

The United States, Malaysia, and the Asia Pacific

Remarks

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Selamat pagi! Thank you to Dato' Mahani and the Institute of Strategic and International Studies (ISIS) for bringing together such an experienced, diverse group of thinkers today. I am honored to be a part of it.

Malaysia's ISIS and America's Center for Strategic and International Studies recently produced some joint innovative recommendations to advance the U.S.-Malaysian relationship -- a model for the kind of meeting of strategic minds that we in government hope to achieve.



I come today with the good wishes of the American people, who see Malaysia as a bridge between East and Southeast Asia and an influential voice of moderation; and as a success story, strategic partner, and friend.

This is an exciting moment for American diplomacy in the Asia-Pacific -- a true inflection point in our foreign policy. As Secretary Clinton has written, "It is becoming increasingly clear that in the 21st century, the world's strategic and economic center of gravity will be the Asia-Pacific, from the Indian subcontinent to the western shores of the Americas. And one of the most important tasks of American statecraft over the next decades will be to lock in a substantially increased investment -- diplomatic, economic, strategic, and otherwise -- in this region."

The Rise of the Asia-Pacific

The Asia-Pacific is home to half the world's population, more than half the world's GDP and nearly half of its trade; home to key allies and emerging powers; home to booming middle classes and compelling economic opportunities and reductions in poverty without parallel in human history; home to Muslims, Hindus, Buddhists, Christians and many others.

It also home to challenges in the form of military buildups and nuclear arsenals; proliferation, piracy, trafficking and smuggling; natural disasters, pollution and greenhouse gas emissions; and lingering suspicion between powerful countries.

The Asia-Pacific -- home to all these challenges and opportunities -- is also home to my country, the United States, whose troops sacrificed alongside their partners across the ocean to help create the security that made prosperity possible; whose islands and coastlines and people and businesses are part of the fabric of life in this region; whose President was born in Hawaii. As President Obama and Secretary Clinton have said, "the United States is a Pacific power, and we are here to stay."

This region's rise is a story still being written. There is no more dynamic part of the world today, and no region whose choices will be more consequential in the decades ahead for American interests, for Malaysia's own future, and for the shape of the global system.

The United States has taken a three-pronged approach to our engagement. First, a commitment to broaden and deepen our bilateral security cooperation with treaty allies like Japan, Korea, Australia, the Philippines, and Thailand. Second, a focus on enhancing partnerships with new and emerging players, like China, India, Indonesia, Vietnam, and of course Malaysia. And third, a determination to play an active role in the development of regional multilateral institutions, like ASEAN, APEC, the ASEAN Regional Forum, and the East Asia Summit. Undergirding this strategy is a commitment to advancing democratic values and human rights, as the best way to ensure that rising prosperity benefits all citizens.

Malaysians saw our commitment in action when Secretary Clinton signed ASEAN's treaty of Amity and Cooperation back in 2009. And they saw it again during the last two months -- a period which in many ways marked the culmination of years of hard work and diplomatic investments in the region.

First, President Obama hosted APEC in Hawaii and took part alongside Prime Minister Najib in a critically important meeting on the future of free trade in the Asia-Pacific. After that, President Obama traveled to Australia to announce a major new initiative to strengthen America's force posture in the South Pacific. Then, he became the first American head of state to take part in the East Asia Summit. Finally, after visiting South Korea for a summit on aid effectiveness in a country that just ratified a Free Trade Agreement with us, Hillary Clinton became the first American Secretary of State in over half a century to visit Rangoon.

I know that there are some in this region who question America's staying power in Asia. This recent array of visits, announcements, and initiatives demonstrates -- without a doubt -- the strength and seriousness of our commitment. As a Pacific nation -- led by our first Pacific President -- we have an enduring interest in advancing security, prosperity, and human dignity across this region. And many of us now have the frequent flyer miles to prove it.

I also know that there are some who ask whether these engagements are part of a broader American effort to contain China. They are not. Building a cooperative partnership with China is a paramount goal for America. My own recent meetings in Beijing, part of a regular and ongoing dialogue with the Chinese, underscores the intense efforts on both sides to

work together. We understand that China will play an important role in addressing critical global challenges, like climate change and non-proliferation. We welcome that role. And we recognize that our two economies are deeply, inescapably intertwined. And so, in a spirit of shared endeavor, we have consistently pursued policies that aim to unite and connect the region. We welcome strong relations between China and Malaysia and believe it is in the interest of the United States for China to have positive and stable ties with its regional partners.

America's focus on Asia is not a zero-sum game between established and rising great powers. It is a question of how best to broaden and maintain the peace, prosperity, stability and security that will help all Pacific nations -- north and south, rich and not-yet-rich, large, small and medium sized -- find a way to rise together.

America and Malaysia in the Asia-Pacific

An important part of our strategy is America's partnership with Malaysia. For decades, this relationship did not realize its potential. We all too often found ourselves on different sides of geopolitical fault lines, and at times, in the past, have struggled to rise above mistrust. And yet today, this relationship has become one of America's most promising in all of Southeast Asia. And the friendship and frequent meetings between President Obama and Prime Minister Najib have added to our momentum.

Both our nations seek a world where democracies can flourish, human dignity is advanced, poverty is reduced, trade is expanded, our environment is preserved and new frontiers in science and technology are explored. And both our nations seek a world where violent extremists are marginalized and the spread of weapons of mass destruction are curbed. We see Malaysia not just as a close partner, but as a natural partner because of the values and goals we share.

Today, I want to discuss four critical aspects of our relationship: our economic partnership; our work to strengthen East Asian institutions; our joint efforts to solve global problems; and the strong people-to-people ties that underlie everything we hope to accomplish together.

First, America is putting economics at the center of our foreign policy in every region of the world. We are seeking to deepen our economic outreach and promote our economic values.

That is especially true in East Asia, where emerging economies are making choices about the economic rules of the road that will shape the character of the entire global economy for decades to come.

We see a strong partnership between the U.S. and Malaysia as an economic anchor for all of Southeast Asia. America is Malaysia's largest foreign direct investor. According to Malaysian data, 670 U.S. manufacturers have invested over \$15 billion and employ 166,000 Malaysians. Last year, America's exports to Malaysia grew by 29% to a record \$18.4 billion -- while American imports grew 11% to just shy of \$20 billion. These economic ties have

created wealth from Penang to Palo Alto and helped put the wind in the sails of our diplomacy.

But our economic relationship is not just about our burgeoning trade -- although that is vital. It's also about fostering a system of open, free, transparent and fair economic competition.

Instead of seeking a narrow economic advantage at others' expense, the U.S. hopes to work with Malaysia and all countries in the region to foster a system that allows people everywhere to prosper together. As Secretary Clinton said in Hong Kong in August, that is how we can turn a generation of growth into a century of shared prosperity.

That is why President Obama recently signed into law a Free Trade Agreement with South Korea and why the entire Administration has worked tirelessly to advance an ambitious and seamless regional economic vision in APEC. And that is why America is honored to have Malaysia as a partner in the Trans-Pacific Partnership, or TPP -- America's single most ambitious multilateral trade undertaking in the world.

The TPP will expand trade and tell the world's investors which countries are on the cutting edge in world markets. It will also promote sustainable, high value trade -- with protections for workers, the environment, intellectual property and the rules of fair competition. Right now, the U.S. and Malaysia are joined by seven other nations, from New Zealand to Chile. Our hope is that the promise of access to the TPP's markets can serve as a spur to push other nations to raise their standards and join our trading community.

The TPP aligns seamlessly with Malaysia's own domestic economic reform agenda. Already, Malaysia's plans for reform have caught the attention of investors in the United States and elsewhere, who are watching its progress and implementation with great interest. The kind of high-standards envisaged in the TPP will help ensure that Malaysia meets its goal of becoming a high-income economy by 2020.

Second, beyond our economic cooperation, Malaysia has helped to integrate America into the East Asian institutions where so much of the region's business gets done. As Secretary Clinton has pointed out, in the twentieth century, the United States built a lasting network of institutions and friendships with the countries of postwar Europe that contribute to security and prosperity to this day. In the century ahead, one of our great challenges will be to contribute productively to the same outcome for the Asia-Pacific.

Of course, East Asia's regional architecture is itself a work in progress -- and together we are committed not just to participating in it to serve our interests, but to strengthen it to safeguard peace and prosperity for the region.

The U.S. and Malaysia today have more serious and consequential discussions about how to advance our shared interests within Asia's regional architecture than ever before. And this is a genuine two-way partnership: in fact, it was Malaysia's vision of the EAS in 2005 -- as articulated in the Kuala Lumpur Declaration -- that came to life this year with the EAS taking on political and strategic issues.

At the most recent EAS leaders' retreat, we were struck by the convergence in views expressed by our leaders on core principles like freedom of navigation in the maritime domain and the importance of rule of law in approaching and settling disputes in the South China Sea and elsewhere.

We believe that, as a Muslim majority, multi-ethnic democracy, Malaysia has a unique role to play in East Asia and in the world. Our dialogue includes important exchanges on how we see recent developments in Burma, and how, as two democracies, we can help Burma along its path to reform.

And this brings me to my third topic, our strategic cooperation well beyond East Asia. Secretary Clinton has said we need to build an "architecture of cooperation" to address those challenges that no country can solve on its own, and we are glad Malaysia -- with its own experience in development and diplomacy -- is among the designers.

We honor Malaysia's important contributions to the International Security Assistance Force (ISAF) in Afghanistan. Over forty Malaysian military members, including women, are filling a great need in Bamiyan, Afghanistan -- providing essential medical care and training to the Afghan people. Malaysia plays an important role in the responsible transition in Afghanistan which we and our ISAF partners greatly appreciate.

Beyond Afghanistan, Malaysia and the United States are committed to ensuring peace and stability elsewhere in the world.

We both fight piracy in South East Asia and off the Horn of Africa; we both provide vital support to UN peacekeeping; and we both recognize the danger of the proliferation of nuclear materials. We are grateful for Malaysia's important role in stemming proliferation and pleased to have Malaysia as a partner.

That doesn't mean there aren't issues -- sometimes backed by powerful emotions -- that can still pull us apart. It's hardly a secret, for example, that there are concerns in Malaysia about America's policy toward the Middle East. While recognizing that America's actions in this region will not satisfy everyone, I am convinced that our common interests in the Middle East are greater than many realize. And I am equally convinced that an essential ingredient in successful partnerships is to be honest about our differences, and respectful of each other's perspectives.

Both of our countries have supported the aspirations of people who broke through the barriers of fear to claim their freedom and their future. Both of us believe that promoting human dignity must be a cornerstone of our presence in the world. Both of us believe that the Palestinian people -- just like all peoples -- deserve dignity, liberty and the right to decide their own future. And we know that the only way to get there is through a negotiated peace with their neighbor, Israel -- a peace that the United States works every day to achieve.

The United States wants to see a lasting and comprehensive negotiated peace that will involve two states for two peoples: Israel as a homeland for the Jewish people and the State

of Palestine as a homeland for the Palestinian people. The United States is the single largest budgetary donor to the Palestinian Authority, providing hundreds of millions of dollars every year, and we appreciate Malaysia's own contributions to the Palestinian Authority.

The truth is that we simply cannot afford to neglect the unfinished business of Middle East peace. The truth is that the status quo between Palestinians and Israelis remains combustible and unsteady, and it is no more sustainable than the sclerotic political systems that have crumbled across the Middle East in recent months. And the truth is that Malaysians and Americans have a shared interest in progress toward the enduring Arab-Israeli peace which has eluded all of us for far too long.

Fourth and finally -- every bit as important to the improvement of our relations as economics or diplomacy -- are the connections between our people and societies. President Obama and Prime Minister Najib share a deep belief in bringing our peoples closer together.

In a few weeks, scores of American college graduates will begin teaching English as part of the Fulbright English Teaching Assistant program in Malaysian schools in Pahang, Terengganu, and Johor.

We will triple the number of Americans helping teach English in Malaysia next month, and will keep expanding in 2013 and 2014. These plans will make the English Teaching Assistant program in Malaysia our biggest in Asia and second-largest such program in the world by 2014.

During the 1960s, 70s and early 80s, more than 3,500 American Peace Corps volunteers worked across Malaysia. Ambassador Jones tells me just about everyone of our generation he meets has a Peace Corps connection to share.

In fact, I am told that the close relationship that exists between Malaysia and Ohio University, which established the Razak Chair for Southeast Asian Studies in 1979, stems from the efforts of an Ohio University professor, Norman Parmer, who served as the very first Country Director of the Peace Corps in Malaysia.

If you go to Athens, Ohio today, a small town situated in the quiet foothills of southern Ohio, you will find a wonderful collection of Malaysian art, literature, and the delicious smell of nasi lemak coming from the homes of the Malaysian scholars who call the university home. These are the kinds of programs that establish lifelong connections with other cultures and build friendships between nations from the grassroots up.

We are also energetically working together to promote science, technology, entrepreneurship and innovation -- including visits from President Obama's science envoy, an APEC young entrepreneurs' summit and an event called Silicon Valley Comes to Malaysia. As two countries with rich natural heritage -- forests, coral reefs, and diverse wildlife -- America and Malaysia are ensuring that biological wealth both supports development today and remains as a resource to enrich the lives of future generations.

From schoolhouses to scientific research facilities, our peoples are bridging cultural divides and preparing for a knowledge economy together.

Conclusion

Let me conclude by thanking all of you once again for your kind hospitality, and by stressing my deep optimism about the future of U.S.-Malaysian relations. I've often thought that relations between nations are like bicycles. Either you keep pedaling or you fall over. The road before America and Malaysia holds enormous promise, for both of us. Our people are learning together. Our governments are working together. Our values and interests push us ahead together. We just have to keep pedaling forward -- together -- into the Asia-Pacific century unfolding before us.

Thank you.