anniversary of Aung San Suu Kyi’s arrest and detention.

May 31, 2004: ASEAN ISIS Roundtable begins in Kuala Lumpur.

June 2, 2004: Asst. Secretary Kelly tells House subcommittee that the Bush administration will not ask Taiwan’s help in Iraq; praises regional democracies and China’s help in countering WMD.

June 3, 2004: Secretary Rumsfeld says “after Cold War, U.S. forces have been stationed in South Korea for too long.”

June 4, 2004: ROK and the DPRK agree to measures to ease military tension along their border, agreeing to adopt standard radio frequency and naval signaling system, to exchange data on illegal fishing, to establish an inter-government hot line, and end the broadcast of propaganda along the border.

June 4, 2004: In Hong Kong, tens of thousands hold candlelight ceremony marking the 15th anniversary of the Tiananmen Square massacre.

June 4, 2004: Deputy Assistant Secretary Randall Schriver says until China “honestly and candidly” reexamines events at Tiananmen Square, “China will not be able to realize its full potential as a member of the international community.”

June 4-5, 2004: Meeting of the APEC Ministers Responsible for Trade in Pucon, Chile.

June 5, 2004: Ronald Wilson Reagan, 40th president of the U.S., passes away at 93.

June 5-6, 2004: Third annual Shangri-La Dialogue in Singapore; Secretary Rumsfeld responds to this author’s “coalition of the reluctant” question by asserting “we do not go around putting pressure ... on countries to do something that is against their interest.”

June 7, 2004: The U.S. and China hold the fourth in a series of bilateral consultations on counterterrorism in Washington.

June 8-10, 2004: G8 summit on Sea Island, Georgia.

June 11, 2004: FM Li Zhaoxing attends former U.S. President Ronald Reagan’s funeral as a special envoy of Chinese President Hu Jintao and meets with Secretary Powell.

June 12, 2004: FM Li meets with President Bush in Houston.

June 13-14, 2004: TCOG talks in Washington prepare for next round of six-party talks.

June 13-15, 2004: World Economic Forum convenes East Asia Economic Summit in Seoul.

June 14, 2004: President Bush signs legislation to endorse and obtain observer status for Taiwan at WHO.

June 17, 2004: The SCO holds one-day summit in Tashkent, Uzbekistan, opening an anti-terrorism center.

June 18, 2004: Japan’s Cabinet approves a plan for Japanese troops now in Iraq to stay and join U.N.-authorized multinational force after handover to interim Iraqi government.

June 18, 2004: President Putin says Russian government warned Washington that Saddam Hussein’s regime was preparing attacks in the U.S. and its interests abroad.

June 18, 2004: U.S. Transportation Secretary Norman Mineta announces a landmark air services agreement between the U.S. and China to expand commercial aviation services.

June 21, 2004: Taiwan announces it will hold its annual “Han Kuang” (“Chinese Glory”) exercises in August to test Taiwan’s combat readiness.

June 21, 2004: About 10 foreigners including a South Korean held captive in Iraq.

June 21-22, 2004: Six-party working group discussions held in Beijing.

June 21, 2004: China-ASEAN Foreign Ministers’ Meeting in Qingdao; delegates agree to deepen cooperation, to push for the China-ASEAN FTA; China signals it will sign the Protocol to the Treaty of the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ).

June 21-22, 2004: Third Foreign Ministers’ Meeting of Thai-initiated Asia Cooperation Dialogue held in Qingdao, China.

June 21-26, 2004: IMF Managing Director Rodrigo de Rato travels to Tokyo, Beijing, Singapore, and Hanoi to hear perspectives of IMF’s work.

June 22, 2004: Seoul orders evacuation all of its nationals doing business in Iraq following execution of Kim Sun-il by Iraqi militants and restates it’s intention to dispatch troops to Iraq.

June 23-26, 2004: Six-party talks held in Beijing; U.S. and Pyongyang put detailed proposals on the table, hold separate bilateral discussion.

June 23, 2004: A joint session of the Philippine Congress officially proclaims that Gloria Macapagal-Arroyo wins the election, concluding a constitutional process that began with polling on May 10.

June 24, 2004: The U.S. Senate passes joint resolution renewing economic sanctions on Burma imposed by the Burmese Freedom and Democracy Act for an additional year.

June 27, 2004: Parliamentary elections held in Mongolia.

June 28, 2004: The U.S. and the Philippines announce joint military exercises and a counterterrorism training program to be held in the Philippines.

June 28, 2004: The OECD reports China surpasses the U.S. as recipient of foreign direct investment in 2003.

June 28, 2004: North Korea says six-party talks made “positive progress,” but rejects U.S. proposal to freeze its nuclear weapons program.

June 28, 2004: U.S. turns over sovereignty to new UN-endorsed interim government in Iraq

June 29, 2004: Author and Louanne Petronio exchange vows in private Honolulu ceremony, formal ceremony in NY in July.

June 29-30, 2004: ASEAN FMs meet in Jakarta in advance of ASEAN Plus Three and ARF ministerials, discuss security community proposal.

June 30, 2004: Chris Patten, Hong Kong's former colonial governor, criticizes China saying "there isn't a political problem in Hong Kong unless it's created from outside."

June 30, 2004: Gloria Macapagal-Arroyo inaugurated as 14th president of the Philippines.