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Panda Hedging: Pentagon Report Urges New Strategy for China

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The Pentagon's fifth annual "Report on the Military Power of the People's Republic of China"¹ was sent to Congress this week. Even more than its predecessors, this year's report is unsettling, with myriad disturbing revelations: the military balance across the Taiwan Strait has now tipped in China's favor; China's military doctrine appears to view Taiwan as a stepping stone to a broader and farther reaching strategic presence in the Western Pacific; China's military has made major advances in strategic weapons; the Chinese military is in the midst of a debate on a new, more threatening nuclear doctrine; and China is far from behaving as a responsible stakeholder in the global community. As the new report confirms, "hedging" has become the watchword in China relations in Washington. It's about time.

Over the past year, China has become one of the Pentagon's most pressing concerns, ranking just below Iraq, terrorism, and Iran. In February, the Pentagon's Quadrennial Defense Review (QDR), a strategic planning document issued every four years, warned that "The pace and scope of China's military build-up already puts regional military balances at risk."² The QDR, for the first time, named China as a potential military

competitor. While the QDR allowed that "U.S. policy remains focused on encouraging China to play a constructive, peaceful role in the Asia-Pacific region," the Pentagon also seeks to create "prudent hedges against the possibility that cooperative approaches by themselves may fail to preclude future conflict." In March, President Bush's "National Security Strategy" also described a public policy to "encourage China to make the right strategic decisions for its people while we hedge against other possibilities."³ Tuesday's new Pentagon report asserts that "China's military expansion is already such as to alter regional military balances." The Pentagon now believes that "international reactions to China's military growth will understandably provide resistance against" the unknowns of China's nontransparent strategic goals. While the Administration still seeks "cooperation" with China, "hedging" China is now the other side of the policy coin.

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China's sudden military rise is not a figment of the White House's imagination. Last fall, Dr. Kurt Campbell, Deputy Assistant Secretary of Defense for Asian and Pacific Affairs during the Clinton Administration, professed his astonishment at China's incredibly rapid military modernization. "You look back on those [intelligence] studies, and it's only been a decade," he marveled. "China has exceeded – in every area of military modernization – that which even the far-off estimates of the mid-1990s predicted."⁴ Indeed, in Tuesday's report, the Pentagon admits that "several aspects of China's military development have surprised U.S. analysts, including the pace and scope of its strategic forces modernization."

China's rapid strategic forces modernization is the biggest threat. The People's Liberation Army's (PLA) intense focus on "power-projection" and "area denial" capabilities is well into its tenth year. China's military now boasts four new ICBMs poised for imminent deployment. The Dongfeng-31 ICBM will be ready this year, and its advanced sibling, the DF-31A, will be on the launch pad next year. The Julang-1 and 2 submarine-launched ICBMs should be ready for the new "JIN" (type 094) class nuclear submarine by 2010. All are capable of striking targets in the continental United States. These missile advances come at the same time as an unprecedented Chinese naval procurement program, which has at least five new classes of submarine under development simultaneously.

The Pentagon's concerns are sharpened by indications that the PLA is debating "the value of China's 'no first use' nuclear policy." Last July, a delegation of foreign media editors based in Hong Kong visited Beijing, where they were treated to a disquisition on nuclear war theory by PLA general Zhu Chenghu. Page 28 of the Pentagon report cites General Zhu's words: "[I]f

the Americans draw their missiles and position guided ammunition [sic] onto the target zone on China's territory, I think we will have to respond with nuclear weapons." The report also quotes another Chinese strategist, Chu Shulong, as cautioning that "China may renounce this commitment [to no first use] at a time when the country's fate hangs in the balance." Another Chinese scholar of nuclear doctrine, Shen Dingli, opined that "If China's conventional forces are devastated . . . it is inconceivable that China would allow its nuclear weapons to be destroyed by a precision attack with conventional munitions, rather than use them as a true means of deterrence." Such statements (along with similar views expressed by other PLA officers directly to visiting U.S. military officers) lead the Pentagon to consider how it might influence the "terms of this debate or affect Beijing's thinking about its nuclear options in the future."

Among the other key developments enumerated in the report's first chapter is the judgment that "China's expansion of missile and other military forces opposite Taiwan has continued unabated with the balance of forces shifting in the mainland's favor." In other words, the balance has already shifted, just as promised in earlier assessments, which calculated that 2005 would be the tipping point for Taiwan – especially if its own military stagnated. The new report estimates that China has 710 to 790 short range ballistic missiles trained on Taiwan "as of late 2005." In fact, administration sources confirm privately that the Pentagon puts the number at 810 SRBMs, as of April 2006.

All this presents a major challenge to the Defense Department, which is congressionally mandated by the Taiwan Relations Act to "to maintain the capacity of the United States to resist any resort to force or other forms of coercion" against Taiwan⁵ – a mandate the report explicitly cites. The report asserts that China should be deterred from aggression

against Taiwan by “the virtual certainty of U.S. intervention, and Japanese interests” and should view “the United States, especially in combination with Japan,” as having the upper hand in “many scenarios involving the use of force”—for now, at least.

But Taiwan is just one of the Pentagon’s concerns. The report also cites instances of provocative moves by the Chinese military against Japan, including the incursion of a Chinese nuclear submarine into Japanese territorial waters near Okinawa and a well-publicized incident in September 2005 in which “PLA Navy vessels trained their weapons on Japanese aircraft monitoring Chinese drilling” in Japanese-claimed waters in the East China Sea. The report leaves unmentioned other similar incidents. These incidents lead many in the Bush Administration to wonder if the Chinese navy is intentionally irritating the Japanese to see if the United States will support its main strategic ally in East Asia.

Aside from episodes of Chinese aggressiveness towards Taiwan and Japan, the Pentagon report notes several instances of pointedly unhelpful behavior from China. China has a “unique potential” to pressure North Korea on its nuclear ambitions but doesn’t; it did, however, pressure its Central Asian allies to “call for a date for the withdrawal of U.S. forces prosecuting the War on Terrorism in Central Asia.” It promoted Asian “regional institutions that would exclude the United States” such as the East Asia Summit and the ASEAN+3 dialogue. China has dubious “political links with states such as Iran, Sudan, Burma, Zimbabwe, Cuba and Venezuela.”

Further, “Chinese companies continue to play a negative role” in nuclear and missile proliferation. And perhaps most recklessly, China continues “to supply countries like Iran with critical military technologies.”

As it did last year, the Pentagon report notes that “Beijing is also surveying the strategic landscape beyond Taiwan.” This year, the report cites Chinese General Liu Yazhou’s matter-of-fact observation that “when a nation grows strong enough, it practices hegemony.” General Liu was talking about China, not the United States. General Liu, son-in-law of late Chinese president Li Xiannian, speaks like a true Chinese “princeling”.⁶ “Geography is destiny . . . when a country begins to rise, it should first set itself in an invincible position.”⁷ What the Pentagon report doesn’t cite are General Liu’s assertions from last year that China’s improved relations with Muslim countries were “an excellent move” because China “should do what the West fears.”

With the word “hedging” featuring conspicuously in February’s QDR, March’s White House National Security Strategy, and now the Pentagon’s China Report, it is clear that “hedging” is now the watchword of U.S. China policy. A “hedging” strategy with China is exactly what is needed in Washington now. For the sake of U.S. national security, that word, and the ideas and observations it embodies, must develop into a coherent policy set.

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¹ *The Military Power of the People's Republic of China*, Office of the Secretary of Defense, May 23, 2006. The current and all previous reports are available at <http://www.defenselink.mil/pubs/china.html>.

² *Quadrennial Defense Review Report*, Office of the Secretary of Defense, February 6, 2006, at <http://www.defenselink.mil/qdr/report/Report20060203.pdf>.

³ *The National Security Strategy of the United States of America*, The White House, March 2006, at <http://www.whitehouse.gov/nsc/nss/2006/>.

⁴ See comments by former Deputy Assistant Secretary of Defense Kurt Campbell in Mike Shuster, "Growing Chinese Military Strength Stirs Debate," *Morning Edition*, National Public Radio, October 17, 2005, at <http://www.npr.org/templates/story/story.php?storyId=4961290>

⁵ The Taiwan Relations Act, P.L. 98-6 of April 10, 1979. Section 2(b)(6) reads: "It is the Policy of the United States to maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people of Taiwan."

⁶ Alfred Chan, "A Young Turk in China's Establishment: The Military Writings of Liu Yazhou," The Jamestown Foundation, *China Brief*, Volume 5, Issue 19 (September 13, 2005), at http://www.jamestown.org/publications_details.php?volume_id=408&issue_id=3453&article_id=2370203.

⁷ 2006 Pentagon China Report, p. 10