

Center for Strategic and International Studies (CSIS)

President Obama's Asia Policy and Upcoming Trip to the Region

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MR : Let me just remind you to please turn off your cell phones and any other noise makers and to say that at the end, Tom has agreed to take a few questions, but please wait for the microphones. We have several in the room, and please be sure to identify yourself and to actually ask a question as succinctly as possible.

But with that, I'll introduce you to CSIS President/CEO, Dr. John Hamre.

JOHN HAMRE: Good morning everybody; welcome. We're delighted that you're here, and this is a real privilege, to have the national security adviser, Tom Donilon, with us. He hasn't – because of his pace of work, hasn't had many opportunities to do public events like this, so we're very grateful that he could do it today.

When I first went into – was going into government, a friend took me through a mental exercise. He said, let's just imagine, on your new desk, you've got three inboxes. One is urgent and important, one is urgent but not important, and one is not urgent but important. (Laughter.) And he said, which is the first one that you should look at every day?

Well, I said, urgent and important. He said no, wrong answer, because if you just go to the urgent and important inbox every day, the first thing, you'll never have time to go to the nonurgent, important box, where you can have time to prepare, you have time to shape the environment.

And that, of course, is the great dilemma for a national security adviser. I mean, when the national security adviser walks in, everyone – there's a fire in that inbox. I mean, it's burning; there's something hot going on every day. That's the nature of this job. The – really the – what distinguishes the very successful national security advisers are those that look at that third box. It's important, it's not urgent, and you have a time to shape that environment. And I think that when history is written about President Obama's first term, and I think, now, the second term, it's going to be very much the way in which he's chosen to shape the environment in Asia.

It isn't on fire, but it's very important – very important – of strategic significance, really, and there's an opportunity shape it. I think that's the proper context for understanding this expression – rebalancing or pivoting or whatever you want to call it. There's this new emerging world – very important – and we do have a chance to get it right, but we're going to have to work at it, and I think that's what Tom Donilon has been doing. Very – this has been a major focus for his time in office on behalf of the president. He's going to come today to share with us some of the thinking and what the president plans on doing with his next trip. But I think you'll see this is a continuing focus of strategic significance. So would you please join me in welcoming the national security adviser, Tom Donilon.

(Applause.)

TOM DONILON: Good morning, everyone. Thank you – thank you, John, for your introduction and your friendship and your contributions in both government and here at CSIS. It's terrific to be here – let me get this – at CSIS. For half a century your research, scholarship,

analysis have, in many ways, been the intellectual capital that have informed so many of our national security priorities, including the Obama administration.

I – for the last four years, every Friday afternoon, I’ve asked my staff to prepare me a reading binder for the weekend. And the task is to go out and try to find the most interesting things that they can find with respect to national security issues, and to, again, put them in the binder for my – for my weekend reading as an effort to try to get beyond the inbox, right, and to look for the most interesting thinking in the world with respect to the issues that face us. And almost every week, there are products from CSIS up there, and it really is a tribute to this – to this – to this organization.

And it makes a difference. The provision of intellectual capital, thinking hard about problems, taking a long view, trying to come up with creative solutions. It’s an absolutely essential function, and it really is a great service to the government and to the United States, and we much appreciate it. CSIS and we at the National Security Council have shared ideas, as I just said, and we’ve shared staff. With the – on the ideas front, that includes the topic that brings me here today, our strategy with regard to the Asia-Pacific – with respect to individuals, that obviously includes a number of people who have worked at CSIS and work in the government, including Matt Goodman, who is an essential member of our international economics diplomacy team at the White House. To Matt and all of you, especially the ambassadors – I see many here today with whom I work closely from many ASEAN nations and other nations – thank you for being here today.

And before I start, though, I—my long-time law partner and mentor is here today, Bill Coleman, and I wanted to – I wanted to say, Bill’s obviously one of the great Americans, and it’s terrific to see you here, Bill.

In less than 48 hours, President Obama will embark on his first foreign trip since his re-election. He’ll travel to Thailand, make a historic visit to Burma and conclude his trip in Cambodia for the East Asia Summit. His decision to travel to Asia so soon after his re-election speaks to the importance that he places on the region and its centrality to so many of our national security interests and priorities. What I’d like to do today is to step back and put this trip in some context – how it fits into the president’s broader approach to national security, how the president’s rebalancing towards the Asia-Pacific advances our national security interests, and talk a little about what rebalancing is and what it isn’t, frankly, with this audience today; how the trip furthers each pillar of our national security strategy. And given the decades of experience in the region represented here, I look forward to taking some questions and engaging in a discussion today about Asia.

And John, to your point, which is a very important point, from my perspective, I’d like to begin by noting that one of the great challenges in the implementation and execution of foreign policy is to prevent the daily challenges, cascading crises from crowding out the development of broader strategies in pursuit of the United States’ long-term interests. That’s why, from the outset of the administration – in its very first days, the president directed those of us on his national security team to engage in a strategic assessment – a truly global examination of our presence, our face to the world and our priorities. We asked, what about America’s footprint to

the world was, and what it ought to be. We set out to identify the key strategic interests that we needed to pursue. We looked around the world and asked a very basic question. Where is the United States overweighted in terms of its presence and resources and efforts, and where is it underweighted?

The assessment resulted in a set of key determinations. It was clear to us that there was an imbalance in the projection of focus of American power around the world. It was the president's judgment that we were overweighted in some areas and regions, such as our military commitments in the Middle East, and at the same time, we were significantly underweighted in some regions, including and specifically the Asia-Pacific region.

Guided by these – this was a – this is a – this is a core function, and indeed – John, I also want to go back to a point that you made in the introduction. This is not a determination or a policy set of efforts that we've undertaken out of 2010 and 2011. This has been a set of determinations arising from a set of assessments, a set of activities – rising from a set of assessments that we did at the end of 2008 and into 2009 at the beginning of the administration.

Guided by these determinations, we set out to rebalance our posture in the world. And as you saw, first and foremost, it was a pre-eminent focus on recovering from the Great Recession and restoring economic strength, which is the bedrock of American power. We set out to revitalize our key alliances, our deep network of treaty allies from the Atlantic to the Pacific, which are a unique American asset. You know, I – in looking at this this morning, I also reach for Dr. Brzezinski's book – I know he's traveling, couldn't be here today – he's very – his latest book, "Strategic Vision," and he has a chart in there, and it's a balance sheet of American assets and liabilities. And as I looked at it this morning, I would – I have a suggestion to Dr. Brzezinski. I don't make those, obviously, without thinking about them – (laughter) – you know. I first met Dr. Brzezinski when I first came to the White House in June of 1977 as a 22-year-old assistant to President Carter. So he's always been a – been a kind of pre-eminent presence for me.

But in this chart, I think it has a couple of deficiencies. And one deficiency is on the asset side, we really do need to put alliances. Alliances are a unique American asset. As you look around the world and you think about our competitors and possible competitors around the world, you come to the conclusion that no other nation in the world has the set of global alliances that the United States has. And this, of course, has been the work of half a century – bipartisan work of United States leaders to provide us with that tool that we have, those relationships that we have, that asset that we have around the world to pursue our interests and the interests of our allies, and it really is unique.

The other thing I would – I would add is the – is America's energy future, which is a whole nother presentation. I won't – I won't keep us here till 3:00 this afternoon; I have to get back to – have to get back to work. I'm sure you do too. So we set out to revitalize key alliances as part of this overall assessment that we did, and we decided to engage more deeply in international and regional organizations to advance our interests. As a result of these determinations, the president ended the war in Iraq, refocused and re-energized our counter-terrorism efforts and has charted a path for transition in Afghanistan. In doing so – and this is an

important strategic concept as well – in doing so, the president has dramatically improved America’s strategic freedom of maneuver so that our posture aligns with our interests in a changing world and a dynamic – and a dynamic region. By renewing our leadership, this also meant rebalancing our foreign policy to ensure our focus matched our priorities and our resources matched our priorities. And it meant a laser-like focus on enduring interests, whose significance can’t be measured by the headline of the day.

As part of this and geographic aspect of this, the president made a critical decision as part of this outlook again at the very outset of the administration to increase our focus on the Asia-Pacific in terms of resources, diplomatic effort, engagement both with nations and with regional institutions, and in terms of policy. As many of you know, Secretary Clinton became the first secretary of state to make her inaugural trip, since Dean Rusk in 1961, to Asia. The first foreign leader the president met with in the Oval Office was from Asia, the prime minister of Japan. And these were early and important and powerful signals of the priority that this region would have in the president’s overall strategy.

Our approach is grounded in a simple proposition: The United States is a Pacific power whose interests are inextricably linked to – note to speechwriters, let’s not use that word again, right – (laughter) – inextricably linked with Asia’s economic security and political order. America’s success in the 20th (sic) century is tied to the success of Asia.

Let me review some of the facts and analysis. Economically, it’s impossible to overstate Asia’s importance to the global economy and to our own. Asia accounts for about a quarter of global GDP at market exchange rates, and is expected to grow by nearly 30 percent in 2015. The region is estimated to account for nearly 50 percent of all global growth outside the United States through 2017. The region accounts for 25 percent of U.S. goods and services exports and 30 percent of our goods and services imports. An estimated 2.4 million Americans now have jobs supported by exports to Asia, and this number is growing. In short, robust U.S. trade and investment in Asia will continue to be critical for our economic recovery and for our long-term economic strength.

In terms of security: It is widely recognized that regional security – which is the foundation for the region’s phenomenal economic growth and development in recent decades – requires a stabilizing American presence. This is an absolute essential concept, and is a discussion that we have constantly with our – with our friends and partners and allies in Asia, is that the United States function at providing the security platform has been absolutely essential for the social development and economic development of Asia, and will continue to be going forward. Indeed, think about what that history would have been absent that, I think is an important thought exercise to engage in.

The U.S. has security obligations to our allies and partners in the region, which is home to several of the world’s biggest militaries and flash points, such as the Korean peninsula. Events like the Fukushima nuclear incident and the Indonesian tsunami made clear that the United States remains uniquely capable – and I see friends here with when we worked on these projects – uniquely capable of delivering nontraditional security like humanitarian assistance and

disaster relief as well, and we want to build that out and we want to build our partnerships in that area going forward.

Our renewed commitment to Asia – and this is an important point – also flows from the demand for U.S. leadership from nations across the region. There are a lot of reasons for this, and this could take a long discussion as well. But the fact is today is that there is tremendous demand and expectation of U.S. leadership in the region. Indeed, the demand signals, I think, at this point today are unprecedented.

In addition to the traditional security challenges, new demands for humanitarian assistance and disaster relief, there's a demand for economic, American economic engagement and trade integration, as well as strengthening of regional institutions, codes of conduct, rule of law to solve disputes, and the protection of individual human rights.

Guided by these interests, the president has been clear about the future that we seek. He laid out our vision at his speech at Canberra last year, in Australia, which is – which is – I really would recommend to you; it's really a fundamental statement about the United States' view towards Asia, its vision of Asia, and it's also a fundamental statement on the importance of freedom, and I really do recommend the Canberra speech to you. As I said, he laid out our vision in Canberra last year. In short, our overarching objective is to sustain a stable security environment and regional order rooted in economic openness, peaceful resolution to disputes, democratic governance and political freedom.

This objective stems from our long-range vision. We aspire to see a region where the rise of new powers occurs peacefully, with the freedom to access the sea, air, space and cyberspace, empowers vibrant commerce, where multinational forums help promote shared values, and where citizens increasingly have the ability to influence their governments, and universal rights are upheld – universal human rights are upheld. That's the future we seek in partnership with our allies and friends.

How are we pursuing these objectives? One of the elements of our approach, one of the core elements of this so-called rebalancing strategy that the United States has undertaken – I know the security – I wanted to make this point today – I know the security elements of our strategy often attract the most attention, but I also want to be very clear about where we – what this rebalancing effort is. It's not simply about shifting military resources, although that's important. And we are indeed ensuring that our resources follow priorities. The rebalancing posture towards Asia harnesses every element of our national power. It is a long-term effort to better position ourselves for opportunities and the challenges we're most likely to face this century, and our effort continues along several distinct lines of effort. And let me take a few minutes here to talk about five distinct lines of effort, which is the way I think about this when we work on the strategy. We have an overall set of objectives, and we try to identify a set that – work, our work strains, our lines of efforts as we try to achieve our strategy.

First: alliances. We have strengthened and modernized our security alliances across the region. This was – I said it earlier in the – in the talk, absolutely a critical priority for the United States coming forward. And I think at this point, we upgraded our alliances and I think they are

in the strongest shape as they've been maybe ever, in the – in the Pacific. We've succeeded in upgrading these alliances beginning with Japan, including improved interoperability and coordination on roles, missions and capabilities. With the Republic of Korea, we implemented a joint vision for enhanced security cooperation, we're implementing the U.S.- South Korea free trade agreement, and we supported the emergence of a global career that contributes to global security – including, by the way, as a partner in Afghanistan and anti-piracy efforts off Somalia. It really is a global effort we've undertaken. And I think the relationship with South Korea – as with Japan – has really advanced to an unprecedented level in terms of, in terms of our relationship.

During our visit to Australia last year, the president and Prime Minister Gillard announced the landmark rotational deployment of U.S. Marines and a range of initiatives to address regional challenges through our joint training and exercises. And just this week, Secretary Panetta and Secretary Clinton are in Australia to work on their alliance and regional issues.

The bottom line on alliances is, as I said, I think they're as strong, or stronger, than they've ever been. This reflects the breadth and the depth of the partnerships I've described, and it reflects the strength of President Obama's personal relationships with his counterparts across the region and the high standing in which the United States is now held. And it's reflected, as I said, in the demand for – in the region for sustained U.S. leadership.

Second line of effort: emerging nations. In addition to strengthening our alliances, we continue to pursue the second line of effort, forging – forging deeper partnership with emerging powers. We set about at the outset here asking ourselves, what are the alliances, the partnerships, what are the structures of nations that we can see ourselves needing to work with to achieve our goals in the coming years? Trying to think 10 and 20 years out, what do these partnerships look like? And we need to start building those out right now.

So as such, we've deepened our ties with India. Indian Prime – Indian Prime Minister Singh's visit to Washington in 2009 was the first official state visit of the Obama administration, building on President Obama's trip to India – a really historic trip to India in 2010, and our U.S.- India strategic dialogue. We see India as a strategic partner for the 21st century, and as such, we welcome India's efforts to look east and play a larger role in Asia, including in the Indian Ocean.

At the same time, we've worked hard to help realize Indonesia's potential as a global partner, and I think this has really given the personal relationship – I see the ambassador here today – between the prime minister and the president has really been a terrific partnership. That effort was advanced by the president's visit to Jakarta in 2010 and the formal launch of our comprehensive partnership.

As a third line of effort: We have engaged more deeply in institutions, global and regional, in order to promote regional cooperation, the peaceful resolution of disputes and adherence to human rights and international law. At a global level, for example, the president strongly supported making the G-20 a premier forum for international economic cooperation.

This of course brought more Asia-Pacific nations into the – into the – into global economic decision making, including China, South Korea, India, Australia and Indonesia. Within the region we've engaged more deeply in ASEAN, and President Obama became the first U.S. president to join the East Asia Summit, as he did last year in Bali, and will participate again this coming week in Cambodia.

This reflects an often overlooked – I want to stress this as well – but critically important aspect of our strategy. We're not only rebalancing towards Asia, we're also rebalancing our efforts within Asia. We had been heavily invested – as everyone in this world knows – in Northeast Asia for lots of historical and other reasons, but we have really focused here in a renewed way on Southeast Asia and ASEAN. As Ernie Bower of CSIS – well, I guess he's traveling today, not here; that's what folks told me – quote, "President Obama's carving out new patterns for U.S. engagement in Asia," and that includes an Asia policy with ASEAN at its core. Very important concept, though. I think this is kind of rebalancing within Asia in terms of our military assets, security efforts, diplomacy and engagement generally, and engagement with these institutions. This support of these architectures is absolutely critical going forward.

ASEAN. As I said here, our Asia policy, again, within Asia, moving towards Southeast Asia as an additional emphasis. And think about it. The 10 ASEAN countries stretching across the Indian and Pacific Ocean have a population of over 600 million people, and combined, are the third-largest economy in Asia. ASEAN sits astride some of the world's most important trading routes and sea lines of communications, including the Straits of Malacca. And since its founding, ASEAN has grown from a modest forum for regional cooperation to an institutionalized organization responsible for a broad range of practical cooperation and a driver for broader regional, economic, political and security integration.

At its best, as we have witnessed, ASEAN plays an essential role in crafting regional responses to shared challenges and building an effective rules-based order. The United States strongly supports these efforts because we believe an integrated, effective ASEAN is inherently in our interest and in the region's interest. That's why last year President Obama appointed David Carden as America's first resident ambassador to ASEAN, and why next week's meetings to Cambodia – I want to make sure I get the number right here, yes – will mark President Obama's fourth meeting at the leader level with ASEAN. Our goal is to support and strengthen ASEAN as an institution so that it can more effectively promote regional stability, political and economic progress.

The president's meeting with the ASEAN – with ASEAN leaders reflects our commitment to deepening relations with these countries, including in the areas of trade, investment in energy. It also reflects the president's support for making the East Asia Summit an effective leaders' level forum for dealing with strategic and security issues. After all, APEC provides an opportunity for leaders from across the region to work on economic and trade matters. And ministers meet at the ASEAN regional forum and the Shangri-La Dialogue, but there's frankly no venue other than EAS for the region's leaders to consult on political issues, and one is needed. And the East Asia Summit can be that forum.

This is an interesting – an interesting story, in terms of our decision to participate in the East Asia Summit. We took a look at it. It requires a yearly commitment of quite a bit of the president's time, frankly, to travel to Asia for this. And as you can imagine, when you're talking

about the president's time, which is the most precious resource in the White House, there's going to be a debate about whether or not this is worth the candle. Is it worth that amount of time? It turns out being most of a week to attend.

And we reached this decision in this way. You are either all in or you're not, with respect to this strategy. And the president, as he said in Canberra, is the United States is all in. You can either look at these institutions and wait for them to perfect themselves, or you can participate on the ground and help these institutions to perfect – to perfect themselves and achieve the kinds of goals that I think the leaders in Asia have (and that we have them?). And that was the root of the decision that the president made to participate at the leaders' level each year at the East Asia Summit, was a determination to go in, roll up our sleeves and participate on the ground level, to build up this institution in a way that it really can be a – the premier forum in the region for dealing with security and political issues. And I think we're on the road to doing that, frankly, and we made very good start last year in Bali, I think, and the president really thought this was a very effective session in Bali last year.

Fourth element. Fourth element of our strategy involves pursuing a stable and constructive relationship with China. There are few diplomatic and economic challenges that can be addressed in the world without having China at the table, from North Korea to Iran to Syria to global economic rebalancing and climate change. This also is rooted in a strategic – a strategic principle that we have pursued since the outset of the administration, and that is pursuing productive and constructive relationships with great powers as a platform from which we can address global issues. And our observation was that having productive and constructive relationships with great powers allows you the kind of freedom of maneuver to deal with these issues. And if you don't, you have – you have a much more difficult time dealing with – dealing with them.

The U.S.-China relationship, of course, have – has elements of both cooperation and competition. Our consistent policy has been to seek to balance these elements in a way that increases the quality and quantity of our cooperation with China, as well as our ability to compete. At the same time, we seek to manage disagreements and competition in a healthy, not disruptive, manner. And doing so means encouraging Beijing to define its national interest more in terms of common global concerns and to take responsibility for helping the international community address global problems. Through our high-level consultations with Beijing, such as the Strategic and Economic Dialogue, our approach to China has yielded important results that advance the U.S. national interest.

Now, we've been clear that as China takes a seat at a growing number of international tables, it needs to assume responsibilities commensurate with its growing global economic impact and its national capabilities. One of our policy goals, therefore, is to work with China to strengthen institutions from G-20 to APEC to EAS and enhance the ability of these institutions to address regional and global challenges. Getting the U.S.-China relationship right is a long-term effort. We will continue to make this a priority in President Obama's second term and as China's new leadership takes the reins. And we saw initial steps to that this morning in Beijing.

This has been an intense focus of the administration. The president and Hu Jintao have had 13 face-to-face meetings since President Obama came into office in January of 2009. We

have built out a(n) intensive and extensive set of mechanisms and channels of communication to work on this relationship. And I think it has resulted in a – in a positive and constructive relationship – not to say that there aren't going to be issues, but I think we've put in place, as I said, the superstructure for the way to manage these issues going forward. I've spent an enormous amount of time with the Chinese leadership, as you know. And I think we, again, have put in place the mechanisms to have a productive and constructive relationship and look forward to working with the new – the new leadership team in Beijing.

Fifth – and it'll be the last element of the strategy; I'm not going to do all 12 elements, John – (inaudible). (Scattered laughter.) The fifth element of our strategy involves advancing the region's economic architecture. As the president stated, we seek economies that are open and transparent and trade that is free and fair. And we seek an open international economic system where the rules are clear and every nation plays by them. Towards this end, and building on APEC's leadership in lowering tariffs on environmental goods, we continue to work with our APEC partners towards a seamless – a seamless regional economy.

Moreover, we're determined to move ahead with the high-standard Trans-Pacific Partnership, the TPP. The TPP is widely viewed as the most significant negotiation currently under way in the international trading system. Beyond its original seven members, the TPP now has expanded to include Vietnam, Malaysia, Mexico and Canada. Japan and other nations have expressed interest as joining as well.

The TPP will deepen regional economic integration not only by lowering tariffs but by addressing 21st-century trade and investment issues. This includes good regulatory practices, ensuring that state-owned enterprises compete on a level playing field, market-based trading in digital goods and innovation, and addressing the challenges placed – faced by small businesses. And I know the president looks forward to working with his fellow TPP leaders to bring these negotiations to a successful conclusion. He'll be meeting with a number of the TPP leaders in Cambodia next week.

All of this is against the backdrop of the president's upcoming trip. Again, I think it's telling that Asia will be the first trip the president makes since his re-election. It sends a powerful signal that, as it was in his first term, the Asia-Pacific will continue to be a strategic priority for – in President Obama's second term. In this sense, the trip really is a microcosm of the key elements of our approach to the region.

The president will begin by visiting Thailand, our oldest friend in the region, with our diplomatic ties dating back to 1833. Building on Secretary Panetta's visit there today – and I think that's the first meeting between defense ministers since 2008 – the president will meet with Prime Minister Yingluck to reinforce our overall bilateral relationship, support the continued peaceful restoration of democratic order after a turbulent period and deepen our cooperation on security, counterproliferation and the development in the environment.

Next the president will make a historic visit to Burma, a country whose leaders, after decades of repression, have chosen to embark on the path of reform and democratization. The president's visit at this time reflects his conviction that engagement is the best way to encourage

Burmese authorities to further action. There's a lot more to be done, and the – we are not going to miss this moment in terms of our opportunity to push this along and to try to lock in as much reform and lock in this path forward as best we can.

In becoming the first U.S. president to visit Burma, the president is endorsing and supporting the reforms under way, giving momentum to reformers and promoting continued progress. When the president hosted Aung San Suu Kyi in the Oval Office, he told her that the goal of the United States is to engage the government of Burma in a way that encourages collaboration with domestic stakeholders and the international community and incentivizes continued reform. As such, the president's meetings in Burma with government – with government opposition, including Aung San Suu Kyi, and civil society will demonstrate that the U.S. can be counted on as a partner when the – when a government makes the right choices.

The president's meetings, as well as his speech to the people of Burma, will also be an opportunity to reaffirm the progress that still must be made. This includes the unconditional release of remaining political prisoners, an end to ethnic conflicts, steps to establish the rule of law, ending the use of child soldiers and expanding access for humanitarian assistance providers and human rights observers in the conflict areas. The president will also lay out specific measures to support the democratic transformation, assist Burma's development and for helping Burma tackle some of the difficult challenges that it faces.

For example, we're looking at a framework for U.S. assistance that will focus our programs on priority areas such as building democratic institutions, establishing the rule of law and promoting human rights and ensuring all stakeholders are included in the reform process. We're also working with the Burmese government on building national action plans on countering corruption and fostering national reconciliation among ethnic minorities.

One of the key messages that the president will bring is that the remarkable decision to reform made by Burma may be – and success will depend on the engagement and empowerment of the people of Burma. The United States has long been a supporter of Burma's civil society, as many people I see in this room know, and grass-root activists. And we want to make sure that they continue to be empowered and are taking part in the country's transformation.

Another key challenge is the plight of the ethnic Rohingya minority. We're deeply concerned about the situation in Rakhine state, where the Rohingya have endured discrimination and violence that has spiked in recent months. We've condemned the violence, called for calm and a meaningful dialogue to address the legitimate – (inaudible) – at the core of the issues and problems here.

The government has taken some constructive steps, including playing a helpful role in restoring calm, allowing humanitarian access to the – many of the affected areas and making a clear pledge to bring instigators of the violence to justice. And they need to follow through on each of these. Our ambassador, Derek Mitchell, has been working very closely with the government on how to proceed and ensure the safety and welfare of the people of Rakhine state. And I expect the president will address this directly with the leadership of Burma as well when he's there.

Following Burma, at the East Asia Summit in Cambodia, the president will address a broad set of issues of concern to the Asia-Pacific region, from maritime security to law enforcement to disaster response to humanitarian assistance, development, infectious diseases, education, food security and energy. Invariably, the leaders will also address problems caused by competing sovereignty claims in the South China Sea. The president, as he did last year in Bali, will reinforce key principles: the need for peaceful resolution of disputes, unimpeded lawful commerce, freedom of navigation and rejection of the threat or use of force or economic coercion to settle disagreements.

In particular, we support ASEAN's efforts to develop a robust code of conduct. And many of the countries represented here have been working very hard on this – the code of conduct that will provide a rules-based framework for resolving and preventing disputes. While we have been clear that the United States does not take sides in dispute-of-sovereignty claims in neither the South China Sea or the East China Sea, the president's message will reinforce that we have – we do have a very strong interest in seeing that these disputes are managed in a manner that supports regional peace, stability and prosperity. This region, and the commerce that flows through it, is too important to the global economy and to the United States not to make progress on these principles.

In this sense, the president's trip marks the beginning of the next phase of our rebalancing effort, as I said, both toward the Asia-Pacific and within the Asia-Pacific. And here's where I want to conclude today. I know there have been some observers in the region and the United States, perhaps some in this room – as I look around, definitely some in this room – as I look around, definitely some in this room – who have asked whether our efforts in Asia are sustainable over the long term. And I'm here today, and the president will reaffirm on his trip, to say that when the president says the United States will play a larger and long-term role in the region, we intend to execute on that commitment.

Now, how to go about this of course starts at home because the president – as the president observed, at no time in human history has a nation diminished economic vitality and maintained its military and political primacy. The president therefore remains focused on sustaining our economic recovery and working with Congress to make the difficult, necessary decisions to put our fiscal house in order.

But it also includes a number of very specific things that we are undertaking in our – in our budget, in our diplomatic efforts, in our military assets management. After a decade of war, for example, there'll be reductions in the U.S. defense budget. But guided by our new defense strategy, our defense spending programs will continue to support our key priorities, including our presence and missions in Asia.

At Canberra last year, the president pledged that reduction in U.S. defense spending will not come at the expense of the Asia-Pacific. He has kept that commitment and we will continue to do so. You know – and this'll be the last aside I'll do on this – but when we were – when we were reviewing the defense strategy for our current budget, and we were – we had to do this

because we had reductions under the Budget Control Act that had to take place in the defense budget.

We needed a set of reductions over the next 10 years. The Pentagon came forward, as you would imagine, and said, well, that's going to require an X percent reduction across the board on each of the things we're working on. You certainly, John, know as much about this as anybody. And the president said that wasn't the way we were – we were going to go about this.

We were going to go about this by asking ourselves, what are the key strategic challenges we have? And we need to set about being able to do those well. And so he – we had a number of discussions that the president led with the Pentagon in a very good process that came back with among the top priorities, the rebalancing to Asia, and ensuring that the defense budget and the allocation of our assets supported that strategy. And that's what we're doing.

In the coming months, we're going to continue to allocate our resources to maintain a strong, flexible and broadly distributed regional presence. This includes weighing our Naval posture towards the Asia-Pacific region, adding both additional pressure, presence and capability.

In the coming years, we'll continue to build up Guam as a strategic hub in the western Pacific; establish fully-capable marine-air-ground taskforces in Japan, Guam, Australia and Hawaii; rotate up to four littoral combat ships out of Singapore to improve our ability to counter a range of transnational threats in the region; and invest in the capabilities appropriate for deterring and defeating aggression and reassuring allies and partners.

And there's a – there's a full discussion of this – and I – again I draw your attention to it – Ash Carter's speech in the last month or so at the Asia Society really is a full laydown of this. And again, for those of you who are interested in this, I really would recommend that speech to you.

By 2020, we will position, as Secretary Panetta said, 60 percent of our Naval fleet in the Pacific and throughout Southeast Asia and Oceania we'll continue to develop maritime security and law enforcement partnerships and a presence that supports unimpeded commerce and freedom of navigation.

As I've outlined today though, our rebalancing is defined by far more than our defense posture. It will continue to be defined by deeper economic and political engagement that includes standing up for freedom and dignity of the people of the region. It means continuing to support democratic transitions, as we've done in the Philippines and Indonesia and are now doing in Burma. It means speaking candidly in public and private about the need to uphold universal human rights.

We're under no illusions. This is a long-term project. And as such, it will continue to demand and receive our focused attention and persistence. And as the president will make clear once again over the coming days, the region will continue to be a foreign policy strategic priority for the Obama administration in the years to come.

Thank you for patience and for allowing me to give you this laydown and preview of the trip. And I'd be happy to take a few of your questions. Thank you, everybody. (Applause.)

MR. GOODMAN: OK. So as I said, we'll take a few questions. There are microphones. And again, identify yourself and ask a question. But Dr. Hamre, would you – is there anything you'd like to start with?

MR. HAMRE: Yeah, I pay Matt Goodman, so I get the – (laughter) – he said he was going to give me the first question. And thank you very much, National Security Adviser. This is really very interesting. I had about four or five questions, and your speech answered most of them, so I – but I do want to go back to this – kind of – it's your fourth bullet, you know, which is really quite key.

You're talking about a framework that engages in a constructive way, China. And obviously, that becomes the central question. Our natural impulse right now is to see dark motives behind each other's actions. Domestically, we're pressured to look at it that way. And yet to have a constructive relationship, we have to design one that doesn't look to our friends and allies in Southeast Asia that we're cutting a deal behind their back, you know, to a new framework.

How – what do you think – I realize this is delicate – but what do you are going to be the elements of a constructive framework that would reassure China that we recognize their role as a superpower in the region but doesn't look like that we are ceding ground that would worry our allies and –

MR. DONILON: Let me say three or four – thank you, Matt. Let me say three or four things in response to that. The first is that – as I – as I outlined – this does require us to have an intensive engagement with China, and I think we do have in place the mechanisms and the channels to do that. And we have an extensive – kind of – kind of habits of cooperation and communication with respect to – with respect to the Chinese.

Second, I do think it requires the United States to do as we've outlined here, which is to maintain and enhance the historical and future U.S. presence in the region and to fulfill the commitments that we've made. Our friends and allies and partners in the region look to us to meet our commitments, look to us to meet our obligations and look to us to maintain the presence that has provided the platform for the social and economic development of Asia.

Next, we have multiple roles that we play in Asia, though. And as I said – I think, as I said, our friends and allies and partners in the regions expect us to meet our obligations, expect us to provide the resources and attention to meet our obligations, expect us to follow through on the president's strategic priorities here.

At the same time, though, our friends and partners in the region expect us to maintain a productive and constructive relationship with China, and as those dual roles, those dual expectations are obligations and functions that we take on as a resident power in Asia. And I

think those are the elements of how we've – how we've gone about this, very conscious of both roles. You know, in the former role – and they're interrelated, obviously – the former role of meeting our obligations and our commitments to our allies – of having a presence, as I said – has provided the security platform. The Chinese recognize that as well. And indeed, most of the statements that the Chinese have put out after our encounters with them, after our – after our summit meetings, reinforce that, recognizing the important role the United States plays in the region in terms of providing that platform.

So I think it's – you need to be very conscious of it. You need to be very conscious of the – of the multiple roles that you're playing and their interrelationship.

Q: Did any of the ambassadors – no, sir. You.

MR. : We have a microphone coming right now.

Q: OK.

MR. DONILON: Morning.

Q: Morning. Thank you, sir. Does it work?

MR. DONILON: Yeah.

Q: Thank you, sir, for doing this. And thank you for the – to the CSIS for holding this. My name is Andrei Sitov; I am with the Russian news agency ITAR-TASS. Russia is also a European and a Pacific power. Basically my question to you is whether you view it in the region as more of a partner or more of a competitor? And also, being a journalist, I can't refrain from asking, does the president intend to earn his Nobel Peace Prize in his second term? And if so, in what way? Thank you.

MR. DONILON: Here we go, yeah. The question was about Russia's role in the – in the – in the Asia-Pacific. Russia was this year's host of APEC. Russia will participate at the East Asia Summit and is an – and is a – and is an important player in the Asia-Pacific region, both economically and diplomatically, and will continue to be so.

MR. : This gentleman over here, next to Chris (sp).

Q: Thank you very much. I'm Josh Rogin with Foreign Policy Magazine.

MR. DONILON: Hi, Josh.

Q: Regarding the president's trip to Burma, as you know, human rights leaders, leaders of the Burmese exile community, even Aung Sang Suu Kyi, expressed concerns that this visit was too fast, too much, too generous. Their main concern here is that the administration is not leveraging the opportunity of the first presidential visit, which can only be given once, to press for actual new reforms. My question is: Has the administration been able to leverage this visit

for any actual, tangible reform measures? Will the president announce any new specific deliverables on his trip? And, as a quick, unrelated follow-up, would you like to be secretary of state? Thank you. (Laughter.)

MR. DONILON: Yeah, right. Thank you for those questions, Josh. (Laughter.) With respect to Burma, there's been remarkable progress in Burma since the – since we saw – I think the president called them “flickers of progress” in the summer of 2011. And you've seen the release of prisoners, you've seen easing of media restrictions, you've seen the inviting into the political process of Aung San Suu Kyi and her party.

We have consulted with stakeholders in Burma, we've consulted with the opposition leaders there. And there have been, I think, in our action-for-action approach here, it has been very successful. And I think that, as I said in the talk, that our view is that engagement, encouraging these processes, trying to lock these in is the purpose of the visit.

And indeed, as only a presidential visit can do, this will be a historic visit, Josh, to Burma. It will be the president speaking to the people of Burma in a clear and full way about the way forward, about the support the United States has for the reform movement, about where Burma can go if it stays on the path to reform. And that can't help but support and enhance the movement towards reform.

As I said, we're not naïve about this. We absolutely are aware of the dangers of backsliding, and if that – and if that takes case, we'll respond accordingly. But this really is a moment that we didn't want to miss. There have been substantial changes; we've responded in substantial ways.

We – with respect to the sanctions we still have on Burma, they're targeted – targeted against those who would resist reform and democratization in Burma. Lots more work to do, but we think this a moment where the president really can attempt to lock in the progress that's been made and really give a tremendous boost, when you think about this, right, to the reform movement and the democratization movement in Burma.

It also is important, frankly – I talked about – you know, Aung San Suu Kyi and the opposition leaders. It's almost important for the government of Burma, right, who have taken these steps, to see the president responding positively and reinforcing those. So, no, I think we've done this in a measured way. I think it has been an action-for-action approach. It's resulted in a significant change – really a remarkable change in Burma. And we wanted to take this opportunity with a historic visit to try to lock in as much of that – lock in the path forward.

And again, a presidential visit can do that in a way that no other event can do. Thank you.

MR. GOODMAN: OK, yeah. You forgot the – you forgot – (laughter).

MR. DONILON: Yeah. That's right, yeah.

MR. GOODMAN: Ambassador Dino, yeah.

MR. DONILON: Good to see you.

Q: Good to see you. My name is Dino Djalal; I am ambassador of Indonesia. Very much interested in how you described your evolving relationship with India and China. I noticed you described India as a strategic partner and a different term for China. My question is, what do you see as the qualitative – I underline the term qualitative – difference between India and China so that you describe India as a strategic partnership, but China as something else.

And there's more of an element of competition when you described your relationship with China and there's nothing like that when you describe your relationship with India. Is it too much for us in Southeast Asia, for example, to expect that one day there will be a strategic partnership between U.S. and China?

MR. DONILON: Thanks. The relationship with India is obviously rooted in history and it's – and it's rooted in a shared system of democracy. And it is – it is a – it's a unique relationship that we're building out. It has a – it has different aspects to it. The relationship with China is more complex.

We are trying to do something here which Secretary Clinton said in her U.S. Institute for Peace speech, and that the Chinese leadership including Xi Jinping has said as well, which is that we're trying to build a relationship – and a complicated relationship, multidimensional relationship that's profoundly important to both nations and to the world, between two systems that are very different.

And working that through is one of the great challenges that we have. We're trying to build a relationship – a stable, productive, constructive relationship between the United States and China where there are elements of competition. We're trying to build a relationship between China and the – and the United States against a backdrop of theoreticians who say that this is not – that this is not possible to do; that history would point you to the inevitability of conflict between a rising power and a status quo power. We don't believe that. We don't believe that international relations is some subset of physics. There is human agency and leadership involved here, and that's what we're trying to – that's what we're trying to do, to build this out in the most constructive and positive, productive relationship that we can.

But there are challenges, obviously. And one of the key things is to be very direct about confronting those conceptual and practical challenges, and we have spent an enormous amount of time with the Chinese leadership talking about those very things, talking about the challenges of the kind of relationship that we're trying to build, which is a – which is a unique setting, if you will, between the United States and China. But we're committed to doing that. I think the Chinese leadership is committed to doing that as well.

With respect to India, we have given a full embrace of India's rise. The president went to India on a three-day trip, as you know, and stood beneath the picture of Mahatma Gandhi, and called for India's membership in a reformed Security Council. It's a full embrace of India's rise

as a – as a partner. And again, as two of the most important democracies in the world, it's a – it's an important strategic thrust for us as well.

MR. : Take one more, is that all right?

David Sanger over there on the right.

Q: Thank you, Mr. Donilon. It's been a fascinating talk. A few years ago a presidential visit to Burma like this would have been unimaginable, given the relationship with the regime. You haven't said much in the speech about the other country with whom this would be hard to imagine, which is North Korea.

So I'm wondering if you could tell us, first, what you think the lessons are in the way the relationship with Burma developed that the North Korean leadership might absorb; and secondly, since there's been less discussion of engagement with North Korea than there has been with, say, Iran and so forth, what kind of specific steps you would need to see from North Korea, especially given recent evidence that their shipments to Syria and elsewhere have continued.

MR. DONILON: Thank you, David. They – I mean, with respect to North Korea, they would have to demonstrate a seriousness of purpose with respect to meeting their stated goal of denuclearization; and we haven't seen that. We have engaged with the North Koreans, as you know, on a regular basis, in an effort to see that kind of – those kinds of steps from them. And we haven't seen those kind of steps with them – from them to date. That's the first point. We've also, by the way, laid out fairly clearly what they need to do in terms of that kind of demonstration of seriousness with respect to denuclearization. And again, we haven't seen that from them at this – at this point.

With respect, though – it's an interesting question, though, that you ask about Burma and the United States and President Obama's embrace of their reform effort and support for it. And what comes from that, of course, is – in no other way that you can imagine – is a(n) entry by Burma into the international community and to the opportunities that entry into the international community provides economically, obviously. And that's a very important focus, I think, of the Burmese leadership right now, is the economic prospects and promises of their coming into the international community as supported by the United States.

That is a path that if the North Koreans would address the nuclear issue, would be – would be available to them. And we've said that from the outset. And I think it is an important – it's an important example for them to contemplate. It's a regime that has – obviously continues to be isolated, a regime – the complete outlier, a regime that is failing economically, failing its people economically, that there is another path. And I think that example is an important – is an important one, the example of a country totally isolated for many years, obviously, under extreme sanctions from the United States, making a determination and a decision to go a different way. And what the positive aspects of that are for their people and their country are manifest, and will be obviously very clearly underscored by the president's visit. And I think it is – it is – it is an important example for the – for the leadership of North Korea to contemplate.

We don't see any – we don't see any signs, as you know, that the – that that's the direction in which they're – that they – that they determine to go at this point. And with respect

to North Korea, we also, as you know, have worked very closely with our South Korean ally, shoulder-to-shoulder, on addressing the North Korean issue, standing shoulder-to-shoulder against any provocation and underscoring our complete commitment to South Korea's defense. So it's a – it's an interesting question. Does that – I hope that's responsive.

MR. HAMRE: Before I let you thank the national security adviser with your applause, could I ask you please to stay in your seats so that he can escape, because he's –we've kept him over the time he's supposed to – please thank the national security adviser for this wonderful – (applause).

(END)