## **Remarks at "Looking East - Trend Lines in the Asia Pacific"**

**Remarks**

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But in under two years, despite the very strong objections of all of the other claimants and most of its neighbors, China has chosen to build seven advanced outposts on top of these fragile coral reefs using thousands of acres of landfill and tons of concrete with state-of-the-art ports and runways and other significant military facilities. The scale and the scope of this campaign vastly outstrips what all other claimants in the proceeding decade combined have done.

So the question is why? Particularly in light of its pledge not to militarize its outposts.

Is this to protect civilian populations? I’ve heard that. But these features are uninhabited. I mean they’re basically uninhabited features other than the personnel the government puts there.

Is it to assist fishermen in need? I’ve heard that argument too. But why now? People have been fishing there for generations. And why are Philippine fishermen and fishing boats chased away? Why are Malaysian and Vietnamese fishing boats chased away? These are their traditional fishing grounds, too.

Are these outposts there to monitor the weather? That’s another argument I’ve heard. Well, last time I looked, surface-to-air missiles were not categorized as meteorological equipment.

Is it to conduct humanitarian relief missions? Well, one point is that all the countries in the region have put together a collaborative mechanism for cooperating on humanitarian relief and coordinating it. For one country unilaterally to tackle that seems inconsistent with the collective work of the region. But even if you set that aside, why build a 3,000-meter runway on three different military airfields in the middle of nowhere?

Another argument I’ve heard is to safeguard freedom of navigation. But it’s pretty hard to argue that you’re safeguarding freedom of navigation when your military radio operators challenge a ship or a plane from a neighboring country and say hey, you’ve got to get out of here, even though it’s international space.

So we’re faced with a real paradox, a conundrum here. But in the coming months, the tribunal, an arbitrarion tribunal that has been convened under the Law of the Sea Convention which is a treaty that all of the claimants in the Asia-Pacific region have both signed and ratified, this tribunal is expected to make a decision on a case that was brought by the Philippines.

Now this case addresses some very specific issues. It does not address the question of which island belongs to whom, which claimant owns what island. That’s not what this case is about. And whether it is the United States or whether it’s Germany, no outside country, no third party takes a position on the question of sovereignty over the land features in the South China Sea. We don’t say we think the Philippines has a better claim than China or China has a better claim than Vietnam. We stay out of that piece.

What the tribunal will do is to make some important decisions about the maritime space, not the land, but the sea -- and some important decisions about the rights that claimants have to the sea.

But regardless of how this tribunal ultimately rules, I’d say there are three important things to note here. Number one, the decision will be binding on both China and the Philippines. Those are the two countries, the two states, parties to the treaty, that are subject to this arbitration.

I should add that the Chinese flagged early on their view that the tribunal had no jurisdiction over this case. So in reviewing the question of whether in fact the tribunal had jurisdiction or not under the Law of the Sea Convention, whether it could hear the Philippines’ case, the judges who are designated by the tribunal under the treaty to make that decision reviewed a very lengthy legal position paper that China submitted.

They considered all the arguments. And they issued their decision. And their decision as the judges was that they rejected the Chinese arguments and found that the court did have jurisdiction over this particular case.

So China has had its day in court already on the issue of jurisdiction. The question of how the tribunal will find on the maritime entitlements won’t be answered for another few months.

The second point I’d flag about this case is that it could significantly narrow the geographic area of the maritime space that’s in dispute. In other words, shrink the areas of disputed water among not only China and the Philippines, but presumably the other claimants as well.

And thirdly and more importantly, I think that this verdict can serve as a pivot point, as a launching pad for a very positive, constructive diplomatic process towards a modus vivendi, towards a new arrangement that would reduce tensions and that would open the door to cooperation.

Another way of looking at it is this, that the ruling in this case under the Law of the Sea Treaty is going to be an important test of our collective efforts to uphold a rules-based system in East Asia, a system that protects the rights of all states, and a system that continues to underpin the region’s success.

So in that respect, even though Germany and the rest of Europe aren’t on the Pacific, and like the United States have no stake in who gets what island, we don’t take a position on that.

We do have a stake in the success of the effort to apply the rule of law. And it’s very important that in this regard everybody’s voice, including European voices, be heard in support of the rule of law, in support of peaceful resolution of disputes.

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Now the U.S. is not the only partner that’s actively seeking to shape the emergence of regional institutions in the Asia-Pacific or seeking to strengthen and modernize our military to meet new challenges. Look at China. China’s very much doing the same thing.

Before I talk more about China, let me just right here and now dispose of the idea that the U.S. approaches our relationship with China as a zero sum game. That we are out to contain China. That we want to stunt its growth in an effort to claw and hold onto our slipping global dominance. This is a story line that I hear, and it’s not true.

First of all, reports of the demise of the U.S. economy are premature. America’s economy is doing pretty well.

Secondly, if we kept score in the world on the basis of our relative share of the global economy, if we thought that having a bigger slice of a smaller pie was a good thing, there never would have been a Marshall Plan, there wouldn’t be a modern Japan.

Now President Obama has said this repeatedly in public. Having worked for him, I’ve heard him say it behind closed doors in the Oval Office when no cameras were present, so I know he means it.

We, the United States, want a China that is stable and that is prospering. It’s not altruism, it’s self-interest.

Bill Clinton as president supported China’s membership in the WTO.

George W. Bush established the Strategic Economic Dialogue with China.

Barack Obama expanded those talks. He intensified leaders’ level dialogue. He’s built up our U.S.-China military-to-military ties. He’s extended visas for Chinese students and businessmen. He’s promoted tourism. He’s worked with China on climate, on clean energy. Supported China’s APEC chairmanship, its G20 chairmanship, and much, much more.

The notion that we’re trying to contain or undermine China simply doesn’t bear up to scrutiny. Instead, our strategy is to engage China widely, candidly, at high levels, and work to put a floor under the relationship so that it can absorb stress, it can absorb crises.

We actively pursue meaningful cooperation wherever there’s an alignment of U.S. and Chinese interests. So in peacekeeping, in Afghanistan, in Iran, in North Korea, at the G20, at COP 21.

But we also directly address areas of disagreement with a view to wherever possible resolving them. Where we can’t resolve them, to narrowing them. And where we can’t narrow them, at least to managing them.

Not to sweep them under the rug. Not to acquiesce to some mystical principle of core interests which mean that you can’t go there, you can’t talk about that. If those core interests violate global norms or universal rights, of course we’ll talk about them.

Now that can make for tension. That compels us to hold China to account when it uses cyber theft to take our companies’ intellectual property and commercialize it, sell it back to them. When it tries to coerce smaller neighbors or when its projects in the developing world lead to environmental damage and unsustainable debt loads and official corruption.

So what we want is for China’s rise to not destabilize, to not be detrimental to the interest of the region or the global system. And what we’re trying to do, and this is no secret, what we’re trying to do is to help ensure that China’s rise is consistent with universal rights and the rule of law.

Sure, this puts limits on China’s ability to act. But the United States accepts limits. Germany accepts limits. All countries have to. And those limits, frankly, pale in comparison to the benefits that we derive and certainly that China derives from a rules-based international system.

And we’ve never suggested that the rules can’t evolve, to adapt to new circumstances and respond to legitimate concerns by countries.

What we don’t accept is the idea that rules can be disregarded when they’re inconvenient or that they can be supplanted by fiat or by creating regional spheres of influence.