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**From:** Campbell, Kurt M <CampbellKM@state.gov>  
**Sent:** Thursday, September 30, 2010 7:33 PM  
**To:** H  
**Subject:** Fw: Lee Kuan Yew on SCS

Madame Secretary -- a very sophisticated and supportive voice from Singapore. Kurt

----- Original Message -----

**From:** Heng Chee CHAN   
**To:** Campbell, Kurt M  
**Sent:** Thu Sep 30 19:04:40 2010  
**Subject:** Lee Kuan Yew on SCS

B6

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Kurt,

Minister Mentor spoke in a Singapore-russia dialogue held in Singapore. I think Secretary Clinton would like his comments.

Heng Chee

Headline: The way to solve border disputes: MM  
 Byline: JEREMY AU YONG  
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It's fair for smaller countries to turn to international conventions

MINISTER Mentor Lee Kuan Yew supports the use of international conventions to solve border disputes, especially when the countries involved are not of equal standing.

By way of illustration, he said it was "fair" for smaller countries like Vietnam to resolve disputes with China using conventions like Unclos – the United Nations Convention on the Law of the Sea.

He made the point at a dialogue of the Russia-Singapore Business Forum yesterday, when he was asked by former Japanese senator Kotaro Tamura to comment on the ongoing China-Japan dispute.

Mr Tamura, in his question, made his feelings clear, describing China as a "teenager" in its handling of the situation.

Adding that China was also pushing around other countries like those in South-east Asia, he asked if it was a good idea for countries with potential border problems to team up and take China into a multilateral negotiation.

Mr Lee, in his response, noted that multiparty negotiations had been proposed by United States Secretary of State Hillary Clinton in a visit to Vietnam this July.

But Mrs Clinton's statement had upset China, he added.

Mr Lee said: "It was a really quiet statement but I think it also drew a line, a red line which will not make the Chinese very happy.

"As you can see its foreign minister says it's none of America's business, it is a bilateral matter with the Philippines, with Brunei, with Vietnam."

The three South-east Asian countries, China and some others have all laid claim – either in whole or in part – to the Spratly Islands in the South China Sea.

But any bilateral negotiation with China is unlikely to be a fair fight, he said.

"So if you deal with China, and Vietnam with 100 million (people) and they've got 1,300 million, where is your punching power?" he asked.

He cited a 2008 dispute over a deal Vietnam made with US oil giant ExxonMobil to do oil exploration in contested waters.

"The Chinese told ExxonMobil: 'Move on or you'll get no business from China.' So ExxonMobil moved on," he said. That is why, he said, a multilateral, Unclos- based solution was just.

He stressed that negotiations needed to be based on internationally accepted rules.

Mrs Clinton, he said, probably did not act independently when making the statement in Hanoi and would have consulted her country's national security lobby and even the President.

He said the US policy made it clear that territorial claims were more complex than producing a map with dotted lines and saying: "All this is mine".

"I mean who produces this map? What is the authenticity of this map? Who kept it? And even if you can prove its antiquity, what does it show?

"It shows that at that time these countries were not independent and (were) under French, American or British or other rule and so they could not object.

"But now they're independent and they're entitled to protest. It's within their EEZ (exclusive economic zone); it's within their territorial waters," he said.

Mr Lee said the points made by the US in Hanoi draw an "important line against bilateral dealings which are unequal".

He also spoke on Japan's current spat with China, the worst between the two countries in years, which was sparked earlier this month when Japan detained a Chinese ship captain following a sea collision near the disputed Senkaku islands.

Japan, however, released the captain on Saturday.

Mr Lee felt that moving to settle the dispute was probably the right thing to do.

He said: "Supposing he (Japanese PM Naoto Kan) decided to do otherwise, then what? Then the Senkaku islands will become a dispute. Then they will send their navy there. Then you will send your navy there.

"And normally (you) have better ships than they have. But they will build an aircraft carrier. So in 10 years they have a bigger fleet than you have, so you have to factor that into your calculation.

"These are the realities of power."



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