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REMARKS BY VICE PRESIDENT JOE BIDEN
ON ASIA-PACIFIC POLICY

George Washington University
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THE VICE PRESIDENT: Good afternoon, folks. Thank you for your patience.

I'd like to begin by thanking -- Mr. President, thank you for offering the venue here at GW. You're always generous, and we appreciate it a great deal. And I was -- it's terrible being dated. I was -- I did speak the first year that the Center for American Progress was inaugurated, and here I'm speaking at the 10th anniversary. And the amazing thing is they're still going; that's having me speak there first.

But, Neera, thank you. We miss you. And, Rich, thank you as well. And to the ambassadors who are here, thank you very much. I'm honored that you'd take the time.

Today I want to talk to you about why and how we are pursuing our announced policy of elevated engagement in the Asia-Pacific, and where I believe -- we believe -- that policy is headed.

When President Obama and I came to office, to state the obvious, we inherited two wars. And it was costing us in blood and treasure and time. And we knew we had to end both those wars responsibly. We've done that in Iraq, and we're doing that as I speak in Afghanistan. We'll obviously continue to be engaged in both places. And of course we'll continue to take the fight to Al Qaeda and its affiliates there or wherever they are. But winding down those wars has allowed us to turn to the opportunities that reflect the realities of a fast-changing world.

We ask ourselves two things in the review of how to proceed: Where should we focus additional attention and resources that would enable us to create greater opportunity at home and generate greater growth -- economic growth -- around

the world? And where must we make strategic investments that are required to enhance not only our security but global stability?

Both -- I say to the ambassadors -- both pointed to the Asia-Pacific.

In terms of economics, the Asia-Pacific region -- stretching from India to the Pacific nations of the Americas -- is home to a middle class of about a billion people. Some of the fastest growing growth rates in the world are within that region. Emerging markets whose choices will shape the character of the entire global economy are within that purview.

So we reached out. We reached out to deepen economic ties and promote open markets and a rule-based competition for the 21st century.

We finished a free-trade agreement with South Korea, as well as deals with Panama and Colombia. We launched negotiations on a new Trans-Pacific Partnership that will connect diverse -- economies as diverse as Singapore and Peru. We've worked toward a more constructive economic relationship with China, including through the Strategic and Economic Dialogue. And I opened the fifth round of that dialogue just last week.

In terms of security, we undertook a major strategic review at the Defense Department and with our security personnel on how to assess how our global posture and where do we need to evolve to match the moment.

In the Asia-Pacific, we saw a region of remarkable promise, but also genuine uncertainty and political risk. Many nations have experienced rapid economic transformation that has fundamentally created a new dynamic: rising ambitions and rising tensions. But the rules and norms that could provide predictability to deal with both those changes, the order needed remained incomplete.

We are focused on the risks of disruptions of commerce, proliferation, human disasters, conflict between nations and the persistent threat posed by North Korea.

So we set about doing several things: first of all, strengthening our alliances; deepening security partnerships and

investing like never before in regional institutions to help manage disputes peacefully.

President Obama adopted a new Defense Strategic Guidance endorsed by the Joint Chiefs of Staff after months of study that elevates our focus in the Asia-Pacific area.

And economically and strategically it's clear why the United States had to rebalance -- to direct more resources and attention toward the Asia-Pacific region.

Because imagine what can happen if growing Asia-Pacific middle classes help lift the global economy even more than they already are; if nations reject the temptations of zero-sum thinking and rise peacefully together; if progress toward greater rights and freedoms proves that no country has to make a choice between democracy and development, which is a false choice.

Let me put it slightly differently: Just imagine what will happen if those things don't come to pass. We'll all be in a world of trouble. So we're all in, this administration. Absolutely committed to this rebalance. The President is absolutely committed, and so am I. And so is our entire national security and economic teams.

And you don't need to look any further than my own recent engagement to understand the breadth and scope of the rebalance. I'm traveling to India next week. Twenty, even 10 years ago, some might have suggested that India be left out of discussions about the Asia-Pacific.

One of the reasons why President Obama called our relationship with India "a defining partnership of the century ahead" is that India is increasingly looking east as a force for security and growth in Southeast Asia and beyond.

To us that's welcome news. We encourage it. We welcome India's engagement in the region, and we welcome its efforts to develop new trade and transportation links by land and by sea in the area.

I'll also visit Singapore, a country of 5 million people, that has become the 17th-largest economy in the world, a partner in the TPP and an important player in Southeast Asia and beyond.

The reasons President Obama has put particular focus on Southeast Asia: ASEAN now represents a \$2 trillion economy of 600 million people. There is more American investment in Southeast Asia than in China. Southeast Asian nations like Singapore and Indonesia have become important partners on everything from counter-proliferation to counter-piracy. That's why I'm going to Singapore.

And, of course, at the core of our strategy in the region are our alliances: Japan, South Korea, Australia, the Philippines, Thailand.

Across the board in these alliances, we're at a high water mark in terms of cooperation between our leaders -- both military and political -- and the support of our people.

Closer to home, our intensified engagement within the Western Hemisphere is also part -- not just parallel to -- our overall rebalancing policy.

You see that very concretely in the Trans-Pacific Partnership which includes five countries in the Western Hemisphere. You can also see it in the initiatives within the Hemisphere like the Alliance for the Pacific -- a new group of free-market-oriented countries that are integrating their economies and looking west for trade and investment.

As I said in a speech not long ago, for the first time, at least the first time I can remember, I believe the first time in history, it's possible -- it's not Pollyannaish -- to envision an America -- an Americas that is middle class, secure and democratic from northern Canada to the tip of Chile and everything in between. There's much work to be done, but that is within reach.

That kind of Americas connected economically, strategically and through common values can make a great contribution to a more prosperous and secure Pacific.

That's one of the reasons why President Obama recently visited Mexico and Costa Rica. That's why I was recently in Colombia, Thailand [sic] and Brazil in May and will return to the region this fall. So what does all this add up to?

Our goal is to help tie Asia-Pacific nations together -- from India to the Americas -- through strong alliances, institutions and partnerships.

For the past 60 years, the security we provided has enabled the region's people to turn their talents and hard work into an economic miracle. And now, we want to hasten the emergence of an Asian-Pacific order that delivers security and prosperity for all the nations involved.

In short, we want to help lead in creating the 21st century rules of the road that will benefit not only the United States, and the region, but the world as a whole. The lifeblood of the region, to state the obvious, is economic development. But growth has slowed in India, China and many places in Asia. And each country faces distinct and different challenges.

But from our perspective, the way forward is fairly clear. To spark new growth, there has to be: fewer barriers at and behind our borders; protections for intellectual property to reward innovation; new commitments to make sure everyone plays by the same rules because that's what attracts investment and jobs; as well as greater economic integration.

That's what we're pursuing right now, today in Malaysia as our team negotiates the Trans-Pacific Partnership with countries as diverse as Vietnam, Chile, New Zealand, Mexico, very soon, Japan, and at which point the group will account for 40% of the world's GDP.

The TPP has potential to set new standards for collective commitments to fair competition -- on state-owned enterprises, fair competition on investments, labor, the environment, open markets for automobiles and other industries.

And we firmly believe this will create a strong incentive for other nations to raise their standards, as well, so that they can join. We've already had discussions with some of those very nations both in the Americas as well as in the Pacific.

But not only is this ambitious, this TPP effort of ours, we believe it is also doable. And we're working hard to get this done this year.

At the same time, we're reaching out to the emerging economies of Southeast Asia: partnering with Lower Mekong countries to improve food security, connectivity, water and health; encouraging responsible investments and reforms in Burma; and last fall, the President launched a new initiative for Enhanced Economic Engagement with the ASEAN.

We are addressing the challenges in our economic relationships with China as well. They are not at all inconsistent. We do not view our relationship and future relations with China in terms of conflict or the talk of inevitable conflict. We view it in terms of a healthy mix of competition and cooperation. A competition that we welcome. It's stamped into our DNA. We like to compete. Competition is good for both of us, as long as the game is fair.

It is clear that the Chinese understand that to reverse their declining growth, there are internal reforms they need to make -- not reforms we're suggesting they have to make. They've made their own judgment -- judgments if they follow through on them will not only help China in our view, but help the region and the world. They've concluded China needs to shift to a more consumer-driven economy. They've concluded they have to create a market-based, well-regulated financial system. And they've concluded they need to liberalize their exchange rates. It will be difficult. It's difficult internally for them to do that, but I'm convinced they believe -- and we clearly do -- that it's necessary.

And we are engaging directly with India as it makes some fundamental choices that the Ambassador could speak to more directly than I could about its own economic future.

In the last 13 years, we've increased fivefold our bilateral trade, reaching nearly \$100 billion. But if you look at it from a distance, an uninformed person looked at it from a distance, there is no reason, that if our countries make the right choices, trade cannot grow fivefold or more.

Just this week, India announced that it will relax caps on foreign direct investment in certain sectors. We still have a lot of work to do on a wide range of issues, including the civil nuclear cooperation, a bilateral investment treaty, policies protecting innovation. There's a lot of work to do. But we believe doing -- going with an open mind and listening, as well as making our case, we believe it can be done.

As we all strive for greater growth, we have to recognize that the impact of climate change also has an impact on growth as well as security. This is a priority for the President and for me. America now has the lowest level of carbon emission in two decades. And we're determined to move further, and in the

process where we can, where our technological capability is available, also help other countries do the same.

That's why we're working with ASEAN to promote investment in clean energy; why we're helping Pacific island nations mitigate the effects of rising sea levels. They are rising. We just concluded an agreement with China to reduce the use of pollutants called HFCs that cause climate change. And there's no reason we cannot do more with India as well. That's why Secretary Kerry agreed to an enhanced dialogue with India on climate change just last month.

Look, economic growth may be at the core of all we're saying. Economic growth critically depends on peace and stability. That's why we have to be -- there have to be 21st century rules of the road not only in the economic sphere, but also with regard to security.

With regard to maritime disputes, it's critical that all nations have a clear understanding of what constitutes acceptable international behavior. That means no intimidation, no coercion, no aggression, and a commitment from all parties to reduce the risk of mistake and miscalculation.

My dad, God love him, used to have an expression. He'd say, Joey, the only war that's worse than one that's intended is one that is unintended. The prospects where they're so close -- cheek-to-jowl -- for mistakes are real. So it's in everyone's interest that there be freedom of navigation, unimpeded lawful commerce, respect for international laws and norms, and peaceful resolution of territorial disputes.

That's why I encourage China and ASEAN to work even more quickly to reach an agreement on a code of conduct in the South China Sea. Setting clear rules is the first step to managing these disputes. And the U.S. has a strong interest in seeing that happen as well.

With regard to North Korea, the one thing I think everyone now agrees on -- we agree that its nuclear and missile programs present a clear and present danger to stability in the area, in East Asia in particular. That's why we're working closely with our allies, Japan and South Korea. But we're also working more closely than the 40 years I've been engaged with China and with Russia.

In light of North Korea's recent provocative behavior, we welcome President Xi's important statement: achieving a denuclearized Korean Peninsula, as that being a Chinese priority. Not just something they wish for, but a priority. We welcome that firm assertion.

Now, North Korea is calling for dialogue. As my mother would say, I've seen this movie before. (Laughter.) We've been there before. But we are ready. We are ready, but only if North Korea is prepared to engage in genuine negotiations. We will not countenance North Korea's pattern of provoking a crisis and then insisting they be rewarded in order to cease and desist from the actions they are taking. We've been there before, only to find that once they're gotten the space or the aid they need, they return to the same provocative, dangerous behavior and continue their nuclear march.

North Korea can have peace and prosperity like the rest of the region, but only without nuclear weapons. North Korea has a clear choice: It can choose a better path for its people, or continue down the road they're on.

Make no mistake about it, though. We are open to engaging with any nation that's prepared to live up to its international obligations. That's what we did in Burma. And I think most would say we're already seeing some tangible benefits from that engagement.

So we've got a full agenda ahead of us in Asia. And we're committed to seeing it through. But as I travel around the world, and I'm heading to India -- I'm about to cross the 700,000-mile barrier since Vice President, not counting the previous 36 years -- but I hear questions wherever I go, questions in Asia about whether we're truly committed to this rebalance. I've also heard questions in my recent trips to Europe, with European leaders, about whether or not we're going to be leaving Europe behind.

It should be clear on its face, we're not leaving Europe. I recently spoke to the European nations, NATO members and EU members, in Munich. And I said that Europe remains "the cornerstone of our engagement with the rest of the world." That is a fact. We're not going anywhere.

As a matter of fact, we're absolutely convinced that our engagement in the Pacific is in the overwhelming self-interest of Europe. We're convinced the combination of new transatlantic

economic agreements that we're now negotiating and the Trans-Pacific Partnership I've discussed, they reinforce one another. They are not at odds with one another. Together, they're designed to update and strengthen the global economic rules of the world in the 21st century.

Europe, just like us, will benefit greatly as well from stability in the Pacific, in Asia. And by the way, there is no reason why we cannot bring greater focus to the Asia-Pacific and keep our eye on the ball in the Middle East. Folks, that's what big powers do. To use the vernacular, we can walk and chew gum at the same time. That's what big powers do.

And there is no evidence that we are taking our eye off the ball -- as we should [sic] in the Middle East, leaving Europe or not intending on following through on our rebalance in the Asia-Pacific area.

Folks, we're better positioned than any time before to be able to do it all. I know you'll think it sounds like a campaign assertion I've been making for years, but America is back. When I was last in China, as I pointed out to the Chinese leadership, it's never, never, never been a good bet to bet against America. The resiliency of the American people and the nature of our system -- America is back.

To paraphrase Mark Twain, the reports of our demise are very premature. Our businesses have created 7.2 million jobs since we've taken office. We've gone from losing more than 400,000 jobs a month, over 12 months in 2009, to creating over 200,000 jobs per month thus far this year. Manufacturing is back -- the biggest increase in manufacturing in nearly 20 years. And an awful lot of high-tech companies are looking to come home.

There's a reason for it. American workers are incredibly productive -- three times as productive as Chinese workers, to give you one example. They can be assured their intellectual property will be protected. We have a transparent court system that will enforce contracts.

Our deficit is down more than 50 percent as a share of the economy since we took office. Household wealth -- over \$17 trillion in household wealth was lost in the Great Recession we inherited. It's all back. We're producing more energy from all sources. We now have over 100 years' supply of natural gas that would enable us to meet every single need we have in America --

energy need for the next 100 years. We're the largest natural gas producer in the world -- another reason why companies are coming back. The cost is a third to a fifth of what it is around the world.

We are prepared to help other countries as well. Our oil imports are the lowest they've been in the last 20 years. And I believe -- if my colleagues from abroad will forgive me, I believe we remain the most innovative country in the world.

But I also think, folks, that the rest of the world understands why this is happening, and it's not just the good fortune of having shale gas or having two oceans, et cetera. I think it's because of the enduring strength of our people and of our system. For all our difficulty in education for our children, they're still taught to challenge orthodoxy. No one in America is diminished or punished for challenging orthodoxy.

It's the only way there can be a breakthrough, is to challenge orthodoxy -- where competition is fair; where people have a right to express their views, practice their religion, and decide their future. These are universal values. They're not unique to Americans. I believe there is no Asian exception to the universal desire for freedom.

And the issues that young people are seized with all across Asia and the world -- corruption, land rights, pollution, food and product safety -- these are all fundamentally linked to openness and transparency, to greater rights and freedom.

In my humble opinion, no nation has to adopt the exact system we have. That's not what I'm suggesting at all. But it's awful hard to be innovative where you can't breathe free. It's awful hard to make significant technological breakthroughs where orthodoxy is the norm.

In my humble opinion, the very things that made us such a prosperous, innovative and resilient nation -- our openness, our free exchange of ideas, free enterprise and liberty -- all of which have their downsides, as we've recently seen in Boston and other places -- they have downsides -- but we would not trade them for all the world.

Presumptuous for me to say, because you never tell another leader what's in their interest, never tell another country what they should do. But I believe these elements are the

fundamental ingredients for success for any nation in the 21st century.

There was that famous line by the founder of Apple, when asked at Stanford, what do I have to do to be more like you? And his response was, think different. You can only think different where you can think freely, where you can breathe free air.

So let me conclude by saying we see, as Neera said, this is not a zero-sum game. It's overwhelmingly in our interest that India continues to grow. It's overwhelmingly in our interest that China grows. It's overwhelmingly in our interest that the world economy grow. Because we believe Asia's success is fundamentally linked to ours.

So the President and I are going to continue to reach across the ocean, both east and west, particularly to the indispensable Pacific nations, to help us shape a prosperous future, for America, for their people, and I would argue for the world.

Thank you all for being so gracious and listening. Thank you. (Applause.)

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