

MEMORANDUM FOR: The United Nations

ATTN: Subcommittee of Economic and Social Commission of Asia and the Pacific

SUBJECT: Ending the Multinational Crisis in the South China Sea

Purpose: The purpose of this memo is to develop and ensure economic prosperity of the region surrounding the South China Sea, while placating China by allowing Chinese sovereignty to disseminate over the region and to demilitarize the region.

Background: Various countries have claims to the region. Conflict in the SCS has historically escalated and de-escalated. China is a growing militaristic and economic power in the region and when compared to other regional powers, far outpaces their capabilities of growth.

Policy Recommendations and Reasoning: *South China Sea Trade Treaty* is meant to establish peace in South China Sea region by investing in economic development initiative for international trade in SCS. The Treaty establishes a council which begins an Investment bank, similar to the AIIB, with specific allocations to regions neighboring South China Sea in proportion to their economic needs. Another goal is the demilitarization of the SCS. Everyone gets something: The U.S. gets demilitarization, Chinese agreement to North Korean denuclearization, and a transit pass for commercial vessels in the region. China gets U.S. forces out of SCS and to invest in an international trade initiative and oversight of SCS, which further promotes Xi Jinping's "Belt and Road" initiative. ASEAN gets economic development and prosperity from hefty aid and investment. The treaty is regulated and enforced by UN subcommittee South China Sea Treaty Regulatory Council (SCSTRC) of Economic and Social Commission of Asia and Pacific. A council made up of one member from each involved nation would be established under the SCSTRC to meet annually. The meeting city rotates between treaty member nations every year, and its purpose would be to maintain the treaty and report on issues. If a member nation does not adhere to treaty, and does not resolve issues in one year, the treaty is nullified, meaning that the threat of remilitarization keeps nations faithful to treaty. China would have full rights to the oil provided that they first sell it to Southeast Asian countries and at a fair price in proportion to the country's GDP.

Contentions and Concessions: ASEAN would lose sovereign claims in the region in exchange for large economic aid and investment from China. China would gain territorial claims to the region and be the sole proprietor in the region, while investing heavily into the surrounding region. The U.S. will not maintain a military presence in the region. China will pledge to support North Korean nuclear disarmament and to uphold free trade within the region.

Conclusion: Short term benefits include tension de-escalation, denuclearization, recognition of Chinese control of SCS. Long term benefits include investment in SCS countries leading to sustained economic growth, continued free trade practices, and demilitarization of the region.