

Sasakawa USA US-Japan Security Forum
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This morning I would like to talk about the security strategies of the United States, Japan and China.

US security strategy for the economic and political development of East Asia has been remarkably consistent and successful since 1945. In a strong position at the end of the Pacific War, the United States has maintained a military balance so that no regional aggressor would be emboldened to use force to change political boundaries.

Twice the United States, with Japanese support, has gone to war in East Asia over what it considered military aggression - on the Korean Peninsula and in Vietnam. It had a weak and mistaken understanding of the internal dimensions of what were in large measure civil wars. However it was basically motivated by a strategy of defeating major power aggression - on these occasions through proxies.

Once the aftershocks of World War II and the end of the colonial period subsided, the US maintained this security strategy with a large margin of air and maritime superiority.

Meanwhile Japan's strategy for the region has evolved from the vanquished, disarmed and powerless nation of 1945. It provided bases for American forces in the region and active logistic support during the Korean and Vietnam conflicts. Strongly against the use of military force for political gain, it is now developing its "proactive contribution to peace" strategy of today.

East Asia has been a peaceful place from 1975 to the present, and the economic and social progress have been astounding.

Nowhere have the results been more impressive than in China. It has grown to the second largest economy in the world and has pulled almost half a billion of its citizens out of poverty.

However China's economic success has also provided the resources for military spending. For the last fifteen years it has increased by roughly 10% annually, sustaining that pace even as gdp growth has slowed. Much of these increased resources have been spent on maritime and air power, both military and civil.

With greater power, China has revived long dormant maritime territorial claims, and has greatly raised political tensions in the region. It is ironic that the American security

balance has provided the stable security environment that has in turn enabled the Chinese economic growth that has in turn provided resources to upset the stable balance.

There are specific local balances of force in the areas of dispute in East Asia.

On the Korean Peninsula the balance is based on in-place Republic of Korea and American ground and air forces, with reinforcements available by mobilization and by American redeployments. The political commitment is by treaty.

For Taiwan, the balance is based on strong Taiwanese ground forces and prepared defenses, with powerful American maritime and air reinforcements at the ready. The political commitment is by legislation, the Taiwan Relations Act.

For the Senkakus, the strategy is based on Japanese coast guard, maritime, air and deployable ground forces, supported by American maritime and air reinforcements. The political commitment is by Treaty and public US declaration.

China has unsatisfied territorial claims in two of these locations; North Korea, an ally of China, in the third. However the combination of Republic of Korea, Taiwanese and Japanese forces, along with trained, ready and deployable American forces, makes military aggression so high risk that the potential aggressor has every incentive not to attempt it.

Fundamental to the American role in all these local balances is the freedom to operate maritime and air forces freely throughout international water and air space of the region. This becomes important as we turn to a fourth location within East Asia.

Where this traditional strategy of establishing local favorable military balances is not working well, is in the South China Sea.

In the South China Sea the islands are not large, populated and defended, as is Taiwan, or the peninsula of South Korea. They are claimed by several different countries, none of which has the advanced and powerful military capability that Japan has committed to defend the Senkakus. While the Philippines is a treaty ally of the United States, the Philippines has never developed the type of combined forces command that South Korea has built with the United States, and in fact in 1992 the Philippines ended its agreements with the US for the use of two major bases of Subic Bay and Clark.

In this large and important sea China's persistent campaign is steadily eroding important US and Japanese interests. It is undermining important interests of all seafaring nations, as well as vital territorial and defense interests of Vietnam, the Philippines, Malaysia, Brunei and Indonesia.

China is pursuing an administrative, civilian and sub-military strategy, what Japanese observers call a "gray zone" strategy. Based on a single old map, the "nine-dashed line" map that now appears in the frontispiece of every new Chinese passport, China claims

ownership of the entire South China Sea. It has created a new territorial jurisdiction over the South China Sea, called “Sansha,” with government offices on Woody Island in the Paracels. It has promulgated and occasionally enforces with Coast Guard vessels Chinese fishing and environmental regulations for the entire South China Sea. Last year it deployed a drilling rig deep into waters claimed by Vietnam, escorted by fishing and coast guard vessels, for a period of several months. It is physically enlarging two islands in the Spratleys to build a harbor, runway and storage areas that will support both civil and military ships and aircraft. These islands are claimed by the Philippines, Malaysia and Vietnam, all of which are much closer to them than is China, which is 800 miles away.

According to a careful count done by researchers at the National Defense University, China has initiated about 80% of the aggressive incidents in the South China Sea in recent years.

China’s goal with this “gray zone” aggression, backed by steady intimidation and occasional force, is to gain *de facto* control of the islands and other land features and to extend its effective jurisdiction over all the waters of the South China Sea. It will then be in a position to enforce its nationalistic interpretation of its rights, and to control access and activities of the naval forces and shipping of other nations.

China has been quite open about its objectives. It has developed the military concept of a defensive sea barrier extending hundreds of miles from China’s coast to what it calls “the first island chain.” Chinese commentators frequently refer to China’s “three-million-square kilometers of blue territory.” If you do the math, this is the Yellow Sea, the East China Sea and the South China Sea. China claims that this huge region of water and the territory of its neighbors is China’s natural defensive barrier, within which China has the right to control the access and activities of other country’s military forces. It goes further and asserts that under the United Nations Convention on the Law of the Sea, or UNCLOS, it has control over the activities of foreign maritime and air forces within its exclusive economic zone, or EEZ. It has taken action to support that assertion. In 2001 its fighter aircraft harassed and then one of them collided with an American reconnaissance aircraft 70 miles off Hainan. In 2009, Chinese ships forced the unarmed survey ship *USNS Impeccable* out of its EEZ with sustained harassment. In 2014 China protested the deployment of the *USS George Washington* into international waters in the Yellow Sea in response to North Korean provocations.

Chinese maritime legal experts know that its interpretation of EEZ rights is not shared by the great majority of UNCLOS signatories. They know that old maps have never been recognized by international maritime law as a valid basis for territorial claims. Through its “gray zone strategy” it is building a much more powerful basis for a claim to ownership of the entire South China Sea based on effective administrative and enforcement capability.

American national interests, those of all the nations on the shores of the South China Sea, and in fact those of all seafaring nations, will be gravely compromised if this “gray zone” strategy is successful. America’s position of influence in East Asia will be deeply undermined if the South China Sea is all Chinese territorial sea or exclusive economic zone.

The actions of the four other Southeast Asian claimant countries have not been enough to slow China down. The Philippines has confronted Chinese coast guard and naval forces at places like Scarborough Shoal, but have been overmatched. Vietnam has swarmed the Chinese drilling rig with coast guard and fishing vessels, and China has responded with larger numbers.

The American and Japanese response to this threat has not measured up to its seriousness. Official spokespersons have stated that the United States does not take a position on the territorial claims themselves, have called for peaceful settlement of disputes, and have stated that we stand for international codes and the rule of law.

It has little effect on China’s policies and actions to appeal to international norms and the rule of law unless there are incentives to follow them or penalties to violate them. As far as China is concerned, international norms are currently set up to protect the interests of dominant military powers like the United States and to protect the wrongful and impudent claims of small countries that have taken territory from a weak China’s in the past.

So long as there are no penalties to its actions in the South China Sea, China will continue to pursue them. China will follow the international norms when it is satisfied with its territory and security arrangements. It has not yet reached that point.

If current trends continue, there is no reason to believe that China’s strategy will not succeed - it will in fact be the dominant island and atoll occupier and regulation enforcer in the SCS, and other countries will challenge its interpretation of its rights at their peril.

So what should the United States and Japan do?

First, both countries, joined by other seafaring nations, must make official strong declarations of the importance of their interests that are at stake, and specify exactly what those interests are.

We have to go far beyond saying that we stand for freedom of navigation in the South China Sea, which the Chinese brush aside by saying they would never interfere with the flow of oil tankers and other commercial shipping through this region, much of it headed for China. We must assert that everything beyond 12-mile territorial seas around coasts and true islands is high seas, where military operations are unconstrained.

We must go beyond general calls for peaceful settlement of disputes and state officially that it is in the American national interest that the ownership of the islands in the South China Sea be decided by multilateral negotiation rather than unilateral claims of control and unilateral military and civil actions.

It would make the American position much stronger if we were to ratify the UNCLOS. The high seas provisions of the Treaty are what we need to enforce, and we can do it far better with full membership in the Treaty than from this awkward space we now occupy.

Second, the interested parties must establish a diplomatic framework for a multilateral settlement of the conflicting claims.

The maritime ASEAN nations, most importantly including Indonesia, should initiate a process for a multilateral settlement of the outstanding claims in the SCS.

The maritime nations of the world - The United States, Japan, India, Australia, the United Kingdom, France, others - should pledge to support the outcome of such a process.

China will decline to participate, announce that it will not abide by the results of any such process, and perhaps increase its aggressive activities. Nonetheless, the process should proceed, in a transparent fashion and with advice from the best maritime international legal experts.

There will have to be some imaginative provisions in this settlement. For example, assigning international trusteeships for some islands. For the Spratleys it will be impossible to draw lines dividing up the over 100 islands, atolls and features. Rather, the settlement should assign individual features to specific countries, and draw a joint development area around the Spratleys, with fair proportions of revenues divided among claimant countries. China's claims need to be taken into account, even if China is not present to argue its case in meetings and conferences.

Once the settlement is agreed, then all the countries in the region and the world should recognize its provisions. Claimant countries should act on the terms of the settlement. They should develop the islands that are assigned to them. They should enforce fishing and environmental regulations in the EEZs assigned to them by the settlement. They should authorize hydrocarbon exploitation in their own EEZs, and sign joint development agreements to explore and drill for hydrocarbons in joint development areas.

China will of course denounce the settlement, and may continue to take its own unilateral actions to attempt to stop the actions of other claimants, as it does now. However now instead of being the dominant country initiating development actions, China will be one among a number of countries taking action. Should China pursue this course, the international community should condemn Chinese actions and support the legitimate claimant countries' capability to take their own actions and resist China's .

The objective of this plan is not to contain China. It is, rather, for China to respect a fair multilateral settlement of a complex set of international overlapping historical claims.

Back in 2002 China and all the members of the Association of Southeast Asian Nations, or ASEAN, signed a “Declaration on the Conduct of Parties in the South China Sea.” It states, “ Parties concerned undertake to resolve their territorial and jurisdictional disputes by peaceful means, without resorting to the threat or use of force, through friendly consultations and negotiations by sovereign states directly concerned, in accordance with universally recognized principles of international law, including the 1982 UN Convention on the Law of the Sea.” Since then, and contrary to this declaration, China has insisted it will only negotiate individually with each of the other four claimants, and, aside from settling an EEZ line in the northern end of the Tonkin Gulf with Vietnam, has shown no willingness to reach compromise settlements.

This proposal would return these issues to the realm of diplomacy, where they belong. A settlement would still allocate to China considerable territory, territorial seas and a large exclusive economic zone in the South China Sea. China would have the right to operate its military maritime and air forces on the high seas throughout the region, and to pass through international straits.

This plan does not advocate military confrontation with China. China’s actions have been taken generally below the military level, and it is at this level that the other claimant countries and the world’s seafaring nations should contest them and support their own claims. It does not now seem that China is set upon military conquest of the Paracels, Spratleys, and other islands - Chinese military power generally is kept over the horizon. However, it is worth remembering that on two occasions - 1974 in the Paracels and 1988 in the Spratleys - China fought naval engagements with the Vietnamese, sank Vietnamese ships, and took physical control of islands. Neither China, nor the other claimant countries, nor outside seafaring nations should escalate this competition to the military level.

Concluding, let me return to the basic American and Japanese strategy for the region. It is to create security balances of power in specific disputed locations in East Asia. These balances make it high risk to undertake military or sub-military aggression to support disputed claims.

That security strategy allows a greater strategy to succeed - for the countries of the region to avoid arms races that cost government resources and to avoid military confrontations that raise national animosities. Instead, governments can concentrate their resources and their energies on economic development. The results so far have been astounding and of great benefit to all of East Asia, including China.

This strategy of security balances that make aggression high risk is still sound, but the growth of Chinese maritime and air power, the expansive nature of Chinese maritime territorial claims, and the Chinese actions to enforce their own concept of a defensive

maritime zone out to the first island chain are challenging that strategy in the South China Sea. The concept of security balances must be extended in the South China Sea to a policy of sub-military balances, including administrative claims, sub-military forces and civil activities.

The claimant countries there, supported by the seafaring nations including the United States and Japan, need to develop the multilateral policies and maintain the military and sub-military resources to keep the balance intact, to remove incentives for aggression and to allow the growth of further prosperity in the region.

Thank you and I look forward to your questions.