

The United States and the South China Sea
Forum on the South China Sea
October 17, 2011
Manila, Philippines

It is an honor to be included in your deliberations on an issue of great importance to this region and the world at large – the question of the South China Sea. I join all of you in thanking Roberto Romulo for bringing us together. A great diplomat and public servant, Roberto Romulo has, for years, spoken eloquently on behalf of the Philippines. His time as Secretary for Foreign Affairs and in the years before and after he has tirelessly called on the world to pay attention to this region's and his country's problems and promise.

My thanks go as well to The Romulo Foundation which carries on the work of one of the Philippines' foremost statesmen, patriots and I am proud to say a friend of the United States. General Romulo, Roberto Romulo's father, believed deeply in dialogue and reason serving the cause of peace. Our gathering is a tribute to his legacy.

I come to you as an American with a keen interest in this region. I spent many of my early years as a diplomat in my country's fateful engagement in Viet Nam and I had the honor of representing the United States in Manila as Ambassador. But I do not speak to you today as a representative of the United States government. I speak for myself. In my remarks, I will attempt to reflect my government's point of view as I understand it.

It seems hardly necessary to explain the interests of the United States in Asia, including in South East Asia and in the South China Sea. The United States is a Pacific power; our destiny is linked to this region. America's security and economic well being depend heavily on Asia and this fact will grow in importance in the years ahead. During my lifetime, my country has fought three wars in Asia. Today we are intimately involved in two of Asia's important questions – the future and security of the Korean

Peninsula and the question of the People's Republic of China and Taiwan. We also have interests in the South China Sea.

I need not remind you of the importance of the South China Sea. A full half of the world's merchant fleets pass through your area each year; in the transport of oil alone, the South China Sea carries six times the freight of the Suez Canal. 80% of China's oil is shipped through the sea lanes of the South China Sea and similarly large percentage of the energy supplies required in Japan, Korea, China and Taiwan make a similar voyage; the amount of traffic through your area will double by 2030.

The South China Sea is also an area of great complexity, containing as it does thousands of miles of oceans and 231 islands and reefs. Claimants to the area are many and in recent years each has shown itself more determined than ever to assert its rights. Many are increasing their military capabilities. In the view of the United States, these claims, however they are justified, do not diminish from the fact that the South China Sea is a part the global commons. Put differently, the right of free passage and freedom of navigation and the orderly and consensual exploitation of the resources of the South China Sea are matters of huge importance to all nations.

In addition to history and economics, the United States has long standing defense and security ties to nations in this area. At our initiative, SEATO, was born. We enjoy treaty ties with the Philippines and Thailand and we are involved in military assistance and military exercises with the Philippines, Thailand, Malaysia, Indonesia, Singapore. We are beginning to include Vietnam and Cambodia in these efforts.

Our security responsibilities in this region have become part of our domestic political dialogue as well as enjoying a place in our official policies. The Congress has addressed the subject of the South China Sea. In our present campaign for the Presidency, Governor Romney expressed his views on the subject in a speech he gave week before last in support of his candidacy. As I read his remarks, he pledged the constancy of the

American presence in this region and he committed his presidency, if he achieves it, to maintaining naval forces adequate to defending our interests.

The Administration, the Governor and the overwhelming majority of Americans, who think about our international obligations, believe that our relationship with the People's Republic of China is among the most important questions we face as a nation. Americans seek strong and positive ties with China in all fields, including over the question of the South China Sea. Indeed I reflect the views of many, many of my fellow countrymen. We welcome China's emergence on the world stage, as a great, indeed growing power and one with which the United States looks forward to pursuing a respectful, productive and peaceful relationship.

Given our stake in Asia's security and economy and our ties to the nations of the continent, it follows that the United States pays close attention to developments in the South China Sea. We have watched with growing concern the increasing tensions in your neighborhood -- from the first outbreak of hostilities in 1974, when China and Viet Nam clashed over the Paracel Islands. We were similarly concerned by the 1998 incident in the Johnson South Reef. The United States took note of China's National People's Congress assertion of sovereignty in the area in 1992; we have also paid close attention to China's much debated 9-line. In 1995 we made it clear that with regard to the Spratley Islands, "the freedom of passage was a fundamental US interest". We have been similarly troubled by construction activities on Mischief Reef and the flare ups over oil and gas exploration in 2007 and afterwards. Throughout this period, the United States has sought to make it clear that unilateral actions which result in rising tensions in the region are a matter of concern and importance to us.

As troubled as we have reason to be, the United States has also been impressed by this region's ability to act politically to address its differences and preserve the peace. South East Asia, often with the participation of the People's Republic of China, has shown an ability to come together in the region's interests. Your 1976 Treaty of Amity and Cooperation and your 1995 declaration on the freedom of this area from nuclear weapons are outstanding examples. The same is true of the 1992 ASEAN Declaration on

the South China Sea. Any responsible observer should take heart from the ASEAN-China declaration on the conduct of parties in the South China Sea; that document remains a seminal statement of the intentions of all states in the area and a point of reference for the future. Its assertion that parties will seek a peaceful resolution to their differences and cooperate in developing the resources of the area are significant principles which point the way to future management of disagreements.

Similarly the ASEAN and Chinese agreement which was reached on July 21 of this year constitutes welcome if limited steps forward. Its eight guidelines treat important non-traditional security issues; at the same time, the agreement falls short of defining a path to the management of increasingly volatile territorial issues. Nor do the guidelines address the nettlesome question of naval incidents.

In a word, all of us must be concerned that the states bordering on the South China Sea have not yet agreed on guidelines for the implementation of a Code of Conduct, a fact that leaves room for misunderstandings and the possibility of increased tensions. The United States supports such Code of Conduct.

Diplomacy is essential but diplomacy to be effective must be flexible and inclusive. There is a role for multilateral as well as bilateral processes and fora in addressing differences and conflicting claims. No party has the right to say it will exclude from the dialogue any other party with significant interests. Similarly, international tribunals, like the International Court of Justice, may be able to play a role in the future and the UN Convention on the Law of Seas certainly provides a framework.

But let me emphasize that events of the past several years are troubling. The absence of progress toward a Code of Conduct is a particular reason for concern. Rising tensions and an increase in incidents is another source for concern. There are many causes for increased friction; they certainly include the assertion of territorial claims by nations in the area and by the exploration for hydrocarbons.

The United States has particular sympathy for the concerns of Viet Nam which has been the object of the greatest number of incidents. We are similarly sensitive to the needs of our friends in the Philippines. And to repeat myself for emphasis it is a matter of regret that the region's diplomacy has not moved vigorously and achieved a Code of Conduct. Foreign Secretary Albert del Rosario of the Philippines recently noted that this area needs to set a "collective goal for rule based actions by all parties concerned". He spoke wisely and well.

I am sure Secretary del Rosario's appeal is directed to all parties. I would add an extra word to my friends from the People's Republic of China. The United States does not take a position on competing territorial claims in the South China Sea. That said, no American can dismiss China's interests in the area. But China is a great nation which enjoys special advantages in an orderly world – one in which peace and freedom of commerce prevail. To larger states, extra responsibilities fall since they benefit disproportionately from a cooperative environment. It is with this point in mind that I welcome recent efforts of the Chinese government, including in recent days with Viet Nam, to send a signal of cooperation to its Asian neighbors. The visit of China's Prime Minister to the region and the actions and statements of China's Foreign Minister point to China seeking diplomatic engagement and cooperative solutions to the issues of the South China Sea. There must be no gap however between the statements and the actions of any party, China included.

The United States' attitude on the South China Sea deserves an additional word of elaboration. The United States position was articulated by Secretary of State, Hillary Clinton in Hanoi at the 2010 ASEAN Regional Forum. There she declared the United States, like every nation, has a national interest in the freedom of navigation, open access to Asia's maritime commons and a respect for international law in the South China Sea. While she refused to take sides in any territorial claim, she stated American opposition to the use of or the threat of the use of force in resolving differences and called for a peaceful resolution of differences. She went on to state that the United States shares "these interests not only with ASEAN members, ASEAN Regional Forum participants but with other

maritime nations and the broader international community". In other words, the Secretary reminded us the US national interest is broadly and internationally shared.

Secretary Clinton's statement was amplified at the 2010 Shangri-la Conference in Singapore where Secretary of Defense Gates referred to the South China Sea as "an area of growing concern to America". A year later, at the same conference, Secretary Gates further noted "without rules there will be clashes". In addition to these statements of principle, the United States has also noted that "claims in the South China Sea should be derived from legitimate claims from land features".

To repeat my opening contention, the United States has long standing interests in the South China Sea and in the resolution of differences between the littoral states. It does not seek advantage for itself nor does it threaten any other nation. It welcomes the possibility of coordinating its positions and actions and discussing its interests with all parties, including with the People's Republic of China, which shares responsibility with other neighboring countries for stability in the area.

The United States looks to the nations of this area to find diplomatic solutions to differences. It is willing to do its part when that is appropriate and I believe it is when I reflect on the need to develop rules to manage incidents at sea. In addition, the US is committed to maintaining a robust military presence in Asia and will support its allies. It will maintain capabilities sufficient to deter conflict. As Secretary Gates made clear in his waning days in office, the United States can be counted on in the near future to conduct naval port calls, training and exercises and help its friends address regional challenges. We have already begun to act on these commitments, conducting exercises with Malaysia and the Philippines and responding to President Aquino's plans to rebuild the military capability of the Philippines.

In November, President Obama will participate in the East Asia Summit, the first American president to do so. He will also take part in the US-ASEAN Summit and will host APEC in Honolulu. The President's

presence in each of these fora point to the resolve of the United States in protecting its interests and standing by its friends, pursuing at the same time, peaceful solutions and cooperation.

Of course, there are differences between nations over the South China Sea but these differences need not become disputes nor worse yet, causes for conflict even if we admit, as we should, that the likelihood of agreement on issues of sovereignty will not occur any time soon. Isn't the time right to shelve disputes and develop the region jointly. The time is certainly right for tempers to cool and diplomatic engagement to take over. A Code of Conduct is needed and it must be a full one. The interests of all will be served by it. And it must be based on principles all of us accept – freedom of navigation, peaceful resolution of differences, the sharing of resources and the avoidance of the use of force or the threat of its use.

Thank you.