CARNEGIE ENDOWMENT FOR INTERNATIONAL PEACE

NEW VISION PROGRAM

DEBATE SERIES
REFRAMING CHINA POLICY DEBATE 3: THE IMPLICATIONS OF CHINA’S MILITARY MODERNIZATION

“IS CHINA’S MILITARY MODERNIZATION PROGRAM A GROWING THREAT TO THE UNITED STATES AND ASIA?”

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TUESDAY, FEBRUARY 6, 2007
9:30 A.M. – 11:00 A.M.
DIRKSON SENATE OFFICE BUILDING

Transcript by:
Federal News Service
Washington, D.C.
J. STAPLETON ROY: Good morning, and a very warm welcome to all of you who have braved the frigid temperatures outside in order to be present this morning. My name is Stape Roy, and I’m a trustee of the Carnegie Endowment for International Peace. I’m a retired Foreign Service officer. During my 45 years in the Foreign Service, I was privileged to serve as ambassador to Singapore and to the People’s Republic of China, and to Indonesia. But a major portion of my career was spent on China, the country where I was born and where I’ve lived for some 20 years, including both time as a child in China and on official assignments with the U.S. government.

First, I want to express, on behalf of the Carnegie Endowment, our special thanks to Senator Bill Nelson and especially to Beth Nielsen on his staff for their invaluable assistance in organizing this debate.

Today we are celebrating the launching of Carnegie’s new vision, which will transform the endowment into the first truly multinational and ultimately global think tank. Phase one, announced today, will add operations in Beijing, Beirut, and shortly in Brussels to our existing offices in Moscow and here in Washington.

To be a success, the new vision concept has to draw upon and expand our existing expertise and outreach in many critical countries and regions of the world. Not the least of these, of course, is the People’s Republic of China. Indeed, the strength of our China program in Washington and the logic behind the development of our Beijing operation acknowledges that the rise of China will be one of the most important global challenges facing the United States during this century.

In assessing China’s emergence and its significance for the United States, there’s a need to get away from the quick headlines and what I would call hype about China’s rise, in order to try to understand what is really going on. With this objective in mind, Carnegie launched a China debates series, whose goal is to provide a forum for serious discussions of issues regarding China in which specialists, people who really know their subject but who do not necessarily agree on how to look at the question, can engage in intellectual interchange with the view of helping us to understand the issue debated better.

Today’s debate is on the modernization program of the People’s Liberation Army, which is what the Chinese call their armed forces. It’s a critically important subject, of great significance to the United States and to our friends and allies in the world, and especially in East Asia.

As many analysts have noted, China’s growing strength and influence make it the one country in the world today that has the potential to challenge U.S. supremacy, both in terms of influence and in terms of military power. But the significance of China’s
growing military strength, which in a sense is a parallel to its growing economic strength, lies in the nature of the relationship that we are able to develop with China. If we have a constructive and cooperative relationship with China, China’s growing strength and influence can actually reinforce our own efforts to promote peace and stability and economic development in the world. If we have a confrontational and hostile relationship with China, on the other hand, China’s growing strength will undercut our interests and confront us with very significant challenges.

What is missing in many discussions of China’s military power is a context for understanding the purposes and motivations for China’s military modernization program. Take the recent anti-satellite test by China. How many of us sitting at our breakfast tables reading the stories can put that test into a context that enables us to understand whether it poses a real threat to the United States or whether it’s a development that we should have anticipated because China has, for a long time, had the capability to put satellites into orbit?

Often, there is no historical context for understanding how the Chinese look at their security environment. For example, in my lifetime, China has been in armed conflict with Japan, the United States, Korea, India, the Soviet Union, and Vietnam. Now, the Chinese all know that. Most Americans don’t think about that historical context, and yet clearly it’s relevant to how the Chinese see their defense needs.

There’s an absence of external considerations that may influence China’s decisions on defense spending. For example, what are we doing on national missile defense? How are the Chinese going to respond to that? Do we factor these into our understanding of the question? This doesn’t say that what they’re doing is right or wrong; it merely means that we have to understand these considerations in order to be able to understand what China is doing.

We say that China spends too much on defense, but nobody bothers to say how much is enough. What should the Chinese, with a quarter of the world’s population, with giant land and sea borders to defend, and with these security perceptions based on conflict with neighbors, and with neighbors, many of whom have nuclear weapons? What is the right level of defense spending? If we can’t say what the right level is, we can’t say they’re spending too much or too little. And yet, often we omit this critical factor.

Frequently comments on China’s defense spending don’t look at what others are spending on defense. We criticize China for spending too much, but according to the CIA’s public figures, China’s defense spending is about 50 percent of what the British, the Italians, the Germans, and the French spend on defense, but we criticize them for spending too little. And yet they’re part of the EU, with a quarter of China’s population, and no immediate threats on their borders. So, again, we need a context for understanding these things.
And finally, we often make assumptions that China’s leaders, who have put so much effort into the economic development of their country, are eager for a confrontation with the United States, which would destroy everything they’ve accomplished over the last 30 years because even by Chinese calculations, after another 30 years, the Chinese are not going to be any match for us, either economically or militarily.

So, again, none of this prejudges whether we should be concerned or not concerned about China’s defense spending. We should be concerned. China is actively preparing for potential military conflict scenarios with the United States, and we have to understand what’s going on, and that’s the purpose of today’s debate.

So I’m going to turn the floor over to Michael Swaine, who is a senior associate with the Carnegie Foundation and is a specialist on China, and he’s going to be the moderator. But I have to add that he is also the editor of and a contributor to the latest publication by the Carnegie Endowment, which is called, “Managing Sino-American Crises: Case Studies and Analysis.” Now this is a book that was produced in collaboration with a leading Chinese national security research institute. In a way, this makes it unique, and if you read it, you will understand the importance of the debate we are about to have. Thank you. Michael?

MICHAEL SWAINE: Thank you very much, Stape, and thanks for the plug.

As Stape said, understanding the current features and trends and the overall significance of Chinese military modernization really is extremely important to U.S. interests in Asia and beyond. Unfortunately, as he also mentioned, this topic is often discussed in the U.S. in what I and others would regard as very unhelpful ways, containing heavy doses of ideological bias or political rhetoric, distorted news stories pitched to be as provocative as possible, and in many instances, a general lack of real knowledge.

This debate, as well as the written materials that we’re putting on our website that accompany this debate, are designed to avoid such distractions and to provide a well-grounded, clear-headed understanding of PLA modernization and its implications for U.S. policy, albeit from two somewhat different perspectives. It’s really the first of our debates that addresses directly a specific policy-related issue, the capabilities and intent behind PLA modernization, and its implications for U.S. policy.

The general debate topic is: Is China’s military modernization program a growing threat to the United States and Asia? To discuss this issue, we’ve brought together two professional PLA specialists with somewhat different perspectives, with extensive experience and knowledge of the PLA and a high level of credibility among both PLA experts and U.S. officials in general to discuss PLA military capabilities and intentions. Now, the full biographies of our two debaters are in your programs, but I’ll just say a few words.

Dr. Larry Wortzel, on my immediate right, is a commissioner on the U.S.-China
Economic and Security Review Commission and was Chairman for the 2006 reporting year. He’s a former Marine and retired U.S. Army colonel with a long career in military intelligence. Dr. Wortzel served two tours of duty as a military attaché in China. He has also served as both Vice President for Foreign Policy Studies at the Heritage Foundation and Director of the Army War College Strategic Studies Institute. Larry earned his M.A. and Ph.D. in political science from the University of Hawaii.

On my far right, Dr. David Finkelstein is director of “Project Asia” and the China Studies Center at the CNA Corporation. He is a retired U.S. Army Foreign Area Officer for China with extensive experience in joint political-military assignments, serving as Director of Asian Studies, J-8, Joint Chiefs of Staff, and Assistant Defense Intelligence Officer for East Asia and the Pacific. A graduate from the U.S. Military Academy at West Point, the U.S. Army Command and General Staff College, the Army War College, and the U.S. Army Airborne School, Dave received his Ph.D. in Chinese History from Princeton University.

Now, our primary intent in inviting Larry and Dave to hold forth is not to stage a contentious debate between the most extreme positions out there on the characteristics and implications of PLA modernization. It is our view that such a debate would produce more smoke than light, largely because those who espouse such extreme positions generally do not base their arguments on a detailed and in-depth reading of the PLA. Among serious PLA specialists, at least those who can speak on an unclassified level, Larry and Dave represent both the level of consensus, which is quite extensive, and the level of disagreement, which is notable yet not huge, over PLA modernization that exists within the specialist community.

Before we begin, let me say a word about the format we’ll utilize. Larry and Dave will begin with a five-minute statement each, providing their basic overall response to the debate topic.

I will then ask Larry and Dave to respond, in turn, to five sets of questions on PLA capabilities, intentions, implications for the U.S. and Asia and U.S. policy responses. These questions are designed to address the most significant issues of concern to outside observers in the policy community and especially on the Hill. The questions are contained in your program. Larry and David will take three to four minutes each to answer each question, and I will interject a question or clarify an issue at times after they respond. This period will cover approximately 40 to 45 minutes.

I’ve asked Dave and Larry to make their replies as concise and bottom-line as possible. After we cover these five questions, I’ll then address your questions from the audience to Larry and Dave. Please write your questions on the cards provided any time after Larry and Dave have completed their opening statements. The cards should be on your seats. Pass them to the ushers. We’ll have approximately 30 minutes for audience Q&A, and we intend to finish at about 11:00 or a little thereafter, since we started a little late.
So let’s begin. Larry, would you like to start with your opening statement?

LARRY WORTZEL: Thank you, Michael. I appreciate the opportunity to be here and thank you all for coming. Actually, before I start my five-minute opening statement, I want to qualify it. I am a commissioner on this U.S.-China Economic and Security Review Commission, but if you want to read the consensus position of the commission, you’re going to have to go to the annual report because I’m going to give you my views, which have not been debated and discussed among the 12 commissioners that are on this bipartisan commission.

And second, I want to memorialize George Becker, one of the commissioners for five years, who died on Sunday. George, a former Marine, enlisted in the Marine Corps in World War II, reenlisted in the Army in the Korean War, was president of the Steelworkers Union, and put in five good years on this commission. God bless him. He was a great guy and a great guy to work with.

Now, let me start this with a simple fact: The United States military is not thinking about the likelihood of war with Great Britain. That wasn’t always the case. Between 1890 and 1939, the War Department and the Navy had plans to fight Great Britain, and of course by 1939 we were allies.

My point is that in assessing potential threats, we make judgments about another nation’s military capacity and the intentions of its leaders. And the fact that we’re wary about China’s military growth doesn’t mean that conflict is inevitable. The course we’ve taken with China is different from the containment policy we took with the Soviet Union. We’re heavily involved in trade and political engagement with China.

China is not an enemy of the United States. But it certainly is not an ally. And while China seeks to limit free speech and the spread of democracy, it does not overthrow democratic systems by force. China counters American diplomacy, but it’s not conducting proxy wars against the United States.

China and the United States share interests and open trade, but China frustrates the efforts to ensure that Beijing enforces agreed rules. China and the United States want a peaceful international environment, but we have very different views on how to treat human beings. And we also differ strongly on policies regarding the transfers of certain weapons, and we have different approaches to territory and sovereignty. We don’t know China’s intentions, but from observing its military capabilities and reading its military doctrine, we know that the PLA is behaving as though they may have to fight the United States.

Now, China’s a totalitarian state. Of course if you read Ross Terrill this morning in The Wall Street Journal, it’s only an authoritarian state; it’s not totalitarian. But all political power is concentrated in the hands of the Communist Party. Citizens do not freely elect leaders or make public policy choices. PLA leaders do not go in front of a freely elected legislature to justify defense goals, budgets or weapons needs. A small
number of leaders make decisions in secret. And often the party takes one stance in public but has different hidden objectives, so their intentions are not transparent.

In my view, China’s military modernization goals are to develop a modern force equipped with advanced weapons capable of securing global interests. They seek to do this in a 20- to 30-year period. In its own region, China’s goals are to control sea and air lines of communication over China and out to about 300 miles. Also, a major goal is to dominate, and if necessary, defeat, Taiwan. PLA is close to these capabilities today.

China seeks to deny other countries the capability to operate freely in the Western Pacific. I think that within two to five years, China can probably accomplish that goal out to a range of about 2,000 miles in one or two geographic areas for periods of up to 48 hours. I believe that the PLA can impede the military operations of advanced nations like Japan and the United States. And today China can probably dominate the militaries of other East Asian nations.

Now, China’s conventional military capabilities are coupled with a real nuclear threat. China has some 20 to 24 ballistic missiles that can hit the United States with warheads of up to three megatons. Let me put that into a frame of reference: a one-megaton warhead on Detroit, Michigan, can immediately kill about 2 million people, and in a month, the death rate would double.

China’s mobile missiles and warhead countermeasures create a greater challenge for the United States. In the area of hypersonic cruise and anti-aircraft missiles, China has advanced capabilities that the United States cannot counter. The attorney general has said here in Congress that China is the number-one intelligent threat we face.

China can probably achieve space control over its territory, as demonstrated by the recent satellite attacks. That creates strategic instability by undermining warning. China’s submarine warfare capabilities exceed the United States’ capacity in anti-submarine warfare. China is working to achieve capabilities to destroy an enemy’s situational awareness, ability to use space and the electromagnetic spectrum and continuity of commanding control.

Now all these capabilities target United States military strengths. Therefore, I think it’s just prudent to keep our military pretty well prepared. Thank you.

DAVID FINKELSTEIN: Thanks, Larry. Thanks to Michael and Carnegie for the opportunity to be here today. This is a very important series of debates, and this one in particular is near and dear to the hearts of many of us. On a personal note, I’m especially glad to be here with Larry, who’s not only a respected colleague in the Chinese studies field, but an old friend with whom I served for many years on active duty in the Army in all sorts of interesting places. I’d like to recognize Secretary and Mrs. McNamara in the front row, Senator Stevens. And I’d like to, since we’re doing unabashed plugs, introduce Miss Kristen Gunness, who is the deputy director of our new Chinese Studies Center at the CNA Corporation.
What I’m going to do in my five minutes is bore down a bit on where I think the PLA is going and what’s driving all this. So the first thing I would tell you is that, today, the PLA is almost a decade-and-a-half into a period of sustained reform and modernization that is unprecedented in its history, and, I believe, transformative in its nature.

Now, the transformative aspects about this PLA that’s evolving can be boiled to three bullets. First, this is a military that was traditionally ground-forces-centric that is transforming into a military that is now giving equal emphasis to the naval and air forces; second, from a military that was previously postured to fight long wars that assumed a land invasion of China to one that is focused on defending Chinese interests off its littoral in short, high-intensity campaigns; and, third, from a military that previously relied on large numbers of forces to compensate for technological deficiencies, to a military that aspires, in the future, to fight with state-of-the-art technologies.

So the next question is, what is it that’s driving this reform and modernization program? Now, the answer, in my mind, is crystal clear: It is an unsurprising response to two types of assessments that most military professionals use, one a capabilities-based assessment, and the other, a contingency-based assessment. The former speaks to the generic capabilities that a military must possess as a result of the very-changing nature of warfare itself, regardless of who the problem, the threat or the situation happens to be. The latter, a contingency-based assessment, accounts for perceived threats: conflict where, against whom, to secure which national interests?

So what do I think is the capabilities-based assessment going on in the PLA? Well, to make a long story very short, the first U.S. Gulf War in 1991 shocked the PLA into confronting the stark reality that it was absolutely incapable of fighting state-of-the-art late-twentieth-century warfare.

Therefore, since 1993, the PLA has been retooling itself to be able to engage in what they now refer to as local wars under modern informationalized conditions, which comes with 20 pages of descriptors, but I’ll just give you three: It’s fought for limited political objectives and is limited in geographic scope. It’s short in duration but decisive in political and strategic outcome. It’s characterized by joint service operations in all the battle space dimensions to include the electromagnetic spectrum in space, as Larry said. And I’ll throw in a fourth: It is critically dependent upon information and near-total battle space awareness, and employs high level of precision-guided munitions.

So what I would argue to you is that even if there were no Taiwan contingency for the PLA to have to worry about, and it does, I would argue that the PLA would still be on the same vector it is on today simply due to the basic requirements that this capabilities-based assessment demands.

So what about contingencies? First and foremost, Taiwan, and of course, the assumption on the part of the Chinese of U.S. military intervention; second, Japan, for
obvious reasons; third, India, whose navy, the Chinese believe, has aspirations astride the sea lanes of communication through which China’s oil comes to its eastern coast; next, the South China Sea, where China is one of several claimants to contested islands, atolls, and maritime resources; and finally, the most obvious requirement of all: to defend the economic center of gravity of China, which is now on the eastern seaboard, no longer sequestered deep in the Chinese interior as it was during the Cold War, protected against a feared Soviet land invasion.

So the next question: For the near and mid-term, what appears to be the objective of Chinese military modernization? The short answer is, to create a military that is capable enough to fight and defeat other regional militaries on its periphery, if need be, and a military that is credible enough, operationally, to deter intervention by outside military forces. In other words, in the near and mid-term, the goal is to field a premier military force in the Asia-Pacific region off the Chinese littoral.

Now, while China’s global economic interests now come with global political interests, it is not clear at this point that the PLA is focused at building a force that is capable of global military force projection, not in the near or mid-term. This could change, and Larry alluded to that, but not at the moment. Now, I said conventional military power because, like Larry, I do take note of the recent programs to enhance the survivability and efficiency of the PRC’s nuclear forces.

So, what does all of this mean for the United States? First, what does it not mean? We are not, in my view, on the verge of a global military competition with China, as we were with the Soviets. There is a long list of reasons why China is not the Soviet Union, and I’d be glad to go through them during question-and-answer period. And it is not inevitable that the U.S. and China are predestined to be enemies.

What this does mean is the following: First, if all goes as planned for Beijing, and that is still a sizable if, the PLA is on a path within the next decade to become the most significant military force in East Asia, after the United States, and it is probably pretty close to that already today.

Second, coupled with China’s economic prowess, this fact alone, PLA modernization, has the potential – potential – to significantly alter the geo-strategic and geo-political realities in Asia for the first time since the end of World War II, potentially.

Second, while the PLA is not, in my opinion, going to overtake the U.S. armed forces in operational capability, the PLA is going to become a much more capable force than it ever has been.

Third, as the PLA seeks to increase its strategic depth off its littoral, the U.S. armed forces and the PLA are going to have more encounters, some planned and some unplanned, out in the Pacific. This is already happening, which is why our consultations with the Chinese are so, so important.
And finally, this means that the U.S. military must continue to modernize and transform its forces in such a manner that the delta between the current capabilities stays as wide as possible. Thanks.

MR. SWAINE: Thank you. Thank you very much, Dave. For those of you who are going to be writing questions, please pass them to Wang Yaping. Thank you.

That was a great base for continuing now our discussion. As I said in my introductory remarks, we have basically five different areas that we want to probe in some greater detail. And we’ve chosen this format to try and really get at the specific questions that I think are in the minds of a lot of people, both on the Hill and in the policy community in Washington in general.

And as you’ve seen from the program, the first question really has to do with the specific issue of Chinese military capabilities – not intentions, necessarily, not implications for the U.S., but just what is it that they’re doing that is of most significance, as far as you’re concerned?

Now, Larry and Dave have both spoken to this issue to some extent in their opening remarks, but what I’d like to do is press them both on a couple of points. One of them is to ask, as you look at the range of PLA capabilities that are being put in place, or likely to be put in place over the next 10 to 15 years, what specific capabilities are of greatest concern to you? What can you point to that is being developed now that we really need to pay attention to that define the kind of PLA you were just describing?

And in that context, would you say that China’s military modernization program is “excessive”? This word has been used repeatedly by senior U.S. officials from former Secretary Rumsfeld to Secretary of State Rice in describing the PLA modernization buildup.

So I’d like you to address both of those issues, if you will. Do you want to start, Larry?

MR. WORTZEL: Sure. The things that give me the greatest concern about PLA programs are, first of all, their tremendous ability in the area of hypersonics in general: scramjets, ramjets and missiles. The United States still does not have an effective weapon, either ground-based, shore-based or sea-based, against supersonic missiles. And they’re coupling that capability for supersonic Mach 4, Mach 5 cruise missiles all nuclear capable, with the ability to put them on submarines.

And as the commander of the Kitty Hawk found out a couple months ago, we can’t detect those submarines. They’re also behind the Russians but way ahead of the United States on supersonic anti-aircraft missiles, which, if you read their military literature, they’re going to put on, again, submarines, as well as perhaps merchant ships. We will not know where they are. So we could potentially face, off our coast, off Japan, or anywhere in the world, an anti-aircraft missile field that we didn’t know was there.
From an intelligence standpoint, we’re not tracking these things very well. That bothers me.

The second capability that bothers me, that I think they’re very close to achieving, is the fascination with being able to strike a deployed naval carrier battle group with a ballistic missile. Now the U.S. Navy just dismissed this, and it seemed like it wouldn’t happen. However, when you read the research and you read the experimentation being done in China on maneuverable reentry vehicles, and you see the new satellites constellations being put up, they probably lack one or two tracking and data relay satellites from being able to link cooperative target engagement from one of their destroyers or frigates or aircraft back to a ballistic missile fire on site on the mainland. They give me the most heartburn.

MR. SWAINE: How would you comment on the characterization that the whole program is, in some sense, “excessive”?

MR. WORTZEL: I don’t know what excessive is. Let me talk about numbers for a minute. Let me tell you how I have always responded when visiting congressmen, or senators, or the chairman or the Secretary of Defense asked if the budget is too big? I would respond: Sir I don’t pay any attention whatsoever to the numbers in the budget because we don’t know what they are. Moreover, we don’t know what factors to apply in terms of comparison. Do you use the McDonald’s purchasing power of parity? Do you use the Schumer-Graham estimate of 43-percent undervaluation?

I look at what capabilities they’re fielding. That’s all I care about. What capabilities are they fielding? And when they’re fielding capabilities in rapid time that can go after the United States, in particular, and Japan, in so many ways, that’s what I worry about. So I dismiss the numbers argument.

MR. SWAINE: Dave, what’s your view on that?

MR. FINKELSTEIN: That’s a great response, Larry, and I wouldn’t necessarily take issue with anything. What I’d like to do is take a different approach. Larry has already dealt with technologies and capabilities. What I would throw out to you is this: What has been so impressive to me about this PLA modernization reform program – and oh, by the way, this has been going on since 1993. None of us should be surprised that this has been going on. Even in the open-source world, we’ve been able to track this pretty darn carefully. And, oh, by the way, this is not the first time the PLA has modernized; they’ve been doing this since day one in 1927.

But what really has my attention and what’s so impressive from the perspective of one who used to be in a military, is that this latest round of PLA modernization program indicates to me that the PLA has finally taken a holistic approach to reform and modernization. It’s not just about accruing and buying some capabilities anymore. Anybody can go off and buy a weapons system from anybody who’s willing to sell it, or if you have enough scientists who can develop it indigenously.
What’s impressive to me is that the PLA has come up with a focused and sustained, what I call, whole-package approach to military modernization, which I believe in the out years is going to show some real results. Now for the sake of analytic simplicity, I always boil this holistic approach down to what I call the three pillars of modernization and reform.

The first pillar I refer to as the development procurement acquisition and fielding of new weapons systems, technologies, and combat capabilities. Example would be kilo-class submarines, and Sovremenny destroyers, and sunburn missiles that they have purchased for near-term requirements from the Russians, or the indigenous production of their own conventional missiles, their communications equipment, armor, et cetera.

That is the first pillar. That is the pillar that gets all of the play in the media. It’s very sexy because you can count it, you can categorize it; you know what to do with it. But there are two other pillars that I think military professionals like Larry understand, really make this interesting from an analytic perspective.

The second pillar is that the PLA has been engaged in developing new operational concepts and warfighting doctrines with which they aspire to use and employ those new capabilities that they are accruing in pillar one. In 1999, they produced a new joint war fighting doctrine. We’ll probably talk a little bit about that later.

But the third pillar, and this one really matters, is the vast array of institutional and systemic reforms necessary to support doctrine and new technologies. It’s about the people. It’s about professional military education. It’s about new training regimens; it’s about the creation for the first time in the history of the PLA of a professional corps of non-commissioned officers.

All of these things are leading to a PLA that I think in the next 10 to 15 years will have these characteristics. First, it will be a PLA that will be more professional in the corporate and institutional sense, and a more operationally capable and sustainable force. Logistics matters. Logistics matters.

Second, the PLA will likely be much better able to sustain regional force projection than it is today, but not yet, again, global force projection, sustained global force projection. I don’t think they will be able to do that in 15 years.

The PLA will still be a large organization in terms of numbers and personnel, much larger, I believe, than it needs to be, and, actually, much larger than it wants to be, but it can’t get rid of these troops for all sorts of reasons that have to do with civil military relations. But within this large PLA of uneven quality, there will be the small core of highly capable units that will make the PLA one of the region’s premier military forces.
Fourth, I think that the PLA, although it is on the road to jointness today, at the incipient stages of jointness, will be much more “purple” 15 years from now – a euphemism used in the Pentagon for jointness – than it is today.

And finally, I think 10 to 15 years from now, the PLA will certainly have much better space-based C4ISR – command, control, communications, computers, intelligence surveillance and reconnaissance capabilities – did I get that right Larry?

MR. WORTZEL: Yeah, you got it.

MR. FINKELSTEIN: He was at the war college when I was a student. I have to get that right. So they’ll have better C4ISR 10 to 15 years from now than they do today.

So Larry talked about technologies and specific weapons; I’m talking about, in a holistic sense, what this institution is going to look like 10 to 15 years from now.

MR. SWAINE: Great. Well, let’s get into the specific issue, then, which you both touched on, of how these capabilities specifically relate to or threaten U.S. interests. It’s clear that the PLA is developing its military in a very systematic way, has been doing so for years, has been spending significant levels of money in doing so, has been acquiring certain types of capabilities that give it reach beyond its own territorial borders, largely within Asia, and probably it will continue to be so in the foreseeable future. How do you define this in terms of U.S. interests in particular?

In the 2006 DOD QDR, China was named as a potential military competitor for the first time. The report stated of the major and emerging powers, China has the greatest potential to compete militarily with the United States and field disruptive military technologies that could over time offset traditional U.S. military advantages absent U.S. counterstrategies. Do you generally tend to agree with this assessment, and if so, why, and if not, why not? Why don’t you start?

MR. FINKELSTEIN: Yeah, thanks. I never liked this question when you tabled it, and I don’t like it any better now, Michael. (Laughter.) And I’ll tell you why.

But let me address Michael’s point about the QDR specifically. The QDR is strictly a capabilities-based assessment put out by the Pentagon. It does not ascribe intent. It talks strictly about empirically derived capabilities that are out there. So you cannot argue with the QDR in saying that China has the potential to be a competing military of note. Strictly based on this capabilities-based assessment, it would make sense.

But what I would offer here is that military capabilities of one nation do not ipso facto challenge the interests of other nations. It is the policies and intentions of nations and their pursuit of national interests at the expense of other nations’ equities that challenge national interests.
In other words, Michael, without fixing intent on the part of the national leadership of the CCP toward the U.S. over the long term, and its interests, the emerging capabilities of the PLA are technically only an empirical phenomenon to be discussed. And Larry alluded to this in his opening remarks. The concept of intent is absolutely critical here. So right off the bat, I have problems with this question.

Now, if you pose this question a different way, “How might growing PLA capabilities threaten the capacity of the U.S. military to carry out its key missions in the region?”, well, then you have to ask yourself what is the U.S. military going to look like in 10 to 15 years. I don’t know. I would hope – I would certainly hope that we are not standing still while the PLA is moving forward. But this isn’t very satisfying either.

Let’s say for argument’s sake that we have four traditional U.S. military missions in the Asia Pacific region that are there to support U.S. national interests, writ large. What would they be? (1) Assuring freedom of navigation; (2) assuring access to the Asia-Pacific region; (3) deterring aggression; and (4) defeating aggression if deterrence doesn’t work. I doubt that the PLA is going to be able, even 10 to 15 years from now, going to be able to preclude the U.S. military from actually accomplishing its mission. It will not be able to keep the U.S. military from doing these things.

However, as the PLA continues to modernize, they are going to make it more difficult for the U.S. military to be able to accomplish this than today, just because they are becoming a more operationally capable force.

Now, another way to skin this cat – we don’t want to go down the Donald Neuchterlein (ph) path – would be to come up with the four national interests of survival, vital, major, and peripheral. We don’t need to have this academic discussion, but unless there is a nuclear exchange between the U.S. and China, God forbid, the PLA is not going to be able to threaten any survival U.S. interests. And what our vital, major, and peripheral interests in the region are 10 to 15 years from now will be subject to change. So I don’t like the question.

MR. SWAINE: –Larry, what is your –

MR. WORTZEL: The QDR has four vectors or four war scenarios that the Pentagon is concerned about: irregular warfare; catastrophic attacks; traditional war, which includes nuclear forces and electronic warfare; and finally, disruptive approaches to war, like censors, biotechnology, space, direct energy, and cyber operations.

Now, of those four vectors, there is only country in the world that has the potential to threaten us in three, and is busy facilitating threats in the catastrophic area. That is our favorite, China. It’s the only one. I’m worried – they are very, very good at directed energy. They are a world leader in some of those areas. They are a great at nanotechnology. They Chinese right now lead in energetic materials, electronic materials, infrared detection, nanotechnology, and metallurgy. Their improvements in metallurgy just amazed me. In 1997, my assistant Army attaché and myself managed to
get a look at what was supposed to be the five-year plans for a redundant national commanding control system in the PLA – satellites, fiber-optic, radio, telephone, you name it.

They achieved it in 10 years, so they weren’t as good as they thought. But they have sped up so quickly that today, every destroyer and frigate in the People’s Liberation Army has data links to all of the aircraft, the seven AWACS planes they have, their helicopters, their submarines, and they lack a couple of tracking and data relay satellites to be able to network that whole thing back to Beijing. So they are just doing extremely well.

In the traditional area, I worry about these conventional capabilities. I think our nuclear deterrent is adequate, and we should keep it up, but if they chose the sort of blackmail that Zhu Chenghu or Xiong Guangkai threatened against a single city, we can’t stop that. We can’t stop one or two missiles. We can probably deter a hundred missiles. And the risk is that I think they have calculated that the United States is highly averse to nuclear exchanges and afraid to escalate. Also, they have threatened to use a nuclear warhead against a carrier. That would leave 5,000 people dead. They might use one against one city on the calculation that we wouldn’t respond, or we would be afraid to escalate further.

So that is a problem. It plagues nuclear war planners, and the net assessment of how we view each other is very different.

MR. SWAINE: Thank you, Larry. That gets a bit into the intentions part of this. But how would you react to what Dave said about the PLA’s capability to neutralize, if you will, the major aggregate missions that Dave defined as basic to the U.S. military in Asia. Do you agree with what he said about their likely inability to be able to completely neutralize these, although they make it harder for the U.S. over time, or do you think they are actually in danger of, or threatening to, on a capabilities basis, really neutralize certain capabilities of –

MR. WORTZEL: I think they can neutralize or destroy our ability to have situational awareness over China and do verification if they chose to do that. And, frankly, they don’t understand that if they did that, it constitutes an act of war. They don’t understand that, and they won’t talk to us about it.

I think they have the capability to destroy or neutralize a lot of our situational awareness by affecting our ability to network from a command-and-control standpoint and to get information from satellites and back home. Now, the good news is, as they build these capabilities for themselves, they are equally subject to electronic warfare attack. Nonetheless, I think they could simply make it very difficult.

Again, the dilemma is not so much what they can do. I think we have a pretty capability military; it’s what risks they are willing to take. Let’s just take one capability: the ability to hit an aircraft carrier battle group or target it with a maneuvering warhead.
We don’t know what their doctrine is. Is that going to be an electromagnetic pulse to blow out your capacitors so you can’t communicate? Is that going to be a conventional hit with – or is it going to be a nuclear hit?

When you talk to Chinese officers about it, they really want this capability. They first raised this thing when I was in China in ’96 and ’97. I said, you know, Pearl Harbor only killed, like 2400 people. You kill 5,000 people on an aircraft carrier, and it’s not like the Iraqis hitting the U.S.S. Stark with a cruise missile. We’re not going to just say, sorry, we know that was a mistake; we’re going to go to war. They don’t quite understand those risks.

MR. FINKELSTEIN: Well, let me just throw something in. I think Larry – Larry brings up some really good points, but realize that when we are talking at that level already, we are not talking about the regular peacetime missions of the U.S.; we’re at war.

MR. WORTZEL: We’re at war.

MR. FINKELSTEIN: If they have exercised those capabilities, it’s no longer a matter of can we deal with our peacetime missions of deterring aggressions, maintaining access; we’re at war, and this is a whole different discussion that we’re having now, the warfighting capacities of a modernizing military and a highly modernized military.

MR. SWAINE: Well, let’s get to this question more specifically- I would like to draw you out a little bit more on this issue of intentions. As Dave said a minute ago, intentions to him are really the core of this issue. Some people would argue capabilities alone should be able to define threat. But for Dave at least, intentions are really important.

Now, I would like to know from both of you to what extent and in what way do you think Chinese intentions really constitute a threat to U.S. interests. Is the Chinese military guided by specific objectives that are intended to threaten U.S. interests or Asian interests, including, for example, the notion of what is often referred to the island-chain concept, or the string of pearls concept, which has within it the idea of establishing sea control over areas that are vital to the United States, and the notion of course of replacing the United States in Asia as the predominant maritime power. How do you assess Chinese military intentions behind their capabilities? Larry, why don’t you begin.

MR. WORTZEL: The Chinese have adopted in their policy and security community a Japanese formula for comprehensive national power, and for them, it’s a combination of military, political, economic, cultural, informational, and scientific power. And some of their scholars have gone so far as to work out an algorithm and assign each countries numbers to calculate who has more power in this and that area. That is kind of a Marxian approach.
What bothers me is the end of the algorithm, after equals, comes out to the power to compel; not the power to defend, not the power to ensure one’s national interests, but the power to compel other countries. So we don’t know their intentions, but that is kind of a give-away. If the communist party’s approach and political culture is compellance, if the Chinese Communist Party would go so far as to enlist Google to help police the Internet so the words, “Tiananmen massacre” don’t appear on the Internet – so you can’t say, “Taiwan democracy” and write a blog about that without getting arrested, they use compellance in politics. I’m not happy about their intent. I think that is a real problem, and this idea of force and compellance is what bothers me.

If outer space is going to be left for all of mankind, and the seas are going to be open for transit, we’re not going to have a problem. But, if you read some PLA literature, they want to be able to control space. And there are PLA officers that believe that no space object should be able to observe China from outer space or transit over China. If they do that, those are acts of war, just like sinking a neutral ship at sea is an act of war.

So we don’t know their intentions. But we do know that when they face some students, or when they faced millions of workers in 1989, they drove over to them with tanks and machine guns at Tiananmen – in the Tiananmen massacre. So we know how the Communist Party uses power, and that bothers me.

MR. FINKELSTEIN: Yeah, I’ll be very brief. Strictly from the perspective of military doctrine, military planning, developing and acquiring capabilities, the one situation in where the intent is to be able to challenge the U.S. is in a Taiwan scenario.

In 1993, the Chinese reissued its “National Military Strategic Guidelines for the New Period”, which is the equivalent of our national military strategy. And among the very many components that comprise that equivalent of the national military strategy, they must be able to identify doctrinally what they call the “main strategic direction.” Now, this is their principal contingency-based concern around which all other capabilities will be focused, whether it’s the institutions, and systemics, and pillar three I talked about, the doctrine in pillar two, or the weapons and technologies and capabilities that I mentioned in pillar one of this holistic approach. And at the moment, it is focused on Taiwan, that is the main strategic direction.

So, to the degree that the U.S. believes that it has some order of interest to make sure that Taiwan is not the object of unilateral aggression – and whether that’s vital, major, or peripheral is a political decisions that a White House would make, not the Pentagon – to the degree that defending Taiwan from unilateral aggression would be a clear American interest, then this PLA program does talk to undermining a U.S. interest.

MR. SWAINE: Let me ask you both, just a very quick yes-or-no question. Do you believe the Chinese military is being constructed with the objective of ejecting the United States from the Western Pacific?
MR. FINKELSTEIN: No.

MR. WORTZEL: I won’t give you a yes/no on that. I mean, that is –

MR. SWAINE: You don’t know.

MR. WORTZEL: No, no, that is too simplistic. I believe that PLA is being constructed to control the seas out to three to 600 miles and deny access to the seas and airspace out to be about 2,000.

MR. FINKELSTEIN: Yeah, let me – I think Larry said something important – do not – what we actually have – it’s not about ejecting the U.S. from a geographic region; it’s about two competing military strategies that are operating off the Chinese littoral. We have a traditional U.S. military strategy in the Asia-Pacific region that is built on maintaining access into the region. And what the – so that is our strategy. That is why we have a strong Navy, Air Force – we have all of the elements of national power to go on – We have a United States military strategy that is predicated upon maintaining forward deployment and maintaining for the U.S. access to the region, and even at this point, access off the Chinese littoral. The Chinese military strategy is predicated upon denying access of the U.S. forces around its littoral. Now, how far out that littoral is, is something that is continually debated by the Chinese. Is it 200 miles within their exclusive economic zone that they claim? Is it the so-called island chain, third-island chain? Is it beyond that? That is a shifting question that will be based on intent in Beijing, which we cannot fathom at this point, and perhaps predicated upon increasing capabilities in the future. But it’s not about ejecting forces and people from an area.

MR. SWAINE: Thank you. Since we are running out of time in this segment of the debate, I want to skip to the last question and ask Larry and Dave to briefly address them in light of what they have been just been saying. What do you think the United States needs to do in dealing with the PLA, the PLA modernization, to manage the types of threats or potential threats that you think exist or could emerge either in the next 10 to 15 years? What does it need to do that you think it’s not presently doing, or that it’s now doing but needs to do more of? What would you recommend that the U.S. do in response? And again, I’m talking about military to military – military issues, military capabilities? Larry?

MR. WORTZEL: Well, I think we need to strengthen and maintain our alliance network with our military allies. I think we need to devote more time and more money, as quickly as we can, to ballistic missile defenses. Clearly we need cruise missile defenses. Our ability to project force is good but it’s limited, and it’s vulnerable to electromagnetic pulse, which is something the Chinese intend to use. Our tankers are not hardened for – so we can’t keep them in the air, and we don’t have enough forward bases, so I think we need to think more about hardening. We need to go back and harden our space assets so they don’t get blinded by Chinese lasers, or jammed as easily. Those are some of the military areas I think we need to work on.
As for direct contacts with the PLA, I’m not a “touchy-feely,” when-Harry-met-Sally, do-we-have-mutual-understanding-and-respect; do-we-understand-each-other-and-like-each-other, kind of guy. We need to engage in serious threat-reduction talks with the People’s Liberation Army and confidence-building measures. This is not “Sleeping in Seattle.”

MR. FINKELSTEIN: Larry, I wouldn’t have guessed that about you. (Laughter.)

I think – I’m not going to second-guess what our future military capabilities need to be, or dictate what they ought to be, but it is eminently clear that the U.S. has to maintain its alliances; the U.S. has to continue to modernize its armed forces, and we need to maintain our forward presence. We need to maintain that forward presence. Now, you know, we should not be in a full-bore panic here about the modernization of the PLA. This is a stark reality that we have been watching for a long time; it is the natural result of a growing China. We don’t have to like it, and a lot of times, we shouldn’t, but it’s the reality.

This is an issue that has to be managed, and it ain’t going to be managed, to use the vernacular, by making this strictly a military issue. This is about maintaining not just a strong military forward presence, good alliances, and a modernizing U.S. armed forces; it’s about the U.S. government’s large keeping its eye on the ball in Asia, enhancing our diplomatic and political work; it’s about our economic work out there, and ensuring that the U.S. continues to be, with all of the elements of national power, a presence to be taken account of out in the Asia-Pacific region.

MR. SWAINE: I hesitate to even say this, but can you just say a word on the military-to-military relationship –

MR. FINKELSTEIN: Absolutely.

MR. SWAINE: In response to what Larry just said– Because I know you have been very deeply involved in it in your career, and you have a very strong view about it.

MR. FINKELSTEIN: I do have a very strong view about it, but I’m not Harry and Sally either. (Laughter.) It is absolutely imperative that we maintain discussions with the Chinese People’s Liberation Army. It’s going to be frustrating; it’s going to be tough; it’s not going to end up in mutual trust, but at least we can shoot for mutual understanding meaning that we at least give them the reality checks they need so that they understand what is at stake, and that we also on our side understand what these people are about.

I do not believe that the PLA is itching for a fight with the U.S. any more than the U.S. military is itching for a fight with the PLA. What scares me the most is the potential for miscalculation because we have asymmetries of national interests, asymmetries of levels of intensity of national interests on various issues out in the region, miscalculation, and it can happen in Beijing, Taipei, or Washington, is the greatest problem we have,
which is why we need to press the PLA to make good on the commitment that was made during the Bush-Hu summit to have a Second Artillery STRATCOM dialogue as soon as possible.

And I think that the Congress needs to go back and re-look some of the strictures that they put on the Department of Defense in the FY 2000 Defense Authorization Act. This was done with good reason. There was concern in the Congress for whatever reasons at the time that, oh, in this military engagement plan, we’re going to be giving away the farm to the Chinese. Well, there is reason for that concern. But I think the Pentagon ought to have a lot more leeway to be able to conduct as many types of engagements with the PLA as they can in order to see what we can benefit from.

So I think we should re-look that. Some of those restrictions still apply, some need to be re-looked.

MR. SWAINE: Thank you, Dave. Well, that ends the center part of the discussion in terms of the five key questions. What I would like to do now is turn to the questions that you have been asking – and we have quite a lot of them – to ask Larry and/or Dave to respond to these questions, and to try and keep your answers as brief as possible, given the limited time that we have and the large number of questions.

MR. SWAINE: I think a very relevant question about a recent development, the ASAT shot, or the launch by the Chinese of a ballistic missile to destroy their own weather satellite. How do you assess the significance of this particular action? Was it a surprise? Was it a signal to the U.S. and others, and if so, what type of signal? Does it pose a specific kind of threat to the U.S.? What do you think the U.S. should do about it?

MR. WORTZEL: Well, first of all, if it was a surprise, you’re not reading the PLA’s own literature. In 1999, for an all PLA information warfare conference, two PLA officers wrote papers arguing that China needs to be able to destroy satellites. Two Second-Artillery Corps Officers wrote that no nation ought to be able to look down from space and observe China’s nuclear forces. So they are striving for space control. The debate inside the PLA since ’99, has been whether space should be open for all mankind or whether you control it. I think they are going to end up wanting to control it in warfare, and not mess around with it unless they intend to go to war.

So the ASAT test shouldn’t have been a surprise. Plus, they conducted three tests before that, that the intelligence community and the military knew about. Why did they do it? When they conduct physical surveillance they put their finger right in your chest, and there will be 15 guys on you with motorcycles and cameras. They let you know you’re under surveillance. They’ll let you know you’re on their territory and they can stop you, and that is what I think they were doing. They put us on notice that they are going to control their airspace if they need to, and they have the capability to do that – or their outer space.

MR. FINKELSTEIN: I would have to say that anybody who has been following Chinese operational-level doctrine over the past decade shouldn’t be surprised at all that
the Chinese have been seeking such a capability because their doctrine demands it. Why they did it now is really interesting. Of course, this is another case where the Chinese pulled defeat out of the jaws of victory in the sense of public relations. I mean, imagine how different this would have played out if we would have had the ability to have a hotline in there and somebody from Beijing called Washington and said, you r not going to like this, but in two hours we are going to do X, but they didn’t.

What really disturbs me about this event is not just the operational capability and the way it was done. What really disturbs me about this is all of the speculation that we’re going through about why did they did it. Who in China knew? Which organizations were consulted – which is really remarkable because when you consider that after 30 years of “reform and opening up” of China, we’re still sitting here guessing as to who makes decisions of this magnitude, how they coordinate it, or don’t coordinate it, and why they did it. This goes back to my earlier point about miscalculation.

MR. SWAINE: Thank you both. Another question. This deals with the Chinese Russian military relationship. Can you say a few words about the importance of that military relationship to the Chinese military modernization effort and the transfer of technology? Could the Russians possibly help the Chinese leap, in some sense, a quantum leap in their capacity? David?

MR. FINKELSTEIN: Well, I think Sino-Russian military relations are absolutely critical to the PLA’s near-term requirements. All of the systems, all of the technologies, all of the munitions and end items that they are buying from the Russians, they are buying off the shelf in order to plug gaps they have right now in the off chance that they actually have to put their op-plan for Taiwan into effect. The Chinese would rather go ahead and develop their own capabilities – these people have been in bed before and it wasn’t a happy relationship, right. We saw what happened in 1969.

But for the moment, we have a very interesting symbiotic relationship. The Russians have the defense industries that they can’t afford. Without Chinese cash, those Russian defense industries go under. The Russians have the end items on the shelf, or can build the items that he Chinese need immediately. The Chinese have the cash.

So for the moment, this is a very cozy and mutually beneficial relationship. How far it can go? I don’t know.

MR. WORTZEL: Well, I agree with everything Dave said on that. The Russian military assistance to China has helped China make the kind of leap in military technology and the application of military force that cellular telephones made in telecommunications in China. They literally bypassed probably 30 or 40 years of normal military development. And they have managed to do it quickly. Whereas, it took them years to learn how to use SU-27s and Kilo submarines, they have managed on some of these network centric C4-ISR systems to pick it up within a year or two. And I don’t think it will end. But don’t just give the Russians credit because 50 percent of the data
links and radars are from Italy and Spain and a whole bunch from England, and a little bit from France. So we need to focus on the EU as well.

MR. SWAINE: Well, how do you deal with the issue that—what a lot of observers say is that a lot of these acquisitions, these outside acquisitions, particularly ones from the Russians, yes, they have a capacity to enhance the Chinese military clearly, but they also reflect an inability on the part of the Chinese defense industrial infrastructure to actually achieve those levels of more proficient military weapons that the Chinese need. They would prefer to have made fourth-generation fighters themselves; they would have preferred to have made kilo-style submarines, which they now are beginning to produce, but they weren’t capable of doing that. Therefore, they had to rely on the Russians, which to some extent was a limitation, was it not?

MR. WORTZEL: It is a limitation. Although, they managed to reverse-engineer things very quickly. The Moskit SN-X22, that supersonic naval cruise missile that can carry a nuclear warhead, is a good example. The Chinese managed to reverse engineer it and now they are the only second country in the world with such missiles.

The cell phone is a great analogy. After Tiananmen, in 1989, another attaché and I went to the city where the tank division that drove its way into the center of Beijing was stationed. We were surrounded by public security guys. They said, where do you want to go? So we said, take us to a radio factory. And they took us to a PLA radio factory. At the factory, the leaders said: “We’re researching the newest advanced technologies. Would you like to see our research lab?” I said. “Sure, show it to us.”

They took us in, just a dark, dirty facility, and here are two little guys with eyeglasses. One is disassembling a Nokia cell phone, and the other is disassembling a Motorola cell phone, and that was their research lab. That is what they are doing to the Russians. So, yeah, it’s a weakness, but look where they have come in cellular technology.

MR. SWAINE: Since we are on the issue of foreign acquisition, there was also a question here about Israel’s role. What is your view of Israel’s role, contribution to the modernization of Chinese military, and how should the U.S. set boundaries on their level of engagement with the PLA.

MR. FINKELSTEIN: Beyond what I read in the newspapers, I have no idea what is really going on there, but clearly there was some anguish on the part of Washington over these past few years on some of these issues. But just to kick in on the other question before, I think that—where the Chinese defense industrial complex does seem to traditionally fall short is on applied engineering—great at theoretical developments, great at theoretical physics, technological theories. But when it comes to actually getting a wrench and making it work, they often have problems. That is why they were always looking for—great at making airframes, which is basically an aluminum tube, but had to go to somebody else for an engine.
The fact that in 1998, they went through yet – in the PLA – they went through in 1998 yet another major rectification of their defense industrial complex by creating the General Armaments Department was for some analysts, another indication of just how bad it is over there. But, again, balance that against what Larry said: Once they can get something, reverse engineering – reverse engineer it, then they can move forward, which is also why you have Hu Jintao running around China screaming that China has to become an innovative society. It’s not just enough to be able to copy the Nokia phone. We want to have the Zhongguo phone, you know. China needs to become innovative in its own right is the new mantra.

And you always listen to the political commissar, and this is the top one, Hu Jintao, but whenever they tell you that something must be done, it usually tells you that there is something they can’t do.

MR. WORTZEL: I think you have to put Israel’s assistance and cooperation with China into historical context. I dealt with a lot of Shaul Eisenburg’s people when I was in Beijing. That relationship goes all the way back to the end of World War II. You have to look at U.S. policy also. Remember, we were strategic partners with China from about 1978 or ’79 to 1989. And between the Tiananmen massacre and the collapse of the Soviet Union, the basis for that partnership crumbled.

But we fought the Russians in Afghanistan together. We helped them against the Russians –

MR. FINKELSTEIN: The Vietnamese.

MR. WORTZEL: We helped us against the Vietnamese; they helped us. So from ’79 to roughly ’89, the United States literally looked the other way on Israeli-Chinese cooperation –

MR. FINKELSTEIN: Because we were giving them all sorts of –

MR. WORTZEL: We gave them stuff too.

MR. FINKELSTEIN: Weapons also.

MR. WORTZEL: Yeah, we gave them stuff too.

MR. FINKELSTEIN: I mean, you were part of it.

MR. WORTZEL: I was part of it. Now, the proper approach to change that was when we went to Israel on the AWACS project and we said, you know, we give you 17 billion a year. We give you 17 billion dollars a year and we are going to cut that if you sell that AWACS aircraft to China. So can you put up with some military sales? Probably. But you need to be able to put your foot down and say don’t do this. And we
went through the same process with the EU a couple of years ago, when they wanted to lift the Tiananmen arms embargo.

These third parties also are feeling the pressure to support their own defense industries with a cash-rich China. These pressures are not going to end.

MR. SWAINE: Let’s turn to the issue of nuclear strategy for a minute. There is a question here about China’s modernization of strategic nuclear forces. Do you think in anyway this goes beyond its current objective of securing an effective and survivable retaliatory capability? Is China’s concern about the combined threat of precision long-range, conventional strike forces and U.S. missile defense reasonable?

MR. WORTZEL: Yes, absolutely. They are quite aware of the way conventional strike warfare work – our doctrine on it; we haven’t practiced it. They follow our nuclear doctrine very closely. There is a debate in China on nuclear doctrine. Some younger officers and younger scholars are arguing that China needs to be ready to strike on warning. And they believe that they will get warning; not from satellites, but from human intelligence.

Another group in the military argues that the PLA should treat a conventional strike on nuclear forces as though it was a nuclear attack. So I think that the PLA, at the global level, toward the United States – maybe India and Russia remains a second-strike force or retaliatory force. In the theater, the capabilities are building. By mixing conventional and nuclear warheads on the same kinds of missiles they created a highly volatile, potentially escalatory situation. It’s not as clear in theater doctrine, in regional doctrine, if they face Japan or U.S. in Guam, whether that no-first-use policy would hold up at all. For those of us who follow Chinese nuclear issues, we are at an interesting place right now. Really for the first time in many, many years, there is actually literature that is being written that you can access.

So the things that Larry is reading, that myself or others that follow this much more closely than I, for the first time, we have a body of literature. We are still trying to get our arms around how to vet that literature. Are we looking at debates? How do we know the difference between academic discussions versus official policy? But the good news is, is that there is now a body of literature that we can read because the first time, the Chinese are having discussions among their military professionals about the issue of nuclear weapons.

So I don’t take issue with what Larry said, but Larry really did say something important that needs to be amplified, this idea of the fear of conventional strikes on China. You know, in my opening comments, I made a statement that went very quickly. For the first – since 1978, when China has developed its economy, their economic center of gravity has shifted from deep in the interior, which it was sequestered against a feared Soviet land in Beijing onto its coast from Dalian in the North to Hainan in the South. That golden coast of China is really the essence of all of China’s national power, its economic gravitas in the world.
And at the moment, the Chinese are incapable of defend it if they had to defend it – right? Remember in 1996 during the unpleasantness of the missile – of the Taiwan – the second Taiwan missile crisis, we had those carrier battle groups way off Chinese littoral and not in the Taiwan straits as many people say. We’re not there at all. We weren’t even sure if the Chinese knew that we were there. We weren’t sure that we had deterrent power, which is why the press was allowed to go on to the next of those carriers to make sure that the Chinese knew that all over the horizon was this carrier battle group. This is a stark realization for Chinese defense planners, which is why they are looking for strategic depth, which is why there may be debates going on about nuclear issues.

And this sort of takes us back to the original question – is this excessive? Well, from our perspective this defense modernization might be, but I’ll tell you what, I’m sure glad I’m not a planner in the first department of the GSD of the PLA?

MR. SWAINE: That is the general staff department, which is like the chief of staff. Thank you, both. Actually, there is a question here about civil military relationships, which I think we should at least say a word on. And the question is, does the Chinese military leadership agree with the civilian leadership of the party as to what national security policy is and how it should be implemented? I know this is a very large and very complex topic, but if you could just address it in a couple of minutes, that would be great.

MR. FINKELSTEIN: Show me any nation whose military and civilian leaders agree on what constitutes national security, and we can take the discussion from there. I mean, clearly there are going to be different views between the uniformed members of the Central Military Commission and the civilian members of the Politburo Standing Committee and Hu Jintao being the linchpin of the two. That is not really the issue. The real issue – and this came up in the context of this ASAT test. Do we have a rogue PLA that is off on its own doing something outside the box of the party? My short answer to that is, no. There may be disagreements. There may be a lot of sour grapes at the end of the day when the Politburo Standing Committee makes its decisions on the part of the PLA, and sometimes the PLA may actually be able to carry the day in the bureaucratic in-fighting. But at the end of the day, I think the PLA is still under the control of the party. What we’re seeing now after 30 years of reform opening up and systemic change is that the PLA is now much more an institutional lobbying group than it is the wielder of political power writ large in China as it once was. And so they have their cases to make.

MR. WORTZEL: You know, it’s interesting. Dave and I did a discussion on this question on December 12th for a bunch of folks from the intelligence community. That was the question given to me. My response was that there are debates inside the PLA and with senior civilian leaders of the party over the direction and scope of military modernization, budgets and strategies. Every once in a while you get glimpses of them,
but fundamentally it is a party army led by the civilian leadership of the Chinese Communist Party, and they do what they are told.

MR. FINKELSTEIN: Right, and we should disabuse ourselves of this idea of a national army that is not a party army. This is the party’s army, period.

MR. SWAINE: There is a question about China’s anti-submarine warfare capability. And the question is, isn’t this evidence of military modernization aimed exclusively at the United States? Would you characterize that as an anti-U.S. capability that is underway? Dave, you start.

MR. FINKELSTEIN: Well, certainly it affects our ability to operate. But, again, what is really – the PLA is in a really good situation. The U.S. is a military that has to accrue and develop capabilities for different contingencies against different types of threats all over the world. The Chinese only have to focus on one: defense of its littoral. For the first time since the Qing Dynasty, the Chinese now have a maritime defense problem of monumental proportions from their perspective, and it would make eminent sense for them to develop the capabilities to deny access by enhancing the maritime elements of national power.

Is it directed exclusively at the U.S.? Not exclusively, the Japanese. We were trying to sell submarines to Taiwan, right. Any other developed military that has a submarine capability or an anti-submarine – and this is not just about – it’s about the U.S. but not just about the U.S.

MR. SWAINE: Anything to add on that?

MR. WORTZEL: Yeah, I think the Chinese anti-submarine warfare capabilities and submarine warfare capabilities are a reflection of our own intelligence failures. They build the submarines under sheds in Wuhan, and we got surprised by two new classes of submarines that we didn’t even know were coming. So that is a problem. But don’t forget that we also don’t have the censor arrays in the Pacific that we devoted against the Soviet Union in the Atlantic. The maritime area in that part of the Pacific is very different from the Atlantic, which apparently complicates submarine warfare.

I’ll give you another interesting fact. Now, the Japanese have a great anti-submarine warfare capability with P3 aircraft. We do not anymore; we have a limited one. Guess where the printed circuit boards that are used in every American sonobuoy are made. Just take a wild guess.

MR. SWAINE: Taiwan.

MR. WORTZEL: No. (Laughter.) Another place with a Chinese culture.

MR. SWAINE: Singapore.
MR. WORTZEL: We can’t even manufacture sonobuoys in the U.S., by ourselves. If we had to, within 90 to 120 days, we could switch production from China to Singapore or Malaysia. There is only one company in the U.S. that manufactures sonobuoys, and it sources all of its printed circuit boards to China.

Now, I’m not even a computer wienie but if I was in the PLA, I would figure out how to make sure that circuit board wouldn’t pick up a submarine.

MR. SWAINE: We just have time for one question from the audience, and this is really a general one that goes back to this whole issue of intentions and capabilities. Both speakers seem to agree that despite PLA intentions, the U.S. needs to continue to build its military capabilities to stay ahead of those of the PLA. In this case, is it necessary for the U.S. to try to interpret the intentions? Would both speakers agree that the U.S. must prepare to overcome PLA capabilities, whatever Chinese military intentions might be?

MR. FINKELSTEIN: Well, as an American, I would want to build a military that could take on any nation’s military – friend, ally, potential, otherwise. I tell you – but the intentions issue matters, and the reason – so we’re going to – we should go ahead; we should move forward; we should build the best world-class military that we need. But the reason that these intentions matter goes back to my statement earlier that my greatest concern is miscalculation, all right. It’s by engaging people, by trying to understand their intentions, by trying to understand why they are doing what they are doing, if they will even talk to you about it, that we can try to reduce the miscalculation that could lead to a disastrous, a disastrous series of events that are unnecessary.

So I think that we should continue to move forward. Intentions are irrelevant when you do a capabilities-based QDR; here is what the U.S. armed forces need to look at. But we still need to understand what the Chinese doing, why do they think they’re doing it. We need to understand these things.

MR. WORTZEL: Well, the nature of the state in China makes their intentions secretive and a matter of concern. And intentions are everything. That is why we may not get along very well with the French on some issues, but we’re not worried about the Force de Frappe over here in Washington. (Laughter.)

MR. SWAINE: Thank you very much, both, Larry and Dave, for a very interesting discussion. (Applause.) We hope you find this interesting, informative, and useful to you. You’ll be able to find additional information on our web page, including materials that both Larry and Dave have provided to us that they think will be very useful in illustrating and fleshing out some of the positions that they have been talking about this morning. And I want to also just make you aware that our next Carnegie debate is going to be on March 5th, and it is going to be focused on whether or not U.S. policy towards China is effective in advancing the objectives of human rights in China. So I hope to you see you all there then. Thank you all very much.

(END)