

INTRODUCTION

Good afternoon, and as we say in Hawaii—Aloha!

Appreciate the kind introduction and the invitation today. Many thanks to Richard, Barry, and Doug for including me and for organizing this important discussion.

This is a tougher speech I have given in my past life than most because I had to figure out what to wear.

It is wonderful to be back in Singapore among many long time and very good friends. My first visit here was as a young Commander of a submarine—making a port call at Sembawang in 1987.

I think I have been here at least twice a year for the last 6 years and found it to be a place where I gain some of the best and most objective insights into the region. I'm confident I'll find that to be the case here these next couple of days.

I get asked a lot about how it feels to be retired. In the 5 months since then, I've been to....

- Japan and Korea w/ Former Secretary Bill Perry.
- China with the Governor of Hawaii.
- 3 trips to Washington D.C.
- Today.....well I'm here!

Doesn't appear to me I have made a lot of progress in the retirement business! However, one thing that has changed, when you retire as a 4-star Combatant Commander--a lot of things do go away. The car, the boat, the plane and you guessed it—the Speech Writer.

So, today—good or bad—you are listening to me!

Actually, I think this transition has gone pretty well – contrary to any rumors, I have not walked out to my driveway and gotten into the backseat of an empty car. But, I do have one confession of sorts...I pulled up in front of a restaurant last week and left the car for the valet. About 30 minutes later a guy walked up to the table and said...Admiral Fargo – I nodded – Would you mind giving us the keys?

- You know, he probably walked away shaking his head and telling folks – the Admiral thought that was his parking spot.

I was in Command in the Pacific for almost 6 years. Between U.S. Pacific Fleet and Pacific Command, with the exception of two years in Bahrain (96-98), most of my operational career over 34 years has been here.

This afternoon—to deal properly with a Rising China and provide a little context for our discussions--I thought it would be helpful to talk to what I believe to be six new trends that have emerged over the last 3-5 years and which I think represent the most significant changes—in Asia and the Pacific—more specifically East Asia...And also provide the back drop for the future. Certainly a back drop for our relationship with China.

So let's start.

First, Democratization of Asia (or “expanding democracy”).

- It wasn't too long ago that my predecessors used to worry about things like military dictatorships and coups as a principle concern.
 - South Korea -- just over 10 years ago, was still ruled by the military.
 - Thailand -- until 1992, coups were a regular “feature” of the political scene.
 - Indonesia-- GEN Suharto ruled for more than 30 years. (12 Mar 67 to 21 May 98).
- Today we still have our fair share of concerns but in a much different and more positive sense.
 - In Korea – President Roh was impeached after a visceral reaction to a speech.
 - But the masses spoke—judiciary worked—restored the President—Democracy stronger today for it.
 - In Thailand when I asked my friends who are generals whether they intend to go into politics when they retire most look at me like I'm missing the big picture and talk about the business world (by the way—I feel the same way).
 - In Indonesia—The country elected a retired general but it was because he served effectively in a civilian capacity and he won in a free and open election of 200M people (as you will see in these remarks, I am optimistic on Indonesia).

- The closest thing to the word coup in my tenure was a minor mutiny of a few officers in Philippines-- who were disgruntled over corruption. Even with the concerns in the Philippines today, I don't think the mainstream military wants to be in the middle of the political crisis.

- Things have changed dramatically....and for the good.

- So where are we today?
 - 36 of 43 countries in Asia-Pacific declare themselves democracies or republics. (Not—Brunei, Burma, China, North Korea, Laos, and Vietnam).
 - Some as young as 6 years old, like Indonesia.
 - And even the non-democratic states like Vietnam and China are moving toward market-based economies.
 - The obvious exception is North Korea.

 - In the A-P, we will have had 14 elections this past year.
 - I mentioned Indonesia but it's worth repeating: Violence free, 200M people, 17,000 islands, got the ballots out and determined a result in a week; Three times.
 - The people of Florida in my country should be in awe of this accomplishment.
 - Japan—2-party system has developed. (June upper house)
 - Malaysia—PM Badawai won in a landslide.
 - vote against militant Islamic party.
 - moderate position to Sharia Law, Education.
 - India—largest democracy in the world; gone through nuclear crisis; turned the economic corner.
 - Not long ago shunned Western investment. That's changed. Visit Bangalore or make a toll free call to get your computer fixed, and you will understand.
 - Election-big surprise; no one saw coming which brings me to my next point.

- With regards to elections...
 - Turns out we're not good at predicting outcomes and things happen that we don't anticipate.
 - Mentioned previously, South Korea, India.
 - Taiwan—The voters sided with moderation.
 - This is a good and healthy change—we should embrace it all but...

- But, we need to understand clearly:
 - While democracy contributes directly to Regional Security and stability.
 - And we know from a study done by John Norton Moore that democracies don't fight democracies.
 - Doesn't necessarily make relationships or life in the region easier.
 - Domestic political concerns more prevalent—make all this much less tidy.
 - Philippines (Iraq pull out).
 - Korea (Transformation).
 - Foreign Policy often takes a back seat to domestic issues—Elements of Nationalism pop-up.
 - Bottom line—we will have to work harder--harder at engaging and partnering and understanding this phenomenon—with each other.

A second theme, connected to the first—Modern Islam dominates this region.

- Two immediate examples from my previous point on Democratization are the elections in Malaysia and Indonesia.
- In Malaysia we have a strong leader with exceptional Islamic credentials who has articulated that Islam is consistent with democracy and a progressive social and economic structure.
- In Indonesia, I worried that in the midst of the election—and in deference to the Islamic parties—the government would back off going after the terrorists—in this case the JI. That wasn't the case.

- Pretty clear when you visit these countries that their citizens are devout but not about to give up their freedoms.
- There are problems to be sure... outside forces—are pumping money into pesantrens—that fail to educate—and in some cases breed both terrorism and unrest. But the countries of SEA are working to address this problem. Albeit the forces of discontent have a 10-year head start.

Speaking of a 10-year Head Start...

- Southern Thailand is an example. Mix of crime, drug traffic, lack of development, infusion of fundamentalist thought in schools and mosques has created this complex problem that will take both time and a concentrated effort to solve.
- We know that Islam is compatible with a modern, progressive world. We witness a wonderful example in SEA and should reinforce it.

Third, Japan is becoming more assertive, adopting a worldview of security more appropriate for a global economic power.

- Significant change in the past 3 years...really a sea change.
- Passed or implemented:
 - Extensive Legislation (Seven New Laws for Emergency Situations).
 - [Civil protection—PM may dispatch SDF domestically with local government request.
 - Maritime Interdiction Operations Law—prevent maritime trans of military goods to enemies of Japan (inspect, seize, divert/detain vessels).
 - Violation of International Humanitarian Laws—legal code to govern behavior of deployed SDF personnel.
 - POW Treatment Law—Prescribes treatment of POWs IAW Geneva Convention.
 - Use of public facilities—PM can make use of facilities/lands/ports/land-air-sea space for immediate military use.

- Revision of SDF Law—permits direct support for U.S. Forces—national disasters, NEO & routine circumstances.
 - Law enhancing U.S. Forces activities—provide supplies, use of lands].
- Pumped 100M gal of fuel to ships in OIF/OEF in the North Arabian Sea.
- Deployment of 593 troops to Samawah, Iraq—source of great pride (about 800 troops total per matrix).
 - Senior JSDF: “This is an opportunity to regain confidence of the world.”—lost 60 years ago.
- This change in their security architecture will continue at a very measured pace.
 - Missile Defense—best example, some sort of collective defense arrangement will be worked out.
 - This will be fine. The mission will be peace keeping, peace enforcement.
 - The changes in capability will be modest and defensive.
 - Should not be threatening.
- So, alliances will evolve, mature with this change.

Fourth, Multilateral approaches to security are becoming more common.

- Remember this is a region built essentially on bilateral relationships—and those will continue to be an essential and important component.
- But everyone understands the big problems will be dealt within almost every scenario—multilaterally—in fact, I can’t name an A-P regional issue in the past 5 years that hasn’t been dealt with in this fashion.
 - Six-party talks—most important and immediate example.
 - East Timor—an example lower and scale.
 - Tsunami—best and most recent example.
 - Regional Maritime Security will hopefully be the next clear success—[Like to elaborate a little
 - SLOCs in SEA particularly important to peace and prosperity.

- 1/3 of world's shipping, _ of world's oil. Energy huge issue future Asia.
 - Don't have a clear view of the seaspace.
 - From ports, through territorial waters, to international maritime domain.
 - Seams remain at risk to transnational threats.
 - RMSI will enhance capacity for each willing partner to take action it deems appropriate.
 - Share information.
 - Responsive decision making.
 - Momentum building.
 - Multiple international & interagency discussions have occurred.
 - Malaysian conference next week!
 - More needs to be done.
 - But important to understand: built this without US out on point.
- Intelligence arrangements will be bilateral by necessity but operational but operational efforts are increasingly “combined.”]
- Worth spending a few moments on why the collective Tsunami effort was successful.
- This complex relief effort didn't just happen because we wanted it to...or because we decided to act together quickly—which we did.
 - It was possible because of a set of habitual relationships—really habits of cooperation that had been established over many years.
 - Exercises, exchanges, combined training, visits, and well developed relationships.
 - The Thais said yes to our request to operate from Utapao immediately because we had exercised with them in the same manner year-in and year-out. **Cobra Gold**

- Malaysia provided support and access to their bases based on a phone call to their Chief of Defense. We were comfortable making that call because met half dozen times.
- Australia/Singapore/Indonesia coordinated their activities immediately and directly through both Government and especially military to military channels.
- We established a set of principles at the outset that would guide our effort.
 - Speed and tempo were essential. If we waited for assessments to be completed, lives would be lost. We had to provide relief simultaneously with the assessment.
 - These are all proud and sovereign countries. They had to remain in charge of the relief effort within their country. Our role was to support their directed needs.
 - This had to be a unified effort. We would call his organization a Coordinated Support Force to make it inclusive and encourage participation by organizations not comfortable with a rigid command structure. Coordinate vice compel or command became the thrust of our arrangement.
 - We would leverage our previous experience with respect to combined and multi-national operations to great advantage. We had developed Standing Operating Procedures on a multi-national level and now was the time to use them.
 - Most important, we recognized that while there were things that we could do to at the outset, ultimately the sustained effort to feed and house the displaced and rebuild their nations would be provided by professional relief organizations and once again, the host nation itself.
 - That meant that the UN organizations would play a substantive role. This is something they are pretty good at.
 - We invited all to work with us. Some 18 nations showed up and the majority established liaison offices with General Blackman in Thailand, plus the NGO's.
 - The concept also took advantage of one of our key strengths. We could provide the vast majority of the relief from a sea base...once again recognizing sensitivities.

Fifth trend, the War on Terror

- War on Terror is important to nations of Asia, but U.S. must avoid being perceived as solely focused on the issue...And we aren't—but it isn't well understood.

- Certainly, there is a great deal at stake in WOT in SEA
 - We know JI is AQ-affiliated. Responsible for Bali, Marriot and Australian Embassy.
 - Much wider than Indonesia. They have a presence in Singapore, Thailand, Malaysia, Philippines, and Australia.
 - Disrupt legitimate democracies of these countries. Impact their economies. Divert resources that could be used to benefit the people.
- Some considerable success
 - 200 arrested
 - Hambali
- But we recognize clearly we can't win war on terror through attrition alone
 - Create more quickly than we can kill or capture
- So we need to take a two-pronged approach:
 - Near term: we have to stop the violence—take the offense.
 - Can't resolve all sources of instability in a peaceful way.
 - Effort must include defeating actual attacks, disrupting the enemy's plans, and proactive defensive measures.
 - I don't see military action as a sole or even primary instrument. Intelligence sharing and law enforcement certainly lead much of this effort.
 - Long term: Strengthen democratic institutions and build good governance.
 - Much more than poverty; includes economic, political, or social grievances combined with inadequate mechanisms for their resolution.
 - A military that operates under political leadership.
 - Education -> Opportunity.
 - Basic services.

- Difficult work. Time, investment, once again much more than military.
- When people value their institutions more than they fear the terrorists, peace will prevail, and we'll reach a tipping point in the war against terrorism.

Finally, The Rise of China

- When you tour East Asia you can't help but be impressed with some parts of China's diplomatic and economic strategies.
 - Their investment is everywhere.
 - Soccer stadiums and martial arts training in Fiji.
 - Military barracks in Tonga.
 - Gas deals in Indonesia. Energy from Australia.
 - Their diplomats are skilled and energetic.
 - Their message is –we are benign, benevolent and we ask nothing...we should postscript—“for now”.
 - Much has been said about what is called a “soft power strategy”...it appears effective, making headway.
 - Certainly, it's opportunistic—Philippines: when U.S. voiced displeasure with the pull-out in Iraq, we saw an immediate effort by China to curry favor.
 - President Arroyo's visit.
 - Invitation to AFP CHOD.
 - Note—Event before that, Chinese delegation to inauguration—most senior representative, worldwide, Chinese Foreign Minister.
 - I do believe China will be a great power at some point. Much more so than the Soviet Union, because China is progressing on all fronts—economically, militarily, and diplomatically. That is not a bad thing. But with it comes a new set of responsibilities.
 - I think that Ralph Cossa from CSIS, who is not a China basher, had it right when he said “They say you can judge people by the company they keep. The same can be said about countries.” The article went on to detail that if

China wants a proper place on the world and regional stage, it has to quit courting some of the world's most repressive regimes.

- We recognize clearly the significant military modernization that is underway. Growth reflecting this great power vision.
 - Fueled by 7-10% economic growth.
 - 250 4th generation fighters.
 - 12 modern diesel & building 2 new classes-nuclear subs (8 more diesel and 3 more nuke subs planned).
 - Sophisticated air defense (Russian).
 - Missiles: at least 500 short-range; unk med.-range; over 100 ICBM.
 - They have exceeded our expectations.
- That said I don't believe China is looking for adversarial relationship with U.S. or India—they can't afford it.
 - Lots of evidence. I believe China's withdrawal of the offer for Unocal is a relevant example.
 - Terribly concerned about the potential for internal unrest if they can't expand the "Shanghai miracle" to the other "1 B Chinese".
 - Plus, we all have a number of shared interests in the free movement of resources, terrorism, and transnational crime, of course North Korea.
- I mentioned at the outset that democracy doesn't necessarily make things easier. And, of course, that is true when you discuss the RISE OF CHINA in the United States.
- You will get a range of views:
 - From those that see economic opportunity and, in fact, increased stability with China's ascendancy as a great power.
 - To those that worry greatly about China's significant military build up and its potential implications.
- I would say that most in the Pacific military take a balanced view.
 - We look for a cooperative, constructive relationship and some political reform.
 - We recognize that China will build a military that they believe appropriate for their view of a great power status.

- I personally believe they will grow their military capability even absent a Taiwan issue.
- The question is, what will they do with it?
 - Will they threaten/coerce their neighbors—use it to further economic objectives?
 - OR
 - Will they contribute appropriately to the multi-national efforts ongoing today in the region which are a source of stability?
- We won't find an answer to that question today—although I'm sure we will have a few viewpoints to consider.

CLOSING

We've a great number of dramatic changes occurring in our region these days, and I believe—and often argued—that Asia and the Pacific are truly our global center of gravity now—more so in the future.

I could talk to the reasons why in some depth, but that's a speech for another day.

As we talk through our concerns for the future of this vital region, we should keep in mind the words of a fellow named Endicott Peabody who said, "Remember! Things in life will not always run smoothly. Sometimes we will be rising toward the heights—then all will seem to reverse itself and start downward. The great fact to remember is that the trend of civilization itself is forever upward..."

Thank you for the invitation to join you today. I look forward to your questions and insights.