

**Presenters: Secretary of Defense Mark T. Esper; Dr. John Chipman, Director-General, International Institute for Strategic Studies  
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**Remarks By Secretary Esper at an International Institute for Strategic Studies webinar on the U.S. vision for security in the Indo-Pacific region**

SECRETARY OF DEFENSE MARK T. ESPER: Well, thank you, John. And thank you for that kind introduction. It's -- it's great to be here with you today. Good morning from the Pentagon.

Again, I want to thank Dr. Chipman and the International Institute for Strategic Studies for the opportunity to gather virtually and discuss how the Department of Defense is advancing security and prosperity in the Indo-Pacific, particularly in light of the coronavirus pandemic.

Now, the Indo-Pacific nation, the United States commitment to a free and open region is rooted deep in the values, history and economic ties we share with our allies and our partners. And it's only grown deeper in the face of efforts to undermine it, especially recently.

In fact, this July marks one year since my confirmation hearing, where I pledged that my top priority as secretary would be implementing the National Defense Strategy in an era of great power competition and focusing the department on our priority theater, the Indo-Pacific.

I'm proud to report that we've made great progress in this regard, including the steps we've taken to deliver on the three pillars of our Indo-Pacific strategy: preparedness, strengthening partnerships and promoting a more networked region.

First, in the category of preparedness, we are divesting from legacy systems and focus -- focusing on modernizing our force and strengthening deterrents as demonstrated by our largest research and development budget in the department's history.

We're not only prioritizing the development and deployment of game-changing technologies, such as hypersonic weapons, 5G and artificial intelligence, but we are also investing in platforms critical to the Indo-Pacific and transforming the way we fight.

For the United States Navy we are working to design a future fleet that is -- that is more survivable, adaptable, sustainable and larger than we have seen in years.

Likewise, the Marine Corps is focused on becoming leaner, faster, more lethal and precise and more geographically distributed in the Pacific.

Meanwhile, the Army is prioritizing long-range precision weapons to stay ahead of our competitors' growing anti-access, area-denial capabilities with greater speed and greater ranges.

And the Air Force continues its focus on enhanced stealth capabilities and the advancement of joint all-domain command and control, a vital initiative that will link any sensor to any shooter in the battlefield in real time.

To ensure these assets, systems and capabilities are integrated throughout our armed forces, we are developing a new joint warfighting concept, and ultimately doctrine, for the 21st century and implementing novel concepts to become more nimble, less predictable and able to rapidly shift to combat operations if needed.

For instance, we've stepped up bomber task force missions to deliver a quick reaction, persistent, long-term bomber presence in the Indo-Pacific and around the globe. These deployments provide strategic predictability to our allies while remaining operationally unpredictable to our adversaries.

Together these efforts will prepare our military for future high-intensity conflicts against near-peer rivals that we hope we never need to fight, but must be prepared to defeat.

Second, under the rubric of strengthening partnerships, we continue to bolster our growing network of Indo-Pacific allies and partners, a strategic advantage our competitors cannot match.

Last fall we renewed a key agreement with Singapore extending U.S. forward presence and cooperation in the region for another 15 years.

With Indonesia, we continue to partner together on maritime security and provide them with top-of-the-line military platforms.

And with the Philippines, we're working closely on a range of issues, from counterterrorism to maritime security.

Additionally, we are supporting Thailand's military modernization by co-procuring Stryker armor vehicles and also partnering with Malaysia and Brunei to increase their maritime domain awareness. And earlier this year we conducted the second ever U.S. carrier visit to Vietnam in over four decades.

While we develop these strategic relationships with emerging regional partners, we continue to build on longstanding commitments in the region.

This includes working alongside South Korea to achieve the final, fully verified denuclearization of North Korea and an enduring peace on the Korean Peninsula.

It also includes partnering with Japan in the space, cyber, missile defense and advanced technologies domains, as well as our co-development of defense capabilities, intelligence, cooperation and close policy alignment with Australia.

Moreover, we continue to advance our strong partnership with New Zealand and remain committed to a democratic Taiwan.

Further, we continue to cultivate robust relationships with Timor-Leste and Mongolia, as well as Pacific island countries, including Papua New Guinea, Fiji and Tonga.

This summer I enjoyed speaking with nearly a dozen of my counterparts from across the region and look forward to maintaining close contact until we can meet again in person. In fact, just yesterday, I spoke with ministers of defense from New Zealand and Korea.

Lastly, I want to highlight our increased defense cooperation with India, one of the all-important defense relationships of the 21st century.

We conducted our first ever joint military exercise last November, and as we speak today the USS Nimitz is conducting combined exercises with the Indian navy in the Indian Ocean, demonstrating our shared commitment to stronger naval cooperation in support of a free and open Indo-Pacific. We also continue to grow our defense sales and look forward to a robust two-plus-two ministerial dialogue later this year to build on this progress.

Third and final, under promoting a more networked region, we are encouraging Indo-Pacific nations to expand their own inter-regional security relationships and networks of like-minded partners.

For example, over the past several years Japan has provided maritime vessels to the Philippines, Vietnam, Malaysia and Bangladesh, bolstering their maritime security. In June, Australia and India finalized an important logistical support agreement. And last year South Korea pledged to more than double its development assistance to Association of the Southeast Asian Nations by 2022.

To support all three pillars of our Indo-Pacific strategy, the administration looks forward to working with the United States Congress to establish a Pacific deterrence initiative that will prioritize our investments, maintain a credible deterrent, and demonstrate an enduring whole-of-government commitment to the region.

Our efforts across the Indo-Pacific have prepared us well to respond to the prevailing crisis, the COVID-19 pandemic. The U.S. government has committed more than \$325 million in coronavirus relief support for our Indo-Pacific partners, including more than \$80 million ASEAN countries.

In addition, the Department of Defense has provided much-needed medical training and supplies, including test kits, ventilators and personal protective equipment. For example, we delivered over a thousand cots to the Philippines to increase its hospital bed capacity and our Armed Forces Research Institute of Medical Services in providing technical assistance to several Indo-Pacific countries.

Our partners are responding in kind. South Korea supplied the United States with 2.5 million masks, while Malaysia helped send us over 1 million gloves, and factories in Vietnam supplied us with nearly 5 million items of PPE, demonstrating the reciprocal nature of our defense relationships.

The devastating worldwide impact of the corona outbreak -- coronavirus outbreak reinforces the necessity of a rules-based international order rooted in transparency, openness, honesty and other shared values. In this era of globalization, the antidote to a viral contagion is communication and collaboration, not disinformation and deception.

For this reason I am concerned that while the United States and our partners focus on supporting one another in these challenging times, the Chinese Communist Party continues to engage in systematic rule-breaking, coercion and other malign activities.

And most concerning to me, the People's Liberation Army continues its aggressive behavior in the East and South China Seas, including sinking a

Vietnamese fishing boat, harassing Malaysian oil and gas development, escorting Chinese fishing fleets into Indonesia's claimed exclusive economic zone and militarizing occupied features in direct contravention of China's commitments under international law.

In doing so the CCP has bullied ASEAN nations out of an estimated \$2.6 trillion in potential offshore oil and gas revenue, not to mention access to fishing grounds that millions of people depend on for their livelihoods.

The PLA has also increased the number and duration of its incursions into the waters surrounding the Japanese-administered Shikoku Islands, and the PRC continues to look the other way as North Korea violates U.N. Security Council resolutions, thereby shielding Pyongyang from the international consequences of its pursuit of dangerous and illegal nuclear and missile programs.

Most recently, Beijing advanced national security legislation that violates its commitment to the Hong Kong people to enjoy a high degree of autonomy, calling the 1984 Sino-British Joint Declaration a statement of policies rather than the treaty that it is.

In addition, the PLA's large-scale exercise to simulate the seizure of the Taiwan-controlled Pratas Island is a destabilizing activity that significantly increases the risk of miscalculation.

This catalog of bad behavior accompanies a pattern of the CCP's brazen disregard for international commitments, from its failure to uphold its obligations under the World Trade Organization, to regularly disrespecting the rights of other nations under the 1982 Law of the Sea Convention.

Further, China's unlawful land reclamation and military exercises on and around disputed features in the South China Sea are patently inconsistent with its commitments set out in the 2002 declaration on the conduct of parties in the South China Sea.

Make no mistake, the CCP has been engaged in this sort of behavior for many years, but today its true intentions are in full display for all to see.

We call on China's leaders to abide by the international laws and norms that China and the Chinese people have benefited greatly from over the years. And while we hope the CCP will change its ways, we must be prepared for the alternative.

Together we must uphold the free and open system that has secured peace and prosperity for millions and defend the principles that undergird it: namely, respect for sovereignty and independence for all nations regardless of the size, peaceful resolution of disputes, mutual adherence to international laws and norms, and the promotion of free, fair and reciprocal trade. These are not American values, these are universal and we must be united in their defense.

To this end, the United States made an important announcement last week to clarify our policy on the South China Sea. It plainly states that our recognition of maritime claims is consistent with international law, favors the sovereign rights of Southeast Asian partners, and rejects the PRC's excessive and unlawful maritime claims that have been used to bully smaller countries from accessing offshore resources in their own exclusive economic zones.

This policy champions a free and open Indo-Pacific, in which all the region's diverse nations can live and prosper in peace, and makes clear that the PRC has no right to turn international waters into a zone of exclusion or its own maritime empire.

Our actions back up our policies. In 2019 we conducted the greatest number of freedom of navigation operations, FONOPS, in the South China Sea in the 40-year history of the FONOPS program, and we will keep up the pace this year.

Additionally, on two occasions earlier this month, two carrier strike groups conducted exercises together in the South China Sea for the first time since 2012; a clear and powerful signal that we will fly, sail and operate wherever international law allows.

Let me be clear, China is a country with a storied history, a rich culture and a wonderful people. We are not in search of conflict, we are committed to a constructive and results-oriented relationship with China and, within our defense relationship, to open lines of communication and risk reduction.

I've personally spoken to my PRC counterpart on multiple occasions, and before the year is out I hope to visit the PRC for the first time as secretary in order to enhance cooperation on areas of common interest, establish the systems necessary for crisis communications, and reinforce our intentions to openly compete in the international system in which we all belong.

In closing, we firmly believe no single nation can or should dominate the public commons and we will continue to work alongside our allies and partners to support a prosperous and secure Indo-Pacific for all.

We will demonstrate the virtues and resilience of a global system built upon transparency, openness and other shared values. We will enhance our readiness and ask our partners to do the same. We will strengthen and expand our unmatched alliance network. And together we will ensure peace, prosperity and security for generations to come.

Thank you and I look forward to our discussion.

DR. JOHN CHIPMAN: Mr. Secretary, thank you very much indeed.

A number of blue hands are being raised and I would ask anyone who seeks the floor to grab my attention now. I see seven or eight already. And not to worry, I'll try to involve as many as possible.

What I'd like to do, Mr. Secretary, is to take three questions up first, and I will tell the three people who they are and then allow them to talk in that sequence. I would ask them each to keep their question to under a minute if possible.

The first three people I will ask will be Indrani Bagchi from the Times of India, then (Junmin Lee ?) from Korea, and then Nayanima Basu from Print Line Media, also in India.

So, Indrani Bagchi, you have the floor.

Q: Thank you, John.

Secretary, thank you for your comments.

I wanted to ask you -- since you spoke about India, I wanted to ask you what your views are of the current standoff between Indian and Chinese troops in Ladakh. And what kind of cooperation do you (inaudible) with India in view of the crisis that is currently unfolding?

And thank you very much.

DR. CHIPMAN: Thank you, Indrani.

And now to (Junmin Lee ?) from Korea. (Junmin ?), you have to unmute yourself.

Q: Thank you.

Thank you, Mr. Secretary.

My question to you is -- is over a flurry of media reports recently on the possible withdraw of U.S. forces from Korea unless South Korea pays much more for host nation support.

Is there any truth to these media reports? Is the Pentagon, under President Trump's orders, considering any reduction or withdraw of U.S. forces? Because such a move, in my view, would be very detrimental to our alliance, to co-defense and deterrence, and only help our advisories.

Thank you very much.

DR. CHIPMAN: And finally in this round Nayanima Basu. Go ahead, Nayanima.

I'll move onto then one more for the moment if I could to (Roy Metcalf ?) from Australia.

Q: Oh, hello. It's (Roy Metcalf ?) from the National Security College at the Australian National University.

Secretary, your speech I guess is inspiring at one level, but the big question remains how well-resourced you think the United States is, particularly in the Indian Ocean, the Indo part of the Indo-Pacific, to play to its strengths to deter and maintain stability.

DR. CHIPMAN: Thank you very much.

Mr. Secretary, over back to you.

SEC. ESPER: Well, thank you, John.

And thanks everybody for those questions. I'll address them in the order that they were asked.

First, with regard to the situation between India and China, we are obviously monitoring it very closely and what's happening along the line of actual control. And we're very pleased to see that both sides are trying to deescalate the situation and we continue to --

(AUDIO GAP)

DR. CHIPMAN: I think we've lost the secretary's voice for the last 30 seconds or so.

SEC. ESPER: I'm sorry.

DR. CHIPMAN: You're back again. Yes.

SEC. ESPER: I'll go back to where I was just to say, look we are -- we have -- I've issued no orders to withdraw forces from the Korean Peninsula.

I will say, though, when I took office I was clear that I was going to implement the National Defense Strategy. Part and parcel of that means looking at every geographic combatant command and making sure that we are optimized and positioned -- positioned as well as possible to accomplish not just fulfilling the NDS, but also making sure the regional missions we've tasked are there.

So we will continue to look at the adjustments at every command we have and every theater to make sure we are optimizing our forces. We are moving toward additional concepts -- new concepts such as dynamic force employment. And I continue to -- want to pursue more rotational forces -- force deployments in the theaters, because it gives us, the United States, greater strategic flexibility in terms of responding to challenges around the globe.

And then on the last issue with regard to resources in the Indian Ocean, again, part of these geographic combatant command reviews I'm looking at are -- are means to do a few things: not just optimize our forces in a particular theater, but look to freeing up forces to either reposition back to the United States to conduct these dynamic force employments or to prepare for --

(AUDIO GAP)

DR. CHIPMAN: I think we've lost the secretary's voice again.

SEC. ESPER: I think we've lost you then again for a second.

But I was just saying, I think the recent exercise, ongoing between the Indian navy and the USS Nimitz just shows the growing cooperation between our countries and our ability, the United States' ability, to project power into the region, and to sustain it, by the way, with -- with our allies and partners.

DR. CHIPMAN: Marvelous, thank you very much.

I think I'll take three or four now. The next one will be Bethany Allen-Ebrahimian, who I think started Axios. It's a good newsletter on China.

You've got the floor, Bethany.

Q: Great, thank you so much.

Secretary, I would like to ask about the South China Sea. You mentioned that the U.S. has now been doing more FONOPs than in the past. What else can the U.S. do to try to perhaps even walk back some of the territory that the -- that China has claimed?

They now have significant deterrent capabilities in the South China Sea, should a regional -- should there be an outbreak of regional conflict, it could make it more difficult for the U.S. to engage. Are there discussions about consequences placed on China for those activities, something more than just FONOPs?

DR. CHIPMAN: One of the interesting things about contemporary international politics is that there are growing links between the Middle East and East Asia, whose security, economic and political connections are important.

So the next person I'll ask to speak is Sheikh Mubarak Al-Sabah from Kuwait.

Q: Yes. My question is, do we think that we're going to see a new maritime security construct in the Indo-Pacific, as it is in the Arabian Gulf?

DR. CHIPMAN: Thank you very much, Mubarak.

I'll take two more. And from Japan, (Takatsugo Sato ?). (Sato-san ?).

Go ahead, (Sato ?). You should be able to unmute yourself.

If not, I'll go to Ashley Townshend.

Q: Thanks, Dr. Chipman.

Secretary, thanks very much for your remarks.

Two of the three pillars of your Indo-Pacific strategy concern partnerships and alliances through the focus on the networking. I'm interested in your take, not on the short-term objectives of these pillars, but on the longer-term objectives.

We, down here in Sydney at the U.S. Studies Centre, have been working on American strategic capacity in the Indo-Pacific, and arguing in favor of a Pacific deterrence initiative, in part because it will be required to multilateralize deterrence and multilateralize the maintenance of the balance of power in the region. Do you also foresee that as the end goal of the U.S.' increasing focus on alliances and partnerships?

DR. CHIPMAN: Thank you very much.

And now I'll ask one more from (Katherine Hill ?), please, who's from the Financial Times. (Katherine ?)?

Q: Thank you, John.

Secretary, another question about the South China Sea. When, recently, we saw the dual carry operations earlier this month, the first time in the South China Sea, the -- some Chinese state media were remarking or stressing that any U.S. carrier moving around there was there at the pleasure of the PLA, making reference to China's A2AD capabilities. Could you explain that, what the U.S. considerations are with regard to China's increasing threat to surface -- U.S. surface competence? Thank you.

SEC. ESPER: Maybe I'll take one more just to get a bit more geographical diversity in. (Coafam ?), please? (Coafam ?)? There you go.

(CROSSTALK)

Q: Yes, I want to ask about the -- you know, the militarization of the South China Sea. What will the U.S. specifically do to stop the fortification of the islands that China (has undertaken )?

Thank you, Mr. Secretary.

DR. CHIPMAN: Over to you, Mr. Secretary.

SEC. ESPER: Well, thank you for those questions. We -- five of them I have written down, some of them are -- are the same so I'll try and capture as many as I can here.

You know, first of all, what do we -- I think the question was what are we doing in the South China Sea, what does it mean for the long-term, long-term goal.

Much of what I said up-front is our long-term vision. We want to deter against coercive behavior by the Chinese in the South China Sea. Now, we know it's been going on for years. China's bullying, coercion, their compellence of others, particularly smaller countries. It seems that your arm gets twisted harder, the smaller the country you are. So we want to continue to deter against coercive behavior.

Second, we want to ensure freedom of navigation and overflight. You know, 80 percent of the world's trade flows through the Indo-Pacific, and particularly the South China Sea. So we want to make sure that we maintain free and open Pacific because otherwise, if that trade commerce gets cut off or gets impacted, it has a -- it has a dramatic impact on people's prosperity, their livelihoods and our ability for our economies to function, so it's very important we maintain freedom of navigation.

And then third, we want to strengthen our partnerships in the south -- in the region so that Southeast Asia countries can maintain and defend their own waters. That's what we want to do, is make sure that China respects the sovereignty of others and follows the rule of law and international norms.

Now, we're going to continue to do that through exercises, we're going to continue to -- to speak about the importance of international law, as we did recently with -- by redefining our views with regard to maritime disputes. You know, I -- last year, I attended the ASEAN defense ministers' meeting, where we had good discussions both formally in the meeting and on the sidelines.

It's clear from all the ASEAN countries that they are very concerned about China's bad behavior, and we've seen it pick up in the last six months since the COVID-19 hit. And China's behavior in the context of COVID-19 is a whole other discussion about China's bad behavior, if you will.

Other things we're doing is adapting our policies. We will continue to do exercises like RIMPAC and things like that.

You know, related to that, somebody spoke about, you know, carrier operations. I don't know what the Chinese meant by that hollow statement about American carriers being there by -- by the pleasure of the PLA or something. Look, American aircraft carriers have been in the -- in the South China Sea, in

the Indo-Pacific since World War II and we will continue to be there and we're not going to be stopped by anybody.

We're going to sail, fly and operate anywhere international law allows. And we do that, again, to assert international law and rights, to back up the sovereignty of our friends and partners and to reassure them that we will be there to defend those things.

With regard to -- somebody asked about a new maritime security construct in the Indo-Pacific. It's not something we've talked about. Again, we have -- what we do see is a pickup, though, in terms of freedom of navigational operations being conducted bilaterally between us and other countries, or multilateral FONOPS we see happening. I mentioned RIMPAC. We see more countries joining RIMPAC. We talk about bilateral exercises happening.

And I just generally see a much -- much greater cooperation between countries, if you will. And this gets into, I think, the final question about multilateralization.

You know, my experience has been -- now working on the Indo-Pacific since the '90s, if you will -- that so much of it, unlike Europe, is very bilateral instead of multilateral. But I will tell you in the last few months I've seen a greater push toward multilateralization.

We held, for example, in the past couple of months, a virtual Five Eyes defense ministerial meeting between us -- you know, United States -- and four other countries that was very successful. And I think we all agreed, the partners, the allies, to continue those on a more routine basis.

We had several other multilateral discussions with -- with, for example, the United States, Japan and Australia. So we see coronavirus actually pushing us to multilateralize, and I think that's a good thing that we all agree should continue.

And I will tell you again, I've had multiple conversations with my counterparts over the last few months. As I mentioned earlier, just last night I spoke to defense minister of Korea, defense minister of New Zealand yesterday and I've spoken to many, many of my counterparts -- the Indians, the Japanese, Brunei others.

And so, I actually see the Indo-Pacific coming together. And I think there will be greater multilateralization. That would be my vision is to bring us together more in terms of a network to -- to operate more closely together, to consult diplomatically, and to pursue things in that manner to defend, again, the international rules-based order, to defend the sovereignty of countries in the region, Pacific island countries, ASEAN countries in the -- in Southeast Asia, and all of those different things that we've been talking about for some time now.

DR. CHIPMAN: Excellent. Thank you very much.

I'll take another group of four. I'll warn them advance so they can prepare to unmute themselves as I allow them to talk. So it'll be in the following order: (Lindsay Hilsom ?) first, then (Eric Li ?), then (Sophia McBride ?), then Meia Nouwens. But (Lindsay Hilsom ?) first.

Q: (Lindsay Hilsom ?) here from Channel 4 News.

Secretary, following on some -- the questions you've been asked, there is a real fear I think in Taiwan now of, you know, the ultimate, of Chinese invasion. We understand everything that you're talking about in terms of deterrence, but, you know, if, you know, that is being thought about as a possibility in the next -- in the next few years, what would America do under those circumstances? What deescalation mechanisms are there? And what about the treaty that binds you?

DR. CHIPMAN: Thank you very much.

Next up, (Eric Li ?).

Q: Thank you, Mr. Secretary.

My question follows the previous quite nicely. My question is about Taiwan.

The Indo-Pacific Strategy states that the U.S. is pursuing a strong relationship with Taiwan and to faithfully implement the TRA. We've seen that second part with -- upholding the commitment with TRA with record numbers of arms sales and FONOPS, but my question is more about the Indo-Pacific Strategy in specific.

Like how will the department incorporate Taiwan into this strategy? And what are the next steps to advancing the U.S.-Taiwan security relationship? And then on the final end is -- Mr. Secretary, what is your position on Taiwan's overall defense concept?

Thank you.

DR. CHIPMAN: Thanks very much.

And next up -- (Sophie McBride ?).

Q: Hi there. It's (Hugh Bolin ?) speaking in place of (Sophia McBride ?).

The U.K.'s Russia report has been released. It found the U.K. doesn't know if Russia attempted to interfere in Brexit referendum or other elections because spy agencies were never asked to investigate. The U.K. has been accused of taking its eye off the ball.

Given the report's findings, what is your advice to the U.K. about, firstly, how seriously to take the treat of Russian interference and, secondly, how to tackle it? Should there be more U.K.-U.S. cooperation to counter it? And what is the U.K. risking by having a blind spot to this threat?

DR. CHIPMAN: Thank you, very much.

Well, Meia Nouwens next. I'm sure it's Meia Nouwens since he's not operating under anyone else's nameplate. Meia, go ahead.

Q: Thank you, John.

And thank you, Mr. Secretary.

Mr. Secretary, you mentioned that 5G is a game-changing technology and you've also spoken extensively on the importance that the U.S. places on its partnerships in the Indo-Pacific and the interoperability between the U.S. and partnered and allied militaries.

How will the integration of Huawei and other broader Chinese digital technologies in the Indo-Pacific countries change or affect the U.S. partnership in interoperability with these countries?

Thank you.

DR. CHIPMAN: That's a really important question, I should put in what, in the U.K., is called a party political broadcast which is the IISS is doing a great deal of work on the so-called Digital Silk Road.

And Meia Nouwens, who works with us, has assembled with our team over 900 unique data points. And we would hope that to be publicly available shortly to ensure that there's an evidence-based analysis of the extent of the Digital Silk Road activity.

But I'll ask one more person before the secretary answers what will now be five questions. That's one of our young leaders, Blake Herzinger, please. Blake, go ahead.

Q: Thank you, John.

And thank you, Mr. Secretary.

So there's been some public discussion in the past few years of a privately communicated red line being one of the things that stopped Chinese reclamation at Scarborough Shoal back around 2016. But I was wondering if you'd be willing to discuss where our red lines are today in 2020?

DR. CHIPMAN: Over to you, Mr. Secretary.

SEC. ESPER: Well, thank you very much.

I'll -- kind of in no particular order, but I'll just take the last one first. It's not good practice to discuss red lines whatever those cases may be.

I will just tell you upfront is we feel very strongly about that things I've mentioned before, about our shared values; about defending the international rules and norms; about living up to our commitments in the Indo-Pacific, whether they are treaty bound commitments or whether they are political commitments we made to others. So that's what's the important thing and we'll continue to push.

I guess that lends nicely to discussing Taiwan, which was one of the first questions. Look, the PLA activities in the region are destabilizing and they significantly increase the risk of miscalculation. It goes without saying too - - I don't think anybody can be assured, particularly Taiwan, about Chinese commitments because we've seen them violate them over and over and over again.

I was in Hong Kong for the handover in '97 and I remember very clearly China was going to commit to sustaining the Basic Law and they promised one country, two systems. I don't think anybody in Taiwan believes that -- at this

point that China has any intention whatsoever of living up to its one country, two systems. So that's a problem.

Look, our problem with -- our Taiwan policy has been consistent since 1979 under the Taiwan Relations Act about what we would do. And then, in 1982, President Reagan established the policy of conditioning arms agreements -- arms sales to Taiwan based entirely on the threat posed by the PRC.

So we've seen the PRC become more aggressive. We've seen them build up their military. We've seen them be more assertive. They've got hundreds if not over 1,000 missiles aimed at Taiwan. And -- and we've seen President Xi and his party really take this to a -- to a new level.

So we -- we remain committed to regional peace and security. We will live up to our commitments to Taiwan, which is all in the interest of a secure and stable region, if you will.

You know, with regard to Taiwan, we talked about arms sales. We will continue to conduct arms sales. We will continue to conduct freedom of navigation operations, and that includes in the Taiwan Strait and I think we did our most recent one in the past week or so. But again, I think it's China, is really the ones aggravating the situation vis-a-vis Taiwan. And then more broadly in the region as we discussed a few times.

The question about Russia and U.K., I actually didn't hear all of it. I think it may have been about election security. I would just say, look, it's very clear that Russia and other countries, we believe, want to influence American elections, if not interfere. And we work very hard at doing that.

The United States Department of Defense is in support of an interagency effort led by the Department of Homeland Security. And we are fully confident we can preserve the integrity of our elections because that is the most important thing to a democracy, is to ensure the integrity of your elections. We had a very good 2018 election, and I am confident that we're doing everything we can to ensure the same for the upcoming presidential, congressional and Senate elections.

So with regard to our -- you know, U.K. friends, very, very capable country. We're obviously always ready to provide assistance. But I wouldn't put past Russia to try and influence any election out there. We've seen them try, do it in other parts of the world.

And then lastly, with regard to 5G, look, 5G is a game-changer, not just for security relationships, but also for the prosperity and for tech dominance, if you will. That is why we believe Huawei is supported, influenced, resourced by the government in China. And why we have great concerns about Huawei.

I've spoken about this numerous times in NATO defense ministerials, our concern about the Chinese influence in the alliance and about Huawei's influence in particular with regard to our systems.

It's clear to us, we've been very -- very clear-eyed about it -- that if Huawei or other Chinese companies were to get into our networks, that we would -- we would doubt the security of those networks and that would severely impact our ability to share intelligence with our allies, and our ability to conduct operational planning and do all those things.

So -- so allowing Huawei in would be an impediment. That applies to NATO as well as our other treaty partners around the world, particularly our partners and allies in the Indo-Pacific. And so we've been encouraging, for some time now, countries to forego Huawei.

And I'm pleased to see the tide turning on that. We've seen the U.K. walk away in the past few weeks from Huawei, we see other countries in Europe doing the same and we see countries in -- in the Indo-Pacific, have already made that decision. So we will continue to move forward here in the United States, but I'm pleased with regard to where the trend is heading right now.

DR. CHIPMAN: Mr. Secretary, thank you very much.

We'll take another group of four, possibly five. I'll give warning to the first four so they can be ready to unmute themselves when I call them.

Dian Septiari, Aaron Connelly, Yoso Furumoto and Robert Ward.

But Dian Septiari first, who's from the Jakarta Post in Indonesia. Dian?

Q: Good evening. (Minister ?), I want to ask a question about (Indonesia ?) -- (cooperation with Indonesia ?). Because earlier this month, Defense Security Cooperation Agency announced the possibility of sale of eight Osprey aircraft, (inaudible) (Indonesia, we don't ?) have (inaudible) from this deal.

We also know that Minister Prabowo has traveled to Russia, to meet Russian and Chinese counterparts.

But could you give us, like, the strategy, significance of this (inaudible) (for Indonesia ?) and the U.S.

Thank you.

DR. CHIPMAN: Thank you, Dian.

And I'll move on to Aaron Connelly please, from the IISS office in Asia, who also follows Indonesia closely. Aaron?

Q: Thank you, Dr. Chipman.

Mr. Secretary, you spoke four times about shared values. I was wondering if I could press you a little bit to go into a little bit of detail about what those values are. Because when you look at the United States' treaty allies in the Indo-Pacific and in particular in Southeast Asia, Prime Minister Prayut Chan-o-cha in Thailand took power in a military coup in 2014. President Duterte stands accused of limiting the space for debate in the Philippines.

And some of the United States' democratic allies in recent years have raised questions about the United States' values under the Trump administration. I was wondering how you would address those questions and also the -- a little bit more detail on the values that you believe are shared with the Indo-Pacific.

Thanks very much.

DR. CHIPMAN: And Robert Ward, who's a Japan chair at the IISS. Robert?

Q: Thank you, John.

Thank you, Mr. Secretary, for your broad-ranging comments on the region.

Japan's defense policy debate has evolved very rapidly in recent years. How do you see Japan's security role developing in the Indo-Pacific?

Thank you.

DR. CHIPMAN: And also from Japan, Mainichi correspondent in D.C., Yoso Furumoto. Yoso?

Q: Yes, thank you very much.

I want to ask about the possible deployment of intermediate-range missiles to Asia. Mr. Secretary, do you have a timetable of the deployment of these missiles? If not, could you give us some idea where are the candidate sites?

Thank you.

DR. CHIPMAN: And since you've all been so crisp, I think I'll squeeze in two more.

Lynn Kuok, please?

Q: Thank you very much, John.

And thank you, Mr. Secretary.

Mr. Secretary, I'd like to ask you a question specifically on Mischief Reef in the South China Sea. Now, in Secretary Pompeo's recent statement, he said that the United States shares the tribunal's ruling that -- or finding that the PRC has no lawful territorial or maritime claim to Mischief Reef, which falls under the Philippines' sovereign rights and jurisdiction.

Now, of course, Mischief Reef is a low-tide elevation that the Chinese have transformed into an artificial island and have militarized. What does Secretary Pompeo's recent statement mean for DOD in terms of operations in or around Mischief Reef? Because of course, FONOPs do not -- the FONOPs (nor ?) military exercises in the South China Sea help to reverse or stop the increase of fortification of Mischief Reef.

DR. CHIPMAN: Thanks very much.

And finally, in this round, (Antoine Levesques ?).

Q: Thank you, John.

Thank you, Mr. Secretary.

How much do you worry about nuclear and crisis stability between India and Pakistan, be it in the subcontinent (or growing ?) Indian Ocean. There are ample tensions and rhetoric as well as a general lack of official dialogue between the two countries. So what does the United States believe is its continuing role in that regard?

DR. CHIPMAN: Over to you, Mr. Secretary.

SEC. ESPER: So many questions, so little time. Okay. So I'll try and capture them all as best I can.

The first question on cooperation of India -- I'm sorry, with Indonesia. You know, we have a very good relationship with Indonesia. I've spoken to my counterpart several times this year alone, and I think it's -- you know, he has a background of actually being in America, if you will, (as ?) part of his military service. So we have a very good relationship.

And as we've talked, he understands that we fully support Indonesia's sovereignty. That we support them as partners who are trying to push back against China's malign behavior in the region, particularly as they contest Indonesia's exclusive economic zone there.

We do encourage, as we do all allies and partners, to purchase American equipment. Why? Because, first and foremost, it brings us together; secondly, it improves our interoperability in case something does happen; and, third, we just think they are better alternatives to anything else out there. So for those reasons we continue to talk about arms sales between our countries.

My view is we should continue to meet and have discussions. Again, I've done that several times with the -- with the defense minister. And I hope to visit Indonesia during my tenure as well. So I think all of those things are very important.

The question about shared values -- look, the shared values, we could list through them. I'll give you things that come immediately to mind.

It's things like democracy -- right, open markets, human rights -- respect for human rights, respect for individual rights and liberties, freedom of the press, freedom of association, all those things we take -- that we know at least for us are embodied in the United States Constitution, something I and others have sworn an oath to support and defend.

And with regard to the ebbs and flows of other countries, I try to stay out of politics here in the United States and I'm certainly not getting -- not going to get into the politics abroad.

But those are our shared values, the short list. And those are the things that we've sought to advance and support and defend for many, many years. And we believe that it -- it has served all of us well for decades, particularly in the Indo-Pacific.

Speaking of the Indo-Pacific, we talked about -- you know, the Japan security role, if you will. I see Japan's security role as growing. They are clearly an anchor of security in the Pacific. I have -- we have a great relationship with the Japanese.

Many American forces are there in Japan and we obviously welcome a more active role for Japan in the -- in the region. It's a trusted friend with excellent capacity and growing capabilities.

And again, we -- we just see the relationship growing there. And I speak often to my Japanese counterpart on what they can do and how we can better work together as treaty allies.

With regard to Mischief Reef, with -- in accordance with the U.N. Convention on the Law of the Sea in the 2016 arbitral ruling, we believe the PRC's claims are unlawful.

And so, we will not recognize an EEZ around the artificial island or territorial waters. And again, we will continue to work closely with our partner's and allies and conduct the FONOPs that we intend to do to -- to be cleared to China that we don't respect their claims.

I think the last issue was nuclear crisis stability between Pakistan and India. Obviously, when you've got two countries with nuclear capabilities and tension between them, it's something that we watch very closely.

I also talk to my Indian and Pakistani counterparts fairly routinely. And this is just something you've got to keep a close watch on because nobody wants to see a conflict between two countries, and certainly not one that could escalate.

I don't see any indications right now that that's happening at all. But it -- it is something that we watch, not just in that part of the world but in other parts of the world, obviously.

DR. CHIPMAN: Mr. Secretary, thank you very much.

I think we'll stop in four minutes, but that gives me time to ask for two more questions, you to reply, and then for me to thank you for the 59 minutes you've so generously given to us.

So the two people I'll ask will be Alan Bowden from the U.K. and then Charadine Pich from Cambodia. So Alan Bowden, the floor is yours.

Q: Thank you very much and good afternoon from London. A two part question from me, but I hope (to be ?) quite concise.

We've spoken (essentially ?) about (Indo-Asia-Pacific ?), but I'm very interested as well in how you view the balance for the U.S. between the (Indo-Asia-Pacific ?) and the (Euro-Atlantic ?), and more perhaps core NATO region of operations, and your sort of (plans there ?) for balance for presence and priorities between those two regions.

And then related to that, how you view the role of partnerships with countries in that more (NATO or Euro-Atlantic ?) region, and how the role of those partnerships in the Indo-Asia-Pacific (inaudible), but if you'd like to say more about that I'd be very grateful.

Thank you very much.

DR. CHIPMAN: Thank you.

And we'll conclude with the executive director of the Cambodian Institute for Strategic Affairs, Charadine Pich.

Q: Thank you so much, Mr. Secretary.

I'm glad to have the last question as well. My question is -- to -- with regards to this year, U.S. and Cambodia are celebrating the 70-year anniversary

of our diplomatic relations, but in the last few years, the relation has not been on a good term.

In the Indo-Pacific Strategy, there is a specific paragraph outlining -- (addressing ?) specifically to Cambodia and China relations, or Cambodia increasing close relationship to China. And there was a big accusation in (inaudible) for the last few months that there might be -- (there is suspected ?) relations that China is having -- building a naval base in the Cambodia territory.

From your perspective, Mr. Secretary, what do you think can help to strengthen Cambodia-U.S. relations, putting aside the geopolitics and the accusation of such?

Thank you so much.

DR. CHIPMAN: Mr. Secretary?

SEC. ESPER: Well, thanks for those questions.

I think on the -- I'll go the last one first, if you will. On U.S.-Cambodia, I think it's -- let's speak to the broader issue. And that is concern about countries, if you are, moving closer into China's orbit. And we see that happening for different reasons.

A major reason why countries do is because China is coercing them. They are threatening economic sanction or diplomatic isolation, or doing other things. We also see China enticing countries with -- with loans -- with loans that are -- end up being debt traps, or with the promise of building out naval bases that might benefit them commercially.

But all these are is -- is a Chinese effort to expand its power and expand its influence in the region, and then of course beyond the region as well. You know, China's first base overseas is actually in Djibouti, of all places. So we get very concerned where we see countries succumbing to this type of coercion.

That's why I've said our ambition in the Indo-Pacific is to defend our friends and allies and partners, to defend the sovereignty of countries, to defend the international rules-based order, and all those things. And then call upon China to live up to its commitments.

So, again, I think the -- the more that countries can embrace these same concepts and can help stand up to the Chinese and -- and stand for values that I discussed on this call, I think the better. Because if we're not careful, we'll find ourselves in a situation where China is calling the shots and we have a completely different international order, or at least regional order that puts China at the top and really is based on Chinese values. Now, I don't think those are things that any of us want to -- want to see happen in the long run.

With regard to the first question, Indo-Pacific versus Europe. I don't see it as a competition per se. Our National Defense Strategy says we are now in an era of great power competition. That means that we have to prepare for high-intensity conflict, going forward. And we've kind of tiered countries. And the top tier is China, then Russia.

And so that's why I've put particular emphasis on those two regions, and in particular the two commands responsible for them, INDOPACOM and European

Command respectively. That doesn't mean it's not a global competition, because it is. We see both China and Russia in far-flung places, whether it's, you know, the Arctic, where China -- where Russia clearly has a boundary but China doesn't. We see them in Africa, we see them in the Middle East.

So my goal is to balance those two -- two areas, and to make sure that I prioritize them appropriately but also in the context of the other commands that we have out there, which is why I'm taking a very close look at how we resource, our disposition of forces, all those things that we do around the globe to make sure that we're optimizing to prepare for this long-term competition, this great power competition, if you will, with China then Russia.

DR. CHIPMAN: Mr. Secretary, thank you very much for having inspired such an excellent conversation with such a very diverse participation on the Indo-Pacific.

Thank you, Mr. Secretary, also, for supporting IISS efforts at defense, diplomacy and promoting both reasoned debate and strategic transparency, in which you've engaged so wonderfully today.

And finally, let me hope that we will be able to see you personally between the 4th and the 6th December, at the IISS Manama Dialogue in the kingdom of Bahrain, where we'll be gathering defense and foreign policy and national security establishments from almost all the regions that have been engaged in this call.

Mr. Secretary, from all of us at the IISS, and all who were on this call, thank you very much for your engagement.

SEC. ESPER: Great. Thank you, John. Thanks for the opportunity to speak to -- to your audience today, thank you for hosting this.

Very well done, a good discussion, wide-ranging discussion. And I do hope to follow up with you sometime soon. If not Manama, then Shangri-La next year. So thank you once again.

DR. CHIPMAN: Thank you, Mr. Secretary.

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