

**CHINA DEFENSE MINISTRY HITS CLINTON/ASEAN...
SERIOUS, AND ECHOES "POLITICAL" DAI BINGGUO
SUMMARY:**

China today kept up the rhetorical pressure on the US, and therefore on its ASEAN neighbors...see today's blast against the Clinton/ASEAN initiative from the Ministry of Defense, claiming "indisputable sovereignty" over the S. China Sea.

Until recently, China's "political" have been chary in using the potentially fighting words of "core interest" regarding international use of waters near the PRC, but remember, Dai Bingguo, the "boss" of foreign policy, this year ranted to Sec. Clinton in about the same terms as his deputy, last Friday in Vietnam, and the Defense Ministry today.

And of course there was a month of heightened rhetoric from Beijing in the run-up to the US/ROK joint naval exercises which produced a tactical US decision to keep the nuclear carrier George Washington out of the Yellow Sea for now, in order to keep the focus, the "heat", on N. Korea.

The net: both the politicals, and the PLA/PLAN have increasingly sought to intimidate the US and its allies and trading partners from any kind of military operations in international waters claimed by the PRC, despite their proximity to S. Korea, Japan, Taiwan, Vietnam, The Philippines, et al.

Even today, amidst the MOD bluster, however, the Ministry was careful not to define US and allied military activities which "will compromise China's security". In one sense, risky in itself.

Overall, though, it seems to leave room for adult decision-making in Beijing?

But make no mistake about it: as DOD, State and White House briefers have been stressing all through the Yellow Sea/Geo. Washington "debate", the only question is when the US nuclear carrier task force steams through the contested waters...not if...and how will China react, post-ASEAN?

(Paranoid thought for the day: wonder if the merry band in Pyongyang will see the US/China dissing as an opportunity to "strike a blow" against the ROK or the US somehow?)

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US-CHINA...a Loyal Reader who follows the situation closely comments on last night's Report:

"I think you are right on regarding the Chinese reaction to Sec. Clinton's comments on the South China Sea. In fact, she did not make a new statement on a new policy, but reiterated our position over the past many years. If the Chinese were surprised, it meant that they had not been doing their homework.

But equally interesting is the suggestion that China was backing away from its statement of a few years ago that it would work with the ASEANS on the issue of competing claims to territorial seas following the dust up with Manila over Mischief Reef.

That corresponded with the signing of the China-ASEAN Free Trade framework, if I recall correctly, and resulted in general praise in the region for China's effective diplomacy. The core issues have not changed, but the tone has."

This is a useful starting point to look at today's Ministry of Defense statement, as the MOD mixes bluster with seeming awareness of the need not to needlessly paint the PRC into a corner.

The spokesman says "China has indisputable sovereignty of the South Sea and China has sufficient historical and legal backing" to support its claims.

He goes on to call Clinton's declaration that the sovereignty disputes are a "leading diplomatic priority" is "virtually an attack on China" and charged that US involvement "can only make matters worse and more difficult to solve".

(Recall that official Chinese complaints about the ROK stories "announcing" the nuclear carrier task force for the then-upcoming Yellow Sea exercises mixed sovereignty rhetoric with the plea that the exercises would "add to the tensions" already high with N. Korea.)

Finally, in "parsing" what we see as the key phrases, the MOD today sought to define the unacceptable US actions anywhere off the China coast in these terms: "China opposes any planes or warships that engage in activities that will compromise China's security in the Yellow Sea or other seas near China."

What comprises "compromising" activities? Not stated, which is probably just as well, since there's no question the White House has already made clear that the US Navy would carry out its usual, traditional, and fully internationally sanctioned activities in the waters off China.

So what's really "new" here?

Looking back on the week since last Friday, we'd suggest the critical point is that the White House is now acting to implement its interpretation of traditional US policy in ways specifically responsive to the interests and concern of allies and trading partners...and the White House is leaving no doubts in the capitols of these friends and allies about it.

Especially in Hanoi...

We've several times in recent months noted the rising concerns of The Philippines, and the pre-election "message" from now-president Aquino that his government is not just deeply concerned about PLAN activity in Philippine waters...but that he wants far more open cooperation with the US to confront China.

In short, Clinton's stunning initiative in Hanoi didn't spring from her brow as an inspiration of the moment, but was preceded by weeks, months of discussion, consultations, call them what you will, with Vietnam, Singapore, Australia and other key friends and allies.

Also with Capitol Hill, where leading players made strong representations that seem to have been reflected last week in Clinton's declaration of US interest in not just freedom of navigation issues, but the core issues of sovereignty which feed the navigation tensions.

Reports of Clinton's reception at ASEAN make clear that not only were the Chinese surprised by Clinton's initiative, but genuinely "gobsmacked" [see correction on that usage, below] when more than half of the 11 delegations rose to speak in favor.

This is seen by the Administration as not just vindication, but a critical confirmation of the damage China has done to itself through arrogance and PLAN actions.

We note it as the Administration, prior to last week, was being strongly cautioned that failure to more openly confront China on both navigation and sovereignty would be seen by ASEAN and neighbors as the US "ceding" both their and US interests to Beijing.

Indeed, now is a "defining moment", the Administration was urged.

Anyhow, to sum up for tonight, the reaction we're hearing, both from the region, and from Capitol Hill, is that far from the US now "risking stability", quite the opposite...by taking a firm hand on these issues (and on the ROK joint exercises) the US is working to promote it.

Whether it plays out that way, of course, resides very much with China, and whether it's true, as some experts maintain, that the "politicals" still tell the PLAN what to do.

If they don't, or if the politicals are now just as militant on sovereignty issues as the PLAN (see, again, Dai Bingguo's rant to Clinton earlier this year) the next time the George Washington is dispatched for its annual port call in Hong Kong could get "interesting".