



**THE FUTURE OF THE U.S.-CHINA STRATEGIC
RELATIONSHIP AFTER SEPTEMBER 11TH:
WORKSHOP PROCEEDINGS**

21 December 2001

**Christine Cleary
Alexandra Dickerson
Christine Razzano
Greg Weaver**

**Prepared for Defense Threat Reduction Agency/
Advanced Systems Concepts Office
Contract DTRA01-00-D-0003
Task Order 0013**



SAIC strategies GROUP
CREATING KNOWLEDGE, INTEGRATING SOLUTIONS

*This paper represents the views of the author, not necessarily those of the sponsor or any other
U.S. Government agency*

SPONSOR: Defense Threat Reduction Agency
Major General Robert Bongiovi, USAF
Acting Director

Advanced Systems and Concepts Office
Dr. Charles A. Gallaway, Director

BACKGROUND: The Defense Threat Reduction Agency (DTRA) was founded in 1998 to integrate and focus the capabilities of the Department of Defense (DoD) that address the weapons of mass destruction threat. To assist the Agency in its primary mission, the Advanced Systems and Concepts Office (ASCO) develops and maintains an evolving analytical vision of necessary and sufficient capabilities to protect United States and Allied forces and citizens from WMD attack. ASCO is also charged by DoD and by the U.S. Government generally to identify gaps in these capabilities and initiate programs to fill them. It also provides support to the Threat Reduction Advisory Committee (TRAC), and its Panels, with timely, high quality research.

ASCO ANALYTICAL SUPPORT: Science Applications International Corporation has provided analytical support to DTRA since the latter's inception through a series of projects on chemical, biological, and nuclear weapons issues. This work was performed for DTRA under contract DTRA01-00-D-0003, Task 13.

SUPERVISING PROJECT OFFICERS: Dr. Anthony Fainberg, Chief, Advanced Concepts and Technologies Division, ASCO, DTRA, (703) 767-5709, Dr Jeffrey S. Milstein (703) 767-5716.

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION: 1710 SAIC Drive, McLean, Virginia, 22102. Telephone: (703) 676-5550. Project Coordinator: Mr. Gregory Giles, Assistant Vice President & Manager, Weapons Proliferation Analysis Division, (703) 676-6408.

REPORT: The publication of this document does not indicate endorsement by the Department of Defense, nor should the contents be construed as reflecting the official position of the sponsoring agency.

Table of Contents

Executive Summary.....	<i>i</i>
Tuesday, November 13, 2001.....	1
Welcoming and Introduction.....	1
Background Information.....	1
Alternative U.S. Nuclear Futures vis-à-vis China.....	3
Discussion.....	11
Wrap Up.....	21
A Dynamic Picture of China for U.S. Defense Planning.....	Appendix A-1
Alternative Nuclear Strategies vis-à-vis China.....	Appendix B-1

“The Future of the U.S.-China Strategic Relationship After September 11th”

Executive Summary

On November 13, 2001, the Defense Threat Reduction Agency’s Office of Advanced Systems and Concepts sponsored a meeting on the future of the United States-Chinese strategic relationship in light of the events on September 11, 2001. The purpose was to discuss alternative approaches to U.S. nuclear strategy vis-à-vis China. The workshop was organized by Science Applications International Corporation (SAIC) and took place at its conference facilities in McLean, VA.

The meeting opened with a welcome from Dr. Lewis Dunn, Senior Vice President of SAIC. The workshop participants specialized in nuclear and Chinese issues. Two read-ahead papers, “A Dynamic Picture of China for U.S. Defense Planning” by Christine Razzano (see Appendix A) and “Alternative Nuclear Strategies vis-à-vis China” by Greg Weaver (see Appendix B), provided the foundation for the discussion.

A Dynamic Picture of China for U.S. Defense Planning

Christine Razzano, an analyst at SAIC, first presented her paper, “A Dynamic Picture of China for U.S. Defense Planning” in order to set the context for the discussions. Ms. Razzano described a Communist China in the midst of transition with an uncertain political, economic, social, and military future. Key variables, including a rising entrepreneurial class, labor conflicts, the Taiwan issue, and Chinese leadership perspectives of the external environment, will help shape the emerging China, she noted. Ms. Razzano presented three plausible scenarios of post-transition China. The first scenario features an increasingly internationalist Chinese Communist Party (CCP), with a more self-consciously nationalist doctrine and policies. This portrait of China includes a more market-driven economy, a higher chance of confrontation over Taiwan due to rising nationalist sentiment, and Chinese attempts to increase international status while limiting U.S. regional influence. The second scenario envisions CCP hardliners strengthening an oligarchic authoritarian regime. In this situation, China may turn inward towards a military-industrial economy thus creating the greatest potential for armed conflict in U.S.-Taiwan-China relations. The final scenario foresees a marginalization or collapse of the CCP, giving rise to more moderate, democratic leaders. In this case, China, though possibly unstable, might be more prone to curry favor with the international community by avoiding a confrontation over Taiwan and to negotiate more openly on defense issues. The timeline for these scenarios is through 2015, and it is still unclear which scenario is most likely during that time period.

Alternative Nuclear Strategies vis-à-vis China

Greg Weaver, Deputy Director of the Center for Strategic Planning and Operations at SAIC, presented three different strategies for the future of the U.S.-China strategic relationship. The strategies were developed by considering how best to deter Chinese nuclear attack, shape future

U.S.-China relations, maintain U.S. freedom of action in Asia, and wage theater and/or strategic war against China if necessary. All of the options were also developed with the intent to avoid an adverse effect on U.S.-Russian relations and U.S. relations with its regional allies.

The first strategy, “Augmented Traditional Deterrence,” seeks to deter the People’s Republic of China (PRC) from using nuclear weapons by holding key Chinese assets at risk. This target-based strategy will result in a U.S. nuclear force that will have both warfighting and damage limitation capabilities. This “status-quo plus” option will augment traditional deterrence by adding currently planned conventional strike improvements, near-term theater missile defense, and longer-term national missile defense. This alternative is based on the rationales that 1) there is no need to trump the PRC deterrent and exacerbate U.S.-PRC relations, and 2) the PRC nuclear threat does not merit undermining current U.S.-Russian nuclear restructuring.

The nuclear forces of “Augmented Traditional Deterrence” would be derived from the nature and size of critical PRC target sets but could be accomplished through significantly lower U.S. force levels in the near- to mid-term. Room for reevaluation exists if there is a greater than anticipated growth in the Chinese nuclear forces or a U.S. breakthrough in advanced conventional-strike capabilities. No significant change is anticipated in current U.S. nuclear policy, although a debate over the merits of ambiguity may arise. The targeting policy will be driven by an assessment of what is most valuable to PRC leaders, with a primary emphasis on deterrent targeting in addition to some adaptive theater planning. The distinctive purpose of this strategy is to “shape” PRC decision-making to the extent possible, that is, limit the negative consequences to the United States anticipated from future Chinese nuclear force expansion. The trade-off is U.S. acceptance of the PRC’s ability to hold U.S. targets at risk, in addition to a reliance on deterrence-based planning as opposed to planning for a failure of deterrence.

The second strategy presented by Mr. Weaver was “Capabilities-Based Nuclear Deterrence.” This alternative involves a fundamental shift in U.S. defense planning away from threat-based planning to capabilities-based planning across a range of scenarios. Within this strategy, China is not the central focus, but still a major consideration. The force requirements for “Capabilities-Based Nuclear Deterrence” are far less target-set oriented and more a macro-level assessment of the necessary capabilities.

This “Capabilities-Based” strategy envisions at least six key nuclear missions vis-à-vis China:

- Pose a prompt war termination threat,
- Threaten key assets highly valued by the PRC leadership,
- Counter operational impacts of PRC nuclear use,
- Limit damage to the United States and/or U.S. allies,
- Reassure U.S. allies in the face of PRC nuclear threats, and
- Strike key targets only vulnerable to nuclear attack.

These objectives could most likely be achieved through a varied force mix, possibly at much lower force levels. In this strategy, operational considerations are given greater weight than purely deterrent considerations. A peacetime-wartime dichotomy arises out of this strategy. Peacetime emphasis will be placed on assuring China that U.S. strategy and forces are not aimed at them while, in times of war, the U.S. will issue explicit threats about U.S. nuclear capabilities

and intentions. The capabilities-based approach, in which U.S. nuclear posture does not specifically declare China an adversary, presumably will help to favorably shape China's strategic direction. This strategy is a fundamental strategic departure for the United States in that it opts to "satisfice" over a range of threats instead of optimizing against a single peer threat. "Capabilities-Based Nuclear Deterrence" demands the development of new criteria for evaluating nuclear force, policy, and planning proposals.

The final strategy proposed by Mr. Weaver was "Offense-Defense Escalation Dominance." This strategy seeks to leverage the U.S. technological advantage to trump China's nuclear deterrent. The leverage will result in military superiority that will, in turn, influence Chinese political decision-making. These objectives are achieved by combining counterforce improvements with extensive missile defense deployments. If successful, "Offense-Defense Escalation Dominance" would give the United States "escalation dominance" in nuclear or nuclear/conventional military crises with China, and presumably enhance U.S. freedom of action in Asia.

The forces required for "Offense-Defense Escalation Dominance" include improvements in nuclear and conventional counterforce, especially against Chinese mobile missile forces. Expansion of U.S. theater nuclear capabilities is possible, with probable missile defenses sized to counter the PRC's nuclear force. These capabilities would likely require layered theater and national missile defense systems. The strategic goal of "Offense-Defense Escalation Dominance" is to "force" China to choose cooperation over competition, while the United States hedges against confrontation. However, this alternative involves the clear strategic choice of treating China as a potential enemy and could have major U.S. impacts domestically and on U.S. relations with other actors in the region.

Discussion of the Strategies

The first theme that emerged during the discussion centered on how well the United States understands China's goals, motivations, and intentions. Many participants thought that the failure of the United States to address the true nature of our relationship with China leaves open much room for miscommunication. One participant pointed out that we still had a lot of homework to do with regard to comprehending China. It took years to understand and develop our decision-making process and strategic objectives with respect to Russia. Different variables and factors influence the U.S.-China strategic relationship; therefore, too heavy a reliance on the Soviet model will be detrimental to the development of an appropriate strategic posture vis-à-vis China.

Participants considered de-emphasizing the warfighting aspects of the current U.S. nuclear posture. Moving to a more limited posture (i.e., counter-city) could increase stability and possibly reassure China that the United States was not pursuing a counter-force preemption strategy, some participants believed. Indeed, current negotiations and decisions about the U.S.-Russian relationship may place constraints on the United States' freedom of action with respect to China on issues such as number of weapons, deployment, modernization, and missile defense. Such reassurances, in turn, may have some positive influence on the development of Chinese nuclear forces, in effect keeping them credible but not on par with the United States.

One participant, however, was skeptical of Washington's ability to reassure China that it was not seeking to trump China's deterrent capability. Both "Traditional Augmented Deterrence" and "Offense-Defense Escalation" could potentially be perceived by China as the United States asserting a form of escalation dominance. The participant also argued that conceding to China an assured ability to strike the United States with long-range missiles appears to be inconsistent with the U.S. missile defense agenda.

In examining the alternative U.S. strategies with Chinese interests in mind, the participants posed several questions. One participant queried whether the Chinese really believe that they have the ability to hold U.S. targets at risk. In other words, do the Chinese believe that they have a satisfactory finite deterrent or is China's small strategic force a function of China simply not having enough money to pursue a robust force build-up? Another participant argued that there has been an evolution of Chinese nuclear doctrine. The current strategic situation is not the same as when the Chinese developed their original retaliatory doctrine. Furthermore, China has other strategic concerns besides the United States, including rogue states and regional actors that factor into their decision calculus.

Participants also debated the issue of whether the United States has the ability to "shape" the PRC's development of nuclear forces through any of the proposed strategies. One participant argued that the PRC would develop larger and more capable nuclear forces regardless of U.S. efforts to shape its strategies. Another participant suggested that we could try to encourage the Chinese to move in a particular direction while hedging against the chance that U.S. efforts may fail. It was also proposed that the deterrence game is interactive, and despite U.S. efforts, China will most likely modernize, but needs simultaneously to clarify its intentions (e.g., how large its next generation force will be, whether objectives other than simple retaliation will be adopted).

The participants also considered the role of U.S. defensive choices on Chinese offensive force configuration. The decision to pursue either a ground-based terminal intercept system or a space-based boost intercept system, some argued, will most likely have a dramatic impact on how the Chinese constitute their offensive forces.

Other issues related to the future of the U.S.-Chinese strategic relationship were also discussed. On the issue of Taiwan, some participants stressed that no ambiguity remained because the United States would defend Taiwan should there be an unprovoked major attack by the PRC. In addition, they argued that it is in the interests of the United States to persuade Taiwan to avoid an official declaration of independence and pursue a slow, peaceful re-unification process so as to avoid any armed conflict. One participant brought up the issue of whether the United States should "manage" the question of Taiwanese independence over the long-term or "resolve" it over the short-term. In managing it, the United States would try to deter or dissuade Taiwan from declaring independence. This would effectively avoid any diplomatic or military engagement with China over the issue. In contrast, immediate resolution of the Taiwan question has the greatest potential for confrontation with China. Some participants suggested, that the latter approach does not appear to be imminent.

The role of arms control in the U.S.-China strategic relationship was another topic of discussion. One participant mentioned that the value-added of a China actively engaged in nonproliferation

would be significant for South Asia. A restraining Chinese relationship with North Korea also could have an important contribution to the international nonproliferation landscape.

A final theme presented during the discussion was the effect of September 11th and the resultant increased reliance on defenses on the overall strategic relationship with China. Some participants believed that because of the September 11 attack on the homeland, the United States can now more convincingly argue for the necessity of both national and theater missile defenses, regardless of whether China perceives these defenses to be constraining.

As the session ended, a number of issues were identified that required further consideration. Foremost amongst these was whether further public debate of U.S. nuclear strategy vis-à-vis China served broader U.S.-China interests at this time. For instance, might such a debate inadvertently undermine U.S.-China cooperation in the war against terrorism and then steer China's nuclear modernization in an undesirable direction? As some participants suggested, an ambiguous strategic relationship with China could be better suited to such delicate times.

As to some of the specifics of the alternative nuclear strategies, a number of participants were still unclear as to how a "capabilities-based" strategy would fit into any of the alternative postures, and how the Chinese leadership would interpret "capabilities-based" planning. Questions were also raised about the credibility of a "lead and hedge" strategy. In the view of some, it seemed improbable that the United States could "lead," taking strategic risks vis-à-vis Russia, and "hedge," continuing with nuclear planning as usual vis-à-vis China. With the events of September 11th in mind, it was unclear as to how and when these questions would be more fully answered.

Proceedings

The summary is a partial record of the workshop's proceedings. It has not been reviewed by the specific speakers.

Welcoming and Introduction

DR. FAINBERG: I'm glad to be here after missing last week's discussion of U.S. alternative nuclear strategies vis-à-vis Russia. One wonders whether today's discussion will be less about the impacts of September 11 on U.S.-China relations than it was with regard to Russia. There are different points of view. I look forward to hearing the views of the people around the table concerning the new world order. Thank you for coming.

DR. DUNN: We turn today to the nuclear future and the nuclear relationship between the U.S. and China. I think Tony's question is a good one as to what differences exist now or don't exist between pre- and post-September 11. Christine Razzano will put up a few slides on her background piece, which is the context for considering the relationship between China and the United States. Then we'll turn to Greg Weaver who has laid out alternative strategies for the relationship between China and the U.S. He does not necessarily adhere to any one of these particular strategies in total. The goal is to lie out the landscape, so to speak. After he lays out the landscape, if there are any particular questions on a particular detail of any of the alternatives or questions of information, then raise those. Otherwise, we'll take a break and open it up for a couple hours of discussion designed to focus on the big issues and the different futures. We're using the standard practice of keeping a list of people who want to speak. When possible, I'll try to keep us on the same issues before we move on to another issue. Thank you all for coming. I look forward to an interesting discussion on a still very open question.

Background Information

MS. RAZZANO: Thank you all for coming. I want to discuss the context for the China that may emerge. I hope you had a chance to read the background paper. I tried to look at paradigms of institutional study over the years. Will China become more democratic or more authoritarian? Will it go to more of a planned economy or a free market economy? Then we look at the key variables that come into play. Can they sustain economic growth at the level they have for the last decade? Some of you may know they have been experiencing increasing dissent in labor relations because of increases in working accidents. How China develops its policies has to do with how they perceive external threats. If we approach them in a defensive stance, they will react defensively. If we provide opportunities for collaboration, they will respond more favorably.

Then we'll look at trends. One is a move towards nationalism. I think we'll see it occurring more in the party system and being institutionalized. We will see infrastructure development. How will they do that? China has a very poor

infrastructure. We have seen where, instead of going in and putting in landline systems, they brought in satellites. How will that come into play in future China-U.S. stability? How will it come into play in terms of privilege - children who are Russian educated and are entrepreneurs? Of course, there is always corruption. It seems to me it's selective. The degree to which U.S. investments continue to occur will play a key role. How will that play in our policy as well?

RAZZANO (CONT'D.):

Keeping those things in mind, we developed several scenarios. In the first scenario, we postulated an increasingly internationalized CCP. We see a weakening of authoritarianism and growing nationalism. They'll redefine things away from class structure and more to a national structure, assuming we don't see any major surprises, major economic downturns, or military interventions. We see them leading towards a market driven economy. Regarding the Taiwan issue, because of an increase in national sentiment, you will see an increase in verbal confrontation. I want to distinguish between confrontation and actual conflict. As far as foreign policy is concerned, their main goal will be to limit U.S. influence in the region while increasing their own influence. This doesn't encourage cooperation. It gives China the opportunity to increase their strength in the region.

The second scenario is a strengthening of the hard-line CCP. In this situation, you'll see heightened militarism. They will incorporate nationalism into the hard-line ideology. They'll espouse different revolutionary ideals with nationalistic prosperity projections. There will be more state intervention in the economy. We'll see a nationalizing of industry increasing the military and targeting of so-called capitalists. The telecommunications industry will see more state intervention. Taiwan is where you will have the greatest potential for armed conflict. They will recognize that conflict is not in their best interest, but the degree to which they may be provoked varies. As far as foreign policy, we'll find them uncooperative and looking to challenge western influence in whatever field they can.

The final scenario is a marginalized or collapsed CCP. There will be a weakened authoritarian state with some developing democratic structures. This is the least clear scenario. Most likely, moderates will come in and take over. Taiwan will remain unstable. It will depend on how strong they are. It will rely on the economic growth. You'll see increased privatization of industry and increased organized crime and corruption. Other problems that might occur are inadequate management skills and higher unemployment, which can have a negative effect on the economy. This is the most likely opportunity for cooperation between the U.S. and China. Increased political cooperation between China and the west, which may not necessarily be in the best interests of the U.S., it is the most likely opportunity for peaceful U.S.-China-Taiwan relations. Finally, in terms of foreign policy, China in this scenario is likely to curry favor with the international community. They will still be vocal in the international community, but not necessarily active.

RAZZANO (CONT'D.): We'll move onto the military dimensions of these scenarios. I've given these force projections. In the internationalist CCP scenario, the political influence of the Chinese military is likely to decline, but because the economy is growing, military spending will increase. The hard-line CCP scenario would likely entail short-term increase in military spending. However, they also increase the potential for long-term budgetary shortfalls if they interfere with the economy over the long-term. With the marginalized CCP, again political influence is key. It isn't likely that military spending will increase as they try to stabilize the economy. In terms of nuclear strategy, a discussion has been going on about minimum deterrence, having the ability to deter a first strike. We mean having the ability to do some limited warfighting. There are also other strategies. You might have China seeing this as an opportunity to catch up. It is a possibility.

Alternative U.S. Nuclear Futures vis-à-vis China

MR. WEAVER: My task here is not to develop a strategy or even to choose between a set of strategies. Rather, I want to outline and bound the debate in terms of U.S. nuclear strategies with China. You'll see a set of three strategies that I've outlined. There are obviously subtle gradations between these that you won't see reflected in the paper. This is the pure theory that lies behind these strategies. I'd like to see some debate over how much real difference there is between the past and these strategies. I want to see some discussion about how those differ.

In putting these together, I referred primarily to the literature and some of the work we've done. I'd like to credit Brad Roberts of IDA for giving us access to a paper on very much the same topic.

I really saw five recurring questions that every proposed strategy addresses at one time or another. I asked these questions about each of the strategies outlined. Each addresses how best to deter Chinese nuclear attack on the U.S. and its allies. Second, what U.S. nuclear strategy is best to shape future U.S.-China relations? Which is best to maintain U.S. freedom of action in Asia vis-à-vis situations where the Chinese actively oppose us? Fourth, how best to wage theater and/or strategic war against China should that become necessary? Lastly, how to achieve these questions without adversely affecting U.S.-Russian relations or U.S.-China relations?

Augmented Traditional Deterrence

I've called the first strategy "Augmented Traditional Deterrence." You could call it "Status Quo Plus." Advocates of this strategy discuss augmenting what we've done in the past. This strategy's focus is deterrence of PRC nuclear use via holding at risk key assets Chinese leaders value highly. The result of that from an operational perspective is that it requires identifying what the Chinese leadership values very much the way we developed some of our force structure requirements with Russia. This resulting force, while it's aimed primarily at retaliatory-based concerns, will provide some warfighting and damage limitation capabilities.

Primarily, the first and foremost focus of this strategy is policy planning and deterrence. There is no real effort to integrate that closely to the resulting offense and defense that you get with it.

WEAVER (CONT'D.):

I tried to look at the rationale and assumptions that underlie each strategy. This strategy has four key rationales. First, is that traditional nuclear deterrence has been effective since World War II. It will be effective in the future. Regarding China, the U.S. is in a position of conventional superiority, therefore effective nuclear deterrence means American victory. Therefore, there is no need to make an effort to trump the Chinese nuclear threat. There is no need to try to eliminate Chinese nuclear capability and exacerbate Chinese-U.S. relations, making problems more likely. Finally, the nature and scale of the Chinese nuclear threat doesn't undermine relations with the United States.

Those rationales are based on five key assumptions that underlie each of these strategies based on some views of the world. First, deterrence of Chinese nuclear first-use is the most important objective. Second, that is best achieved by threatening Chinese leadership values, identifying credible threats to those values, and convincing them that we will strike the resulting targets in retaliation. Fourth, and this is probably the one where the biggest contention is: U.S. nuclear threats are credible regardless of the nature of the target and regardless of how the Chinese perceive the results of their foregoing nuclear use, what I call the consequences of restraint. Finally, the force structure requirements to implement this strategy won't change dramatically in the future, nor will the relevant target sets grow so dramatically that it will require us to change direction.

Let's discuss the elements of this strategy. First, let's look at the strategy in terms of nuclear force requirements. From a declaratory policy perspective, I didn't see that this strategy required any significant change in our policy. Nevertheless, following it in the future could spark a debate about ambiguity or the nature of how we might respond.

In terms of targeting policy, it's driven by our intelligence assessment of what Chinese leaders value the most, and the primary emphasis will be on deterrent targeting of the resultant target set. You're likely to have some theater adaptive planning as well. As far as extended deterrence goes, this strategy contends that extended deterrence is a simply a function of deterring Chinese nuclear first use. U.S. conventional superiority will reign supreme. I want to throw a caveat out on this though. We spent a lot of time in the Cold War on escalation dynamics. I don't know if we got it right, but we sure spent a lot of work on it. We haven't done as much of that vis-à-vis China, and the work we have done on it is focused on one or two scenarios. Consequently, I think Chinese perceptions aren't well understood on these issues. It's not that we're dumb. The Chinese aren't sure what their perceptions are. That also means we have an opportunity to shape their perceptions.

As far as impacts on Chinese strategic direction, the key purpose of this strategy is to convince them that they don't need to expand the size and capability of their nuclear forces. I would argue that success at this is heavily dependent on

convincing them that American theater and national missile defense won't have the effects on China's security situation that the Chinese leadership seems to fear. Finally, in terms of the impacts on the U.S.-Russia relationship, there are no particularly important effects there. Neither the nuclear force nor the declaratory policy should cause serious concerns. It stays below Russia's "serious concern" level.

WEAVER (CONT'D.): Finally, for each of these strategies, I tried to identify the key strategic choices involved. I saw two that were fairly clear. The first is a decision to live with continued Chinese ability to strike the U.S. with nuclear weapons. The second is a decision to focus primarily on nuclear deterrence requirements rather than on what might be needed if deterrence fails and the U.S. finds it necessary to wage theater or strategic warfare against China. Critics of this approach charge that it implies a third strategic choice for the U.S. That choice is the preference for first-use deterrence over maintaining U.S. freedom of action in future conflicts with China. This critique is based on a belief that both this strategy and its resulting force structures will not leave us in a particularly good position from which to engage in competitive escalation should deterrence of war or nuclear use fail in a future crisis.

Does anyone have any questions about that summary of strategy one?

Capabilities-Based Deterrence

I call Strategy Two "Capabilities-Based Deterrence." This is an effort to operationalize what Paul Wolfowitz has discussed: an overall shift in U.S. deterrence strategy and planning based on capabilities rather than threat assessment. This strategy claims to mark a fundamental shift in U.S. defense planning. The key point here regarding strategy toward China is that this shift is not China-focused. It's global and China is treated in a capabilities-based way underneath the global application. One fundamental tenet of this kind of defense planning is that you explicitly consider a range of scenarios with each potential adversary. The force requirements are far less target-centered. Rather it's a macro-level assessment of what capabilities we will require to span the range of crises and conflicts we might encounter.

MR. SLOCOMBE: Did you really sort it out? This is one of those slides where you understand every individual word but the concept doesn't make sense. What is the difference between a capability-based deterrent and threat-based deterrent? They both deal with the threat.

DR. FAINBERG: 10,000 nuclear weapons are capable of doing anything.

MR. WEAVER: The difference is not clear-cut and sharp.

MR. SLOCOMBE: There has to be some concrete difference.

MR. WEAVER: The difference is we don't plan against a single threat. I'm struggling with it as well.

- MALE SPEAKER 2: One suggestion. A strong dividing impression to the approach to defense planning in general isn't addressed. You have people that really understood what we did before. Now we're told to make it work in a different political time. Mark Schneider tried to describe it.
- DR. BUNN: You can develop capabilities that you can use across a range of countries that you don't want to name specifically.
- MR. WEAVER: I'm really discussing the nuclear side. If you do a comprehensive assessment of what you might need across the range of adversary scenarios, you will find that you actually need some capabilities in larger numbers against some adversaries than you do against others. You're not focusing on a single adversary or two. The other aspect is it doesn't pretend that it's designed to address multiple scenarios at the same time. We'll figure out what we need in each capability area and then add a surplus to act as insurance.
- MALE SPEAKER: I understand the point that you might have to do something. The rest of it is muddled.
- DR. DUNN: Perhaps we can come back to this and the related point about capabilities-based deterrence. Let's come back to that during the discussion. Let's let Greg walk through this and flag it as something we can come back to.
- MR. WEAVER: That's fine. As a former Congressional staffer, it's attractive to me because it finesses the problem of linking force structure requirements and budgets directly to specific threats in an environment marked, first and foremost, by uncertainty regarding whom we might fight, when, and over what.
- I saw five key assumptions underlying this. First, you can identify this full range of missions and adversaries so you can identify the capabilities-based deterrence requirements. And in the China context it assumes that you can actually operationalize what you mean by that. Second, there is no single scenario or mission that's paramount. Specific missions versus specific adversaries can be met without traditional force optimization. If you do that for each adversary, you end up with a huge force structure.
- MR. SLOCOMBE: You assume you can meet each requirement without actually meeting each requirement.
- MR. WEAVER: I think they would argue it depends on how you stack them simultaneously. There is an assumption that this is politically sustainable despite the lack of an enemy.
- MR. WHEELER: Do you want to apply the same risk assessment? Is that explicit in what you're saying?
- MR. WEAVER: I think so. I haven't seen that risk assessment framework. In trying to take an honest and open-minded look at this approach, I tried to look at the key nuclear missions this might identify vis-à-vis China in the post-Cold War environment. I saw at least five. First, is the ability to pose a prompt war termination threat. Second, is to be able to counter the operational impacts of PRC nuclear use. Third, is to limit damage to the U.S. and its allies. Fourth, was to reassure our

allies that we can protect them. Finally, the ability to strike key targets that are only vulnerable to nuclear attack.

Let's discuss these strategy elements. As far as nuclear force requirements are concerned, spanning the range of nuclear missions is likely to require a more varied force mix. You could well develop such a varied force mix but with lower numbers. This is applied overall, so the reference here is lower than present U.S. nuclear ability.

MR. SLOCOMBE: The first two points are not different from the first strategy.

MR. WEAVER: Third, this strategy argues that operational considerations for missions other than deterring nuclear first use will be given greater weight.

In terms of declaratory policy this strategy's peacetime emphasis is on assuring the Chinese that U.S. nuclear strategies aren't aimed at dealing specifically with them. In a crisis, however, we would make clear that while they weren't aimed at China specifically when we developed them, they can focus rapidly on China as appropriate. This peacetime-wartime dichotomy is aimed at favorably shaping the strategic objectives of China.

DR. FAINBERG: Is this assuming you'll never have to deter Russia and China at the same time?

MR. WEAVER: Everything I've seen about this says we don't need to explicitly plan for that. By the size and the way it's laid out, it could be used to deter both at the same time, but it's not specific.

MALE SPEAKER: It's also good for fighting terrorists.

DR. DUNN: This is the first subject on the agenda for the discussion.

MR. WEAVER: As far as targeting policy goes, there is an emphasis on adaptive planning and targeting.

MALE SPEAKER 2: The arguments are highly adaptive. That's a step back.

MR. WEAVER: I think maybe the distinction here is not that we aren't going to think about which targets we'll have to strike in any particular case in advance. The adaptability is in being able to plan attacks rapidly on those targets based on the complexity of the attack. The second contention here is that under this strategy a broader range of nuclear operations is likely to merit serious planning and targeting work.

MALE SPEAKER: That says you plan to use nuclear weapons in the field. It's an arguable proposition. I understand that to mean a distinction. As far as the capabilities-based planning not paying attention to targets, that doesn't make sense to me.

MR. WEAVER: If you go this route and try to convince the Chinese that they're not a central focus of our planning, you're likely to increase Chinese uncertainty about our intent. You'll get a U.S. debate over whether that's a desirable outcome. I think the answer to that is, in part, a function of what one thinks about Chinese risk taking propensity. I don't have any China-specific insight on what the answer to that is. I think it's important to answer the question.

- MALE SPEAKER: Isn't that just a function of the general problem of the conventional sense. If the Chinese attack Taiwan, will we intervene? There are arguments that go both ways. That doesn't have to do with nuclear weapons or strategy. It has to do with how you deter the Chinese. That's very specific to a particular country and this is supposed to be about not being specific about particular countries.
- MALE SPEAKER 2: Let me see if I understand this. Being non-specific in planning forces doesn't necessarily mean you'll be non-specific in targeting and deploying.
- MR. WEAVER: In wartime, you may have to be more specific than you have been in the past because you haven't spent a lot of peacetime effort on influencing specific adversaries through force planning that is stated to be aimed at them.
- DR. COOPER: You had a requirements-based system for 20 years. That's true regardless of the targeting policy. You have hard criteria that everyone had a sense of. It seems to me that the shift to capabilities walks away from the analytic underpinning and not having to do the hard work of having to determine that. The fundamental issue is not political. We often have differences between declaratory and operational policy. That wouldn't be anything new. Here you have the opportunity for people to say you didn't do what you said you were going to do.
- MR. WEAVER: The argument is that's desirable because you don't know and can't know what war you'll have to deal with.
- DR. COOPER: There was a whole different metric for the operationalization regardless of what you did to plan it.
- MALE SPEAKER 2: It was capabilities-based.
- MALE SPEAKER: And it was threat-based. We want to have some nuclear weapons. The China case is a lot harder than Russia. We don't think we'll have to deter Russia, suppose we had to, what do we think should be the size of the force? You could say we don't really know what we need, but we can't un-invent it. You can imagine things going so badly wrong in China or Russia, so we should keep a lot of nuclear weapons around. The fact is that right now we can't say how we would use 2,250 nuclear weapons. That's a nice number. It allows you to do some things. Nuclear deterrence for the future will be something we want in a vague sense. It's just like the smallpox vaccine.
- DR. GOTTEMOELLER: If you want to try this plug and play thing on the nuclear side, does it have an impact on your ability to deter? The second issue is does it imply that you need to eliminate your arsenal? Those are policy questions.
- DR. DUNN: There are three questions. The first is what is next? The second question on the table is whether this is any different from what we always did? The third question is whether it is better than X, Y, or Z in terms of how we work our nuclear relationship with China? I would like to come back to all three those questions. I would like Greg to go through his strategy. I do point out that this threat based planning led us to produce a vast amount of nuclear weapons. It will be very hard to figure out how we'll make such a change. We'll come back to the capabilities-based strategy first.

MR. WEAVER:

Regarding the impact of this strategy on extended deterrence, there is real uncertainty about the extended deterrence impacts of this strategy on both China and U.S. allies. The declared intent is not singling out China as the enemy. However, the shift from threat-based planning against China could send the wrong message.

Regarding the impacts on the direction of China, it could favorably influence the perception of our intent in Beijing and among our allies. It could also backfire. Finally, as far as the impacts on the U.S.-Russia relationship, going this route continues the de-emphasis on Russia.

What strategic choices are involved in this? The argument here is that you're getting away from optimizing against a single threat, and instead you are "satisficing" against a range of potential threats. This goes to what Jeff was discussing. It really would demand the development of a new set of criteria for force structure and posture evaluation. I didn't see anything here that inherently forced any particular finding regarding U.S. capability requirements. Two different administrations taking a capabilities-based approach may take very different views of what capabilities are required for China because they have different underlying assumptions.

Offense-Defense Escalation Dominance

Before I go into the third strategy, which I call "Offense-Defense Escalation Dominance," I want to point out that at one point in this project, I was developing a fourth strategy called "Defense Dominance." However, once I got into it, it became clear that the necessary capabilities could not be deployed within the timeframe constraints of the project, so I focused my effort on what I called Offense-Defense Escalation Dominance.

The crux of this strategy is to leverage our technological advantage to trump China's nuclear deterrent. That will enable us to dominate China in future conflicts by using the leverage resulting from this U.S. military superiority to influence Chinese political decision-making.

What I've seen here is a two-part strategic rationale. The primary one being it would be irresponsible not to seize the opportunity given two facts: that trumping this threat is technologically achievable, and that China is a potential military adversary. Successful implementation of this plan would dramatically enhance both U.S. freedom of action in Asia and the utility of U.S. conventional superiority in future Asian conflicts.

The strategy is based on two key assumptions: that it is militarily achievable and politically necessary.

From a force requirements perspective, this strategy first requires improved U.S. counterforce capability, especially against mobile missiles. Conventional counterforce capabilities would help meet this requirement, and are seen as especially valuable in competitive escalation. This counterforce requirement could be met at lower U.S. nuclear force levels.

- MALE SPEAKER: Not from what we have today in China.
- MR. WEAVER: How low you can go is part of a scale that is based partially on how good your defenses are. It could require an expansion of U.S. theater nuclear capabilities. It's really a function of whether you believe that U.S. bomber aircraft and whatever dual-capable aircraft (DCA) remain are sufficient.
- MALE SPEAKER: Why do we have to use theater nuclear weapons against China?
- MR. WEAVER: The argument is that theater nuclear forces are required for those operations against the Chinese where ballistic missile targeting is impossible. Your missile defenses would be sized to counter PRC nuclear forces. There is a potential for creating a ticking clock problem. If the Chinese believe you'll achieve this at some point, they may feel they have to move on Taiwan before you have it.
- In terms of declaratory policy implications, it's really a shift in emphasis from retaliatory threats to denial.
- MALE SPEAKER: This is a different threat.
- MR. WEAVER: Peacetime effort to shape PRC policies: the idea is that they have nothing to fear as long as they don't use force to resolve the Taiwan issue, etc. For targeting policy, you really need to integrate U.S. nuclear and conventional operations to make this effective. I saw a strategic counterforce campaign that would be conducted over time, backstopped by defenses, as opposed to the single massive counterforce strike.
- MALE SPEAKER: When you're talking about integrating nuclear and conventional, are the first phases purely conventional?
- MR. WEAVER: You could do that. That's possible. It might also be that you would combine them simultaneously.
- MR. SLOCOMBE: Somehow, a rolling counterforce campaign seems risky. If the missile defenses work, it's terrific.
- MALE SPEAKER 2: If you have cruise missile defenses also.
- MR. WEAVER: A lot of the effectiveness of this strategy is political and it's the political impact of the Chinese believing you can do it.
- MALE SPEAKER: This is exactly the argument for missile defense. I happen to think it's the right argument in terms of rogue states.
- MR. WEAVER: That's why I list those things as assumptions. As far as extended deterrence, one main reason this is touted is it will convince the Chinese that the U.S. will not view the risk of nuclear escalation as incommensurate with the U.S. stake in the conflict. In terms of this strategy's intended impacts on Chinese strategic direction, it attempts to force the Chinese into cooperation, while hedging against what is the underlying expectation so we'll have the capability to deal with them if we need to.
- MALE SPEAKER 3: This sounds suspiciously like the arguments of the Kennedy Administration. Clearly, if you accept nuclear weapons having operational capability, in a sense,

this is stepping back 40 years to a state where at least we were candid enough at the time to hold the debate openly. Are we prepared to concede to the Chinese mutually assured strike capability? The choice is very much conditioned on that but no one wants to put that question on the table.

DR. WHEELER: The idea that the U.S. will keep two sets of books on its defense policy is absurd. Anyone with an interest can go back and read, going back to about 1945, documents that explain with perfect clarity what the U.S. nuclear strategy was. They tell you all you need to know about nuclear policy. The idea that we'll avoid this central issue *A* with our relationship with China, and *B* is now, theoretically if we wanted, we could have a first strike capability. Is that a good thing, a bad thing? Is it nice? Is it important to have? Is there anything we can do about it?

MALE SPEAKER 2: We've had it for 40 years, so why should that change?

MALE SPEAKER 3: It's a different situation with China now.

DR. WHEELER: It's not that you can avoid the debate. It's that the debate is more complicated. In the 1960's, everyone said the Soviet Union was our mortal enemy. We have the same military questions but an overlay of do we really view our relationship with China this way?

DR. DUNN: Let's come back to that as the first question. Are we prepared to concede secure retaliatory capability to the Chinese? The second question is can we avoid the debate? I'd like to debate whether we could avoid it. Given the answers we have, let's go to the strategies and go through them in terms of their risk and their feasibility.

MR. WEAVER: In terms of impacts on U.S.-Russia relations, it could have the effect of placing a floor for both the U.S. and Russia depending on what the Chinese do in response.

DR. WHEELER: In some ways that last one has both an offense and a defense. That will be enough to make the Russians nervous.

MR. WEAVER: Finally, let's look at the strategic choices involved here. When do you decide that you'll make it clear that this is your strategy? It's a non-trivial question because some analysts feel that there is a timing issue vis-à-vis the ability of the Chinese to counter this strategy, if they are given sufficient warning that this is our intent. When does China conclude that this is our strategy regardless of what we tell them and when we decide to tell them? Once you made it clear one way or the other, they would start an effort to do the same thing. A clear decision to do so openly would be required to gain and sustain domestic political support and it could have major impacts.

Discussion

DR. ROBERTS: There's an interesting contrast between this discussion and the one last week. The offense-defense debate and the role of strategic forces define the strategic relationship with China. Taiwan is the one area for armed combat. Our forces played a very significant role in the nature of the strategic exchange. I'm struck

by this contrast and by the fact that we need a larger vocabulary for the Chinese discussion.

ROBERTS (CONT'D.):

The role of theater forces is important in our strategy because there is a mismatch between what they can bring and what we posture. That's a rather modest point in the strategy question of the U.S.-China strategic relationship. The main one is about defense. I would say, in my view, the capabilities-based strategy is the cover under which to avoid the debate that you would have us join. That's the convenience of the capabilities-based approach. It permits the Administration to move in that direction. I understand why you play the defense and offense dominance together. I think there is a distinction between those two camps. You're right to bring that out. The paper that Tony sponsored poses three options (i.e., trump, tolerate, or hedge) to answer the question about the relationship and what we trump.

Hedging is the real option that's on the table. The Administration is choosing not to choose at this point. With a decision to move to a trump posture overall the question is how do we convey to the Chinese that this move is, in fact, the choice the Administration has made? It seems to me that what you're doing in this project is creating a construct for discussing nuclear strategy questions in relation to strategic powers. The fundamental strategy question is the role of defense in the overall strategy posture.

The other part of the title here is after September 11. In the Russia discussion, there was a lot of meaningful discussion about this subject. It seemed to have accelerated the movement with Russia in the direction the administration wanted and away from an enemy-based approach. The effect of September 11 on China is much more ambiguous. On the one hand, it seems to me they have had scattered meetings on this question. I think the short end here is not just reticence on the part of China's leadership that makes them less bold and optimistic than Vladimir Putin. On the other hand, here is an opportunity to cooperate with the U.S., at the very least, cynically. Before they have to conform to a more aggressive embrace of the agreement with the U.S., they can readily see a whole host of downsides here. This is an end to the foreign policy they have been pursuing for a while: keeping Japan constrained, moving the U.S. away from Russia. More than that, this holds out the prospect of much deeper U.S. military presence all around their periphery. This is containment.

Lastly, they would say if you don't believe any of this about America and America is saying it's a great opportunity for China, they'll say read the QDR. In their view, it's all about dealing with the rise of the China threat, and this war on terrorism is only a way to consolidate a presence in Asia. Then they have to contend with both one and three. That means they'll be more aggressive in their pursuit on modernization and press on the Taiwan issue sooner rather than later.

DR. BUNN:

I wanted to try a variation on Jeff's questions. One way to look at that is does the U.S. want to try to combine offense and defense to deny China? The variation on that is do we want to try to deny them nuclear defense? If you can't do the latter, what does it mean to try to do the former?

DR. GOTTEMOELLER: One key goal you're trying to achieve in the first scenario is to shape the nuclear force expansion, which is present, in some way or another, in all of the scenarios. There is no question from the outset as to our goal to shape and constrain Chinese forces. That doesn't seem to be a very important part of the terms of reference. As to the larger question are we going to concede to China a certain kind of relationship, I would also say in the larger U.S.-Chinese-Russia relationship, what kind of role will the nuclear capability play? I mean in a very broad sense of nuclear capability to manage nuclear non-proliferation, for example. A set of broader issues will potentially throw us into an increasingly cooperative working relationship with both China and Russia on things like threat reduction. I would also like to urge that you step to a higher level and think about how, for example, the three major nuclear powers might interact potentially throughout the duration. We haven't mentioned South Asia at all this morning. What will we do about counterterrorism? I think how we interact in Beijing, Moscow, and Washington on this subject will be important and it deserves consideration in the context of the narrower issues.

DR. DUNN: Does anyone want to comment specifically on the question of whether we're prepared to concede to the Chinese a mutual deterrence relationship? Is it coming in on its own? Is it unavoidable?

MR. SLOSS: I'm distinctly skeptical about avoiding mutual deterrence in the relationship with China. I think Elaine put it better. I'm not convinced the Chinese think that it's a high-risk proposition, maybe so. Whether now or later, it seems to me that our nuclear posture vis-à-vis China will be affected by what's going on at the White House today - that is the discussions between the U.S. and Russia. I think that will put some constraints on our strategic relationship with China. When you look at that three-cornered relationship, the Russians may bother China in the broad strategic relationship. They may also constrain what we want to do, not so much in terms of numbers, but in modernization, deployments, and missile defense. I think we need to look at it carefully.

MR. BERNSTEIN: I'd like to bring the discussion of mutually assured strike back to the alternative strategies, because it's not clear to me that any one of them actually makes the concession we're talking about, so I'm not sure they offer a real choice in this regard. Certainly, they have different philosophical underpinnings, different rhetoric, and different implications for how we build forces. As a practical matter, though, they are quite similar in that they are likely to be viewed by China as strategies of escalation dominance and denial. Strategies One and Three in particular, build on the same force elements - continued high-tech conventional force advances, a robust nuclear force, and missile defenses. Strategy One refers to limited defenses, but as defined by the Administration, these are explicitly intended to have some capability against ICBMs. We may call this augmented mutually assured deterrence, but it is just as likely to be viewed as Strategy Three "on the cheap" - without all the investment and wrapped rhetoric of MAD. I really don't see a strategy option that unambiguously offers the mutually assured strike concession we've been discussing. I'm not sure that kind of concession is possible given our missile defense agenda.

MR. CHRISTMAN: I wouldn't necessarily accept things they say at face value. I wonder whether their leaders have the level of competence necessary to maintain control in crisis.

MR. WEAVER: I think there is something to that. I want to add to that. I think we need to pay close attention to whether the Chinese see their nuclear strategy as the same as it was when they first developed their nuclear capabilities. Now they're in a situation where they may be forced to contemplate a Chinese nuclear first use scenario. The question is whether their relatively small number of weapons is sufficient to deter a U.S. retaliatory strike, as opposed to what is required to deter a U.S. first strike. That may be shaping their consideration in what they may see as an inevitable confrontation with the U.S. over Taiwan.

MR. SLOCOMBE: I think what starts out as quite technical questions of nuclear doctrine simply depend almost entirely on your overall policy. This is an issue not only about Taiwan or Russia, but an issue of the character of China. The real issue here is will China be focused essentially on internal development, huge economic development, or will it try to use military force in its strategy? Taiwan is a terribly important test of that. My own view is that it is very much in reality first, to do whatever we can to persuade the Chinese. We also have to have this capability. In order to do that, we have to convince them on the affirmative side, that we are genuinely open to cooperation. We also have to convince them that we will not lose. The Chinese are rather like most people, I suspect. They are least impressed by the accusation. If they can't win a fight, it won't encourage them to fight it. Specifically, we have to be able to convince China that not just massive movement across the Taiwan Strait, but that any use of force against Taiwan will produce immediate reaction from the United States. Otherwise, it is very hard to see how the dynamics of Taiwan and China won't cascade down. If you can convince the Chinese that trying to threaten Taiwan is a dead end, they may find other ways. The Chinese presumably believe they will keep us from doing this.

At one level, I think the distinction between the rogue state problem and the China problem is that the type of people who lead China are not like those that lead Iran and Iraq. The one answer to this is the one that works for the Soviets: China has a lot to lose. China has a lot to lose in a nuclear war. I think one problem is if we only identify the question of defending the homeland of the U.S. against Chinese nuclear attack, it leaves the obvious issue of Taiwan. All of this is a very difficult problem. I frankly don't think that anything we do has very much impact on how the Chinese react. If any of us were advising the Chinese government, do you really think they're arguing, "Don't worry, the Americans will never build another nuclear weapon. That won't solve the terrorism problem." The problem with nuclear weapons has been the problem from the very beginning. Potentially weaker states are threatened by nuclear powers. That is, after all, the basic logic of NATO's nuclear policy throughout the Cold War. For the same reason, it's hard to persuade the Pakistanis or the Indians that they shouldn't have nuclear weapons. They will do whatever they are capable of doing to build up their nuclear force.

- MR. SLOSS: I agree with everything Walt said but think it's still worth asking whether, as we move ahead, if it makes any difference to us whether it's somewhat larger or smaller. At least you need to think about whether we want that.
- DR. COOPER: I agree the decision is theirs not ours. One consideration is a function of the architecture of the U.S. missile defense system. One choice is what the Chinese believe we're going to do with the architecture that exists. Second, also along that line, U.S. offensive posture force choices. There are mobiles, large mobiles, and small mobiles. What we do with the capabilities we have makes a clear impact on what other countries do. To the extent that we make it clear, they will have to think about it. Lastly, is the larger issue of military might. From our point of view, the Chinese have a number of different ways to spend their military budget. One is the Taiwan problem - whether it's a cross channel invasion or submarines to shut Taiwan down economically. To the extent that we understand that, we may be able to create some postures that look better or worse in the larger sense.
- MR. IFFT: I found the discussion a little reassuring. I think there is a point and let me put a State Department perspective on it. If the State Department makes certain threats go away - I'm thinking North Korea, Iran, Iraq - if you have the capability with your strategy, then nothing really changes. There is a real world case of this. That is initially North Korea and the ICBM. Then, it turned out that we had a good chance of making the ICBM program go away. If you take the capabilities-based approach and say this is something we need, then you've inoculated yourself against things that can happen. I think the question that no one is posing is very important. I recall Sandy Berger said we are comfortable in a deterrent relationship. That's the closest I've heard any U.S. official come to saying that sort of thing. China is usually the second or third consideration when we are addressing deterrence. We have one eye on Russia, one on the rogue states. Then we're forced to develop some *ex post facto* rationale. That's difficult to do and the result is inconsistency. I don't see that changing any time soon.
- MR. GARRETT: There are so many things to respond to here. Before we make a lot of decisions about where we're going with China, I think we need a lot more consensus. I haven't seen a whole lot of that in this discussion. I've seen many statements that I find contradictory. It worries me that we're doing a lot of mirror imaging. A whole set of nuclear assumptions is based on 40 years of nuclear strategy. We're dealing with a very different country and strategy. It's not a country that's set on domination of the world in competition with the U.S. I don't think China is an enemy. We can certainly turn it into one. We need to know how they see the world and us. Walt helped contribute great clarity. I don't think there's any doubt at all. I don't think they have any doubt. One concern I have is the way that Taiwan has been dealt with because Taiwan is mentioned as an ally. That is not the case. Taiwan is part of China. The President of the United States has recently reaffirmed our policy. They believe Taiwan is part of China. They don't like that, but that is the reality. Talking about Taiwan as an ally is quite a jump, and putting it in the same category as Japan or others is a long way to go. That aside, I think we're very clear that China's main concern is Taiwan independence. I think in the 1995 and 1996 period, there were many people in the U.S., in Congress, and in

Taiwan who believed that if Taiwan declared independence, China would let it go. No Chinese leader will let Taiwan go independent. I think they made it clear to the United States that they would defend it, as we made it very clear that we will defend Taiwan. The ambiguity is about whether Taiwan declares independence and if we will step in and protect them for the next 100 years against any kind of unprovoked intervention against Taiwan. I think that part is very clear.

MR. GARRETT:

Regarding the question of mutually assured destruction, I don't think there will be mutually assured destruction. All the talks about missile defense have been based on having three or four nuclear weapons surviving a nuclear strike. That's not mutually assured destruction, when we can lay down many hundreds of warheads on them and they can launch one or two. That is not mutually assured destruction. It isn't equality. I don't believe there is evidence that the Chinese are seeking that. I believe they looked at the history of nuclear forces. They've learned the lessons and seem to be moving in that direction with global missiles. I don't think they have the idea of building 500 strategic warheads capable of reaching distant targets. I believe they've been discussing this a great deal and trying to figure out what we're doing with missile defense. They maintain some idea of minimal deterrence. I think that is the objective at this point. I don't think when it comes to the leadership and what they're doing with their nuclear forces, that they're a long way away.

There is a lot of discussion, but I don't think that tells us what their leadership thinks. We are in an interactive game with the Chinese. They'll modernize, but how much and their purpose is not clear. What are the strategic intentions from their perspective as well as ours? If you take it in context of how they perceive what we have been doing to them over the last five years, you have to include Taiwan. I think they're playing a defensive game. They don't want Taiwan independent. I don't think they have a game plan of unifying by force. It's a very big difference. We're getting into portraying a growing Chinese power vis-à-vis the United States. I don't think that's how they see the world. I think they see themselves much more on the defensive than we do. Their analysis is that the gap between them and the U.S. is growing wider. The U.S. lead over everyone has increased. The accidental bombing of the Chinese embassy in Belgrade, U.S. para-troopers in Kazakhstan, actions that the United States has failed to think through -- we didn't think about the Chinese as the problem. At the same time, they perceive these events as pertaining to them and are reacting to them. I don't believe they see us as being in a zero-sum game with them. They don't want to end our alliances and get our military forces out of Asia. They've been saying that they don't perceive the U.S. presence as de-stabilizing. Ending our alliance will encourage Taiwan to declare independence. They understand the value of our presence. If you look at September 11, I think that belies many views. Many people in the Pentagon argued that the Chinese support Osama bin Laden. They saw that they are threatened by terrorism. The attack on the U.S. could bring down our economy. That's the goal. They see that as a threat to them. They see Osama bin Laden as a great danger to them. I somewhat disagree with Brad and

didn't hear the kinds of things he's saying in terms of their fear of how this all plays out and what the U.S.-China relationship and the U.S.-Russia relationship evolve to. They see a wide string of possibilities including non-proliferation.

MALE SPEAKER: Regarding Russia, in all my talks with the Chinese, they never believed they were the threat. They see that both Russian and China have a greater stake with the U.S. than with each other. The Pentagon wouldn't even allow their military attaché to meet with anyone in the Pentagon until three or four weeks ago. In the longer term, we have to look at our policies as well. If we want to look at the overall strategic relationship, we can shape their responses. We look for strategic reassurance.

MALE SPEAKER: One thing that concerns us was the picture you described of a Chinese/Taiwan policy of not wanting Taiwan to declare independence. The problem is there are people in China who say that's not true. What is your view?

MALE SPEAKER: I think they backed away from that. My concern about China is if you look at Taiwan and the mainland, they're moving towards the right direction. As long as they feel that it's moving more that way than apart, they can tolerate a long timetable. There are 100,000 Taiwan people living in Shanghai alone. I think right now they're very relaxed about China. I think they feel the trends are going their way. I think for the leadership, Taiwan is a losing issue. If they were to launch an attack on Taiwan, there's a good chance they would lose. There is everything to lose and not much to gain. No Chinese leader would survive for 10 minutes if he let Taiwan get away. They want a secure international environment and don't want Taiwan to provoke them into doing something they don't want to do. There is pressure from some people.

DR. WHEELER: I'd like to go back a bit. Before we get an actual national security strategy, we need a philosophical strategy. Part of the problem is that nobody who dealt with nuclear matters may be arguing strongly enough for the risk assessment structure. I think there's a feeling that it's not merely for missile defense but the basic relationship with Russia. We need to get away from the nuclear force posture we had during the Cold War. We can't lead and hedge vis-à-vis Russia anymore and do business as usual in terms of nuclear planning. It's no longer sellable politically. We need to make a choice based on a risk assessment, and regarding Russia and Putin, it appears we are willing to take some risks.

China is a different dynamic. I think the problem facing the U.S. is somewhat like the problem Richard Nixon faced. The sensitivity is much different after September 11 than it was previously. A lot of our discussion goes in different directions. The first step is to decide what strategic risks would be acceptable vis-à-vis Russia. It's not clear we're prepared to take the same kinds of risks with China. Whether to cede to China a mutually assured strike capability is a function of this risk assessment.

DR. SCHEINMAN: 2015 is the estimated goal of China's economic development program, providing Beijing an incentive to maintain stability in the region at least until then. Are there any other dates or milestones that appear to be driving Chinese planning?

- DR. MILSTEIN: One thing that hasn't been discussed explicitly are these alternative scenarios and how they impacts our nuclear strategy. If there is greater economic growth in the U.S. and China develops more trade, more direct foreign investment, more of rule of law, or moves towards democracy, it would indicate a different influence on our strategic objectives than would more authoritarianism or expansion into other areas. Otherwise, it doesn't matter which of these alternatives you implement, it doesn't make sense. It doesn't make sense politically in this country.
- DR. ROBERTS: I think I agree with most of Banning's points. We're not even at the point where we know what questions to ask, much less a sufficient research base. I think I agree with Banning. There's a lot of homework that needs to be done based on their policies, views, and doctrines. There is not much of a basis to go on. That kind of knowledge base takes a long time to develop.
- DR. BUNN: It occurred to me we were in danger of presuming anything about where the Chinese are.
- MR. GARRETT: I'm very wary of relying on the printed word. You could find out what they think and it may or may not prove over time to be an accurate representation of what they think. If you read the Chinese press, it's become more of a free press. Go there and talk to them. It's a much more open society than it used to be.
- DR. DUNN: I want to come back to Jeff Milstein's point. As I come out of the context, it seems there is a lot of uncertainty. It seems to me that depending upon which of these alternative strategies was considered or if you consider the three alternatives that Brad has put out, presumably there is some impact on what our government may end up with. It has some impact on the character of the China discussion. Is it the chicken or the egg? It seems to me that the extent that you go down the path of the offensive-defensive dominated process, it's more likely that you will end up with the China with which you would like to end up. Number three *per se*, would lead to an outcome that presumably is more likely to have hard-liners more confrontational and more difficult to manage with our allies. One key question in my mind is whether there is an alternative to number four. Do these three options cover the whole board? My favorite option is my mutual reassurance option.
- MR. CHRISTMAN: I'd like to make a point about the timeline issue. I would agree with Brad. I would probably see a little more skepticism that some type of conflict is inevitable regarding Taiwan. The positions between China and Taiwan are important in terms of timelines because of relating all of it this to nuclear strategy. They can massage a Taiwan independence move. If Taiwan declares independence, it may not be recognized by Beijing.
- DR. ROBERTS: I think we should be cautious as we discuss what the Chinese think. There are debates on most of these questions in Beijing and in China. The centers of gravity in these debates shift. There have been a growing number of institutions participating in these debates. We also need to be cautious in discussing Chinese nuclear interests. It is the overarching question here. In fact, the common

American view that China is a country of 20 nuclear weapons ignores the fact that China is supreme in Asia when it comes to nuclear capability.

I wanted to comment on the timeline question. I hear them talking about 2049, the 100th anniversary of the revolution. Their argument tends to be we'd like to be a China that's recovered our place in the world and is competitive with the modern western world. Expect to live in an Asia that looks sort of like Europe. We can debate whether that's all visionary but it's the vision I keep hearing articulated from all different camps. I think they have come to discuss an additional posture. They read all of our national security documents, they assume that's us thinking about them. What kind of world might come into being if we reshape ourselves to a new facet of their future?

ROBERTS (CONT'D.): Lastly, I would add a note about strategic reassurance. If we want to reassure them, that means conveying to them in some fashion that we won't have an unlimited and open-ended pursuit of missile defense, we won't put capabilities into the space, and we are willing to accept China's abilities for a credible second strike. However high we set that bar, I think they will go there. If we can't do this today, if we want to not close the question about defense because we don't really know what we want, then we have to "punt" through some kind of hedging strategy. China will view this as a fake punt, and believe we have a hidden strategy. This raises the danger of a huge disconnect between the two countries. This is not going to be reassuring to our allies, to the rest of the Asian environment, or the Indians.

DR. NELSON: It seems to me that the U.S. is faced with several very important strategic decisions. For example, the extent to which counterforce targeting still makes sense, if we decide to move to space – how far will we go, and how fast? Also, in terms of arms control, the numbers don't really look that different, but we need to make fundamental choices about how the strategies will effect arms control issues.

DR. BUNN: It seems to me that if there is really no difference between Options Two and One and the question is do we really need to make a choice now? Our missile defenses will come up slowly no matter what choice we make. It may be that the best decision to make is not to make a decision, since making a decision really won't change what we do in any way.

MR. WEAVER: I agree with Brad completely. I also think there is a mismatch in China. How do the Chinese reconcile that they're satisfied they can deter the U.S. with just a few weapons, will go to war over Taiwan because they think it is a regime survival issue, and the U.S. will come to defend Taiwan? If they think they'll have to go to war with the U.S., what makes them think they can deter the U.S. with the small nuclear arsenal they have? It wouldn't be the first time a country lived happily with a strategic contradiction.

MR. GARRETT: I think the latter is probably right. If they tell us to go to war, what will we do? That debate will go on and does go on. Where would a war over Taiwan lead? Back on the question of where we want to go. Option 3 is guaranteed because

they're the weaker power. We will use nuclear superiority and vulnerability to bully them. What would we think if we were in a similar situation? It doesn't take a lot of imagination. On the other hand, take missile defense. I think over the last year, we've seen an evolution. If the U.S. isn't trying to take away our deterrence, let's make a deal. It comes back to the choices we have to make. In this case, I think maybe we need to make a decision about China. Missile defenses aren't aimed at you. We still have a very limited deterrent. We have to make that decision. What does this Administration want? How does September 11 affect it? Are we moving back towards more arms control? We haven't faced those issues but we need to. I'm afraid often we look at things very technically. We have missiles. They look at it as what is your strategic intention over China? What will you do to us? How does missile defense as a strategic posture play into that? You have your strategic community developing all these options and the White House doing something different. I think even our State Department policy towards China is different from the Pentagon's.

DR. IFFT: China is credited with the ability to deliver about 10 warheads on CONUS. Maintaining that level even in the face of U.S. missile defenses is considered essential by Beijing. This level of unacceptable damage is the essence of China's minimal deterrence posture.

DR. ROBERTS: We all assume it would be foolish for China to start shooting over Taiwan. Historically, when China has used force, for instance in Vietnam, the losses were severe, but they achieved their purpose. I think there are many people in the PRC that are convinced they would lose a shooting match with America over Taiwan. They might sign up again to an alliance with America for a while. China is not willing to pay the price. So they can win by losing. They can win by not losing. All they have to do is not lose. They can just keep us there in a prolonged painful endeavor. So long as they don't actually lose, they've won. These are important questions for us. We have superiority all up and down the ladder. This is where the nuclear debate is interesting. They are flirting with the notion that some nuclear weapons enable them to get under our response potential. This is where there are many different camps. The camps are rather unified in the view that America's response to a move against naval forces is actual nuclear attack, our response has to look unattractive to us. We're talking about either nuclear carpet bombing or going after a city. I think this is a debate about is there a nuclear use threshold that China can get under? We would find it difficult to step into the nuclear realm given the kind of targets they present.

MR. CHRISTMAN: I want to emphasize Brad's points earlier that we need to reassure China that the U.S. is not trying to trump them. I would argue that we would first essentially have to walk them back. China is concerned with U.S. plans for the new "Triad" that will evolve around 2030-2050 which will consist of information operations, advanced conventional munitions, National Missile Defense, space-based command and control. We need to walk them back through all this in order to reassure them.

Wrap Up

DR. DUNN:

I had one question and then I'll try to sum up some of these discussions. The question is whether or not you want a decision on this now? The question is whether we want to have a debate on strategies right now, particularly debating it without deciding it? I'll sum up some of the main themes that came up in today's discussion. It began with some discussion of China's future and stands out in my mind with different scenarios. We then began to focus on three alternative nuclear strategies. The question was later raised about who the adversary is? What's the character of China? Then we discussed the broader issue of the kind of relationship with China that we would like to move towards and the relationship with China that we will ultimately end up in.

DUNN (CONT'D.):

Who is the adversary? I think a theme that ran through a variety of the discussion had to do with perceptions on both sides and themes related to each other. In the context still of thinking about the broader question of issues, Brad's comment has something to do with what are the strategic risks that we're willing to run? It has something to do with the strategic risks in terms of how much of threat from China are we prepared to accept and how inevitable the war with China over Taiwan might be. What sort of China are we dealing with or would we like to deal with? We discussed several different strategies in the context of the discussion that we began on a capabilities-based strategy. To what extent does the capabilities-based strategy look like what we were doing but calling it by another name? Capabilities seem to be walking away from this. It might be desirable; it might not. We came back at various times during this discussion to the fundamental question of what kind of China we would be dealing with? Do we believe that it has the capability to strike the U.S.? Did we think that we were able to actually eliminate this type of ability of China? That's going down the path of the third alternative.

Should we try to avoid these situations? Could we avoid this situation? The last thing related to this was the issue of trying to force China's vulnerabilities. Some folks believe we could and others believe we couldn't. China will move on its own.

A couple of other points I would highlight that came out of this discussion. There are two or three alternatives. The only other alternative thrown out on the table was the one dealing with some sort of strategic reassurance. Here, the sense is that it wouldn't work because it's no longer possible to reassure the Chinese.

The final point I came up with is do we need to actually resolve this question and make any decisions? I think those are some of the things that shone through the discussion. Greg will revise the paper in light of the discussion that was had here and answer all of Walt's questions. Thank you for coming. We're adjourned.



A DYNAMIC PICTURE OF CHINA FOR U.S. DEFENSE PLANNING

8 November 2001

Christine A. Razzano

**Prepared for Defense Threat Reduction Agency
Advanced Systems Concepts Office**

**Contract DTRA01-00-D-0003
Task Order 0013**



SAIC strategies GROUP
CREATING KNOWLEDGE, INTEGRATING SOLUTIONS

*This paper represents the views of the author, not necessarily those of the sponsor or any other
U.S. Government agency*

Appendix A-1

SPONSOR: Defense Threat Reduction Agency
Major General Robert Bongiovi, USAF
Acting Director

Advanced Systems and Concepts Office
Dr. Charles A. Gallaway, Director

BACKGROUND: The Defense Threat Reduction Agency (DTRA) was founded in 1998 to integrate and focus the capabilities of the Department of Defense (DoD) that address the weapons of mass destruction threat. To assist the Agency in its primary mission, the Advanced Systems and Concepts Office (ASCO) develops and maintains an evolving analytical vision of necessary and sufficient capabilities to protect United States and Allied forces and citizens from WMD attack. ASCO is also charged by DoD and by the U.S. Government generally to identify gaps in these capabilities and initiate programs to fill them. It also provides support to the Threat Reduction Advisory Committee (TRAC), and its Panels, with timely, high quality research.

ASCO ANALYTICAL SUPPORT: Science Applications International Corporation has provided analytical support to DTRA since the latter's inception through a series of projects on chemical, biological, and nuclear weapons issues. This work was performed for DTRA under contract DTRA01-00-D-0003, Task 13.

SUPERVISING PROJECT OFFICERS: Dr. Anthony Fainberg, Chief, Advanced Concepts and Technologies Division, ASCO, DTRA, (703) 767-5709, Dr Jeffrey S. Milstein (703) 767-5716.

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION: 1710 SAIC Drive, McLean, Virginia, 22102. Telephone: (703) 676-5550. Project Coordinator: Mr. Gregory Giles, Assistant Vice President & Manager, Weapons Proliferation Analysis Division, (703) 676-6408.

REPORT: The publication of this document does not indicate endorsement by the Department of Defense, nor should the contents be construed as reflecting the official position of the sponsoring agency.

A DYNAMIC PICTURE OF CHINA FOR U.S. DEFENSE PLANNING

Terms of Reference

The purpose of this paper is to set the stage for discussion of U.S. nuclear strategy vis-à-vis China. It addresses domestic political and economic variables that could affect Chinese decision-making and shape political and military scenarios.¹

The current and former U.S. administrations have defined the U.S. relationship with China in two very different ways. The Clinton Administration defined China as a strategic partner, one in which the United States would build strong economic and political ties to foster stability in the region. The goal was to actively engage and seek to open China's political regime by providing economic incentives. In contrast, the current administration views China as a strategic competitor. Recent government and military writings out of China, for their part, portray the United States as China's major competitor, both politically and militarily.

Overall, the Bush Administration appears committed to stemming China's rise as a peer competitor to the United States. For instance, the Administration has now come out strongly against trading an increase in Chinese nuclear deployments for Beijing's acceptance of U.S. BMD. As some observers have pointed out, there is a risk that, if not carefully managed, U.S. actions could make peer competition with China a self-fulfilling prophecy. In short, depending on U.S. political perspectives, the plausibility and likelihood of alternative futures for China will vary.

This discussion focuses on China through 2015. In this time period, China will undergo a major leadership change in 2002 and another likely leadership change prior to 2015. China will no doubt continue to experience increased and broader modernization, both economically and militarily, during this time period.

While the September 11th terrorist attacks will likely increase short-term cooperation between the United States and China on specific issues, they do not discount the more systemic points of contention. During the recent talks between Presidents George W. Bush and Jiang Zemin at the Asia-Pacific Economic Cooperation (APEC) forum, the two failed to make any perceivable changes in their positions regarding major points of contention such as proliferation, missile defense, Taiwan, and human rights.

¹ The author would like to gratefully acknowledge Brad Roberts for his valuable comments and insights on an earlier draft of this paper. The author is solely responsible for final content.

Paradigms

Communist China is in the midst of a transition, though the outcome remains uncertain. How the Chinese Communist Party (CCP) deals with emerging social, political, and economic forces will greatly influence China's path. While many in the CCP would like to believe that they can balance many of these forces in one package, choices will have to be made sooner or later. For example, Jiang Zemin's opening the CCP to entrepreneurs is an indication that the CCP, or at least some of its leadership, recognizes that the future will not be business as usual and that the party will need to make changes to maintain its position of power at an institutional level. Increasingly, these forces will compel the Chinese leadership to choose between competing paradigms.

Among the choices facing China are the following:

- Communism versus nationalism
- Democracy versus authoritarianism
- Free market-driven economy versus state-managed economy
- Limited versus broader civil liberties (freedom of press, freedom of expression, human rights)
- Role of entrepreneur versus role of party bureaucrat
- Strong versus limited military role in national decision-making
- Stability versus increased tension with neighbors (particularly with Taiwan and the Spratley Islands)
- Cooperative international participation versus confrontation

Some "natural" alignment of these paradigms may be expected. For example, democratic, free-market tendencies focusing on the role of the entrepreneur and possibly a limited military may gravitate together, while communist, state-driven economies focusing on the role of the state bureaucrat and a strong military may well be expected to do the same.

Because China is still evolving (politically, economically, and socially), mixed paradigms, for example, an authoritarian, nationalist China with a market-driven economy, cannot be ruled out.

Within these paradigms, three key variables stand out. The first is economic growth. How China emerges in 2015 will be determined by how it manages and maintains its strong economic growth and how it responds to domestic labor issues (see below). China has emerged as the dominant market in Asia and is moving toward a global market superpower. However, the development of continued economic growth is directly related to the level of increased economic openness. If China closes its markets to any degree, it will also notice a decline in its economic growth rates. Also, if it does not make room for the rising entrepreneurial class in Chinese social and political society, it can expect economic and political discord. This relationship explains why many observers pin their hopes of political reform in China on economic growth.

China's economy must brace for potential labor issues and conflicts. Faced with increased unemployment and working condition protests, China's political structure must respond before these protests become organized on a scale that could affect the economy. Job-related deaths in China -- particularly in the mining industry where dozens of lives have been lost at a time -- have caused more frequent dissension among the working class, which have been the party's strongest supporters. Up to now, these protests have not been organized or well reported. However, they apparently are growing in frequency and number.

The second key variable is military strength. The Chinese military will try to balance a potential decline in its political influence with an ambitious development program in order to emerge as an effective power in 2015. The People's Liberation Army (PLA) has been divested from its commercial businesses, at least according to Chinese officials. Although the PLA made a great deal of money from its commercial ventures, it now must appeal to the government for additional funds. This reliance affects its ambitious weapons development program. While the PLA is pursuing its conventional and nuclear modernization programs, it will have to rely on its nuclear forces until such time as the conventional forces are on par with the West. Chinese military articles, stemming from the Gulf War, promote developing tactical nuclear weapons for limited warfighting capabilities as well as enhanced deterrence purposes.² Given the PLA is now required to lobby for political and financial support, it may now have the incentive to exacerbate U.S.-Taiwan-China relations in order to maintain what it considers sufficient funding. The PLA also will most certainly contend that China needs military might to complement its economic power.

The final variable is Chinese leadership perceptions of the external environment. The Chinese leadership has shown a tendency to react to its perceived surroundings rather than take proactive measures to create a reality of their choosing. If the leadership believes it is surrounded by a hostile, hegemonic power, it will react with a strongly defensive posture. For example, China's reaction to the EP-3 surveillance plane incident shows how the leadership anticipates the worst intentions in U.S. actions and behavior. The Chinese leadership is also carefully watching Japan for signs of re-militarization, as well as India's economic and nuclear rise as potential challenges to China's regional influence. However, if Beijing perceives the external environment as one committed to Chinese-American peace and interdependence, they will be more willing to cooperate on issues of common concern and negotiate issues of contention. So far, the counterterrorism issue is the best candidate to foster this kind of atmosphere.

While understanding the key variables is essential to predicting China's strategy, recognizing some overarching trends will also help bound the possibilities. Major trends in this regard include the following:

Move toward Nationalism. The CCP has been moving toward a nationalist ideology. The traditional party is declining - its ideology is not a reflection of reality, i.e., of Chinese society, economy, and state policies. Revolution and Communism no longer

² See Pillsbury, Michael. *Chinese Views of Future Warfare*. Washington, DC: National Defense University Press, 2000. Internet: <http://www.ndu.edu/inss/books/chinview/chinacont.html>, October 25, 2001.

embody the Chinese experience.³ The party needs to shift to a new rallying point that captures the people's imagination. It will need to harness China's entrepreneurial spirit and skill without stifling it under a corrupt, bureaucratic, outdated system created to prevent the entrepreneur's existence. However, in doing so, it has to be careful not to create an environment where nationalism could backfire, as was nearly the case after the Chinese Embassy bombing in Yugoslavia as well as the "spy" plane incident of April 2001. In both instances, the Chinese government so vilified the Washington that it was almost unable to rein in its citizens from demanding military action against the United States.

Infrastructure development. China does not have an infrastructure comparable to the Western world. However, China is addressing its infrastructure deficiencies by procuring leapfrogging technologies. For example, China is building its communications systems based on advanced wireless technologies used in the West. By doing so, China bypasses several Western historical and evolutionary steps and saves immense costs on updating already outdated infrastructure projects.

Taizidang. China's rising entrepreneurial class is led by children of the second and third generation leaders, the so-called taizidang. The most notable of these taizidang is Jiang Mianheng, son of Jiang Zemin and a Vice President at the Chinese Academy of Sciences, as well as Board member on numerous technology and investment companies. Like the younger Jiang, most of the taizidang are involved in the technology and/or financial sectors. Many taizidang have been educated at Western universities and are likely to be the base for the fifth generation leadership coming into power around 2010.

Corruption. Corruption is deeply embedded in Chinese society. Although, there has been a recent push to root out and severely punish corrupt officials within political and military ranks, these efforts have been selective and superficial. High-profile corruption cases are brought mainly against those political families falling out of favor with the current political elite, such as Deng Xiaopeng's children. This corruption undermines the rule of law and may strengthen the hand of organized crime syndicates.

U.S./Foreign Investment. While the success rate of foreign industries in China is very poor, many corporations believe they cannot afford to lose a potential share of the Chinese market by pulling out. China will continue to use its large potential market as a tool to draw in investment for both capital and technology. The draw of potential earnings could lead to increased lobbying efforts by U.S. business interests. The business links could also create stronger U.S.-China ties in the business community, which could either mediate or exacerbate relations in the event of political friction.

Given these variables and trends, China will likely continue to use the United States as a rallying point for nationalism and military expenditures. Beijing will continue to challenge the United

³ See Nan Li's article for an interesting analysis of this issue. Li, Nan. , "From Revolutionary Internationalism to Conservative Nationalism – The Chinese Military's Discourse on National Security and Identity in the Post-Mao Era." Peaceworks, n. 39. United States Institute of Peace (May 2001). Internet: <http://63.104.169.22/pubs/Peaceworks/pwks39.pdf> - <http://63.104.169.22/pubs/Peaceworks/pw>

States in order to decrease its regional influence while promoting China's own powerbase in the region. However, China will also confront an internal party struggle concerning its political direction, particularly between the political and military interests. The following scenarios provide examples of how these interests and conflicts might play out in China.

Scenario 1: An Increasingly Internationalist CCP

In the last decade or so, China's political orientation has moved away from communism toward nationalism. The actual party structure has just begun to catch up to its social realities by beginning to adopt a more nationalistic structure in its doctrine and policies. It has begun to redefine issues less by class and more by national identity. The next generation of leaders will be more internationalist, focusing on China's emergence on the world stage as a global power. This scenario assumes there will be no major political or economic surprises that dramatically challenge China's current power structure. The characteristics of this regime include a gradual change in political rhetoric representing an ideological shift from communism to nationalism. The regime will be characterized by weakening authoritarianism with periodic spasms of internal crackdowns. These crackdowns may be violent and will most likely erupt as a result of labor or religious issues. While the regime will continue to limit civil liberties (freedom of religion and press), gains are possible, particularly in the economic sector.

The regime will continue to increasingly move toward a market-driven economy. There will be increasing investment (i.e., personal and foreign) and less state control, but to what degree is unclear. China has been very protective of its high technology sectors, particularly information technology and telecommunications. Its goal appears to be to obtain the technology through joint ventures, then undermine the foreign venture by opening up its own mirror business using the same technology or the banning of further foreign investment in key economic sectors. China's rising entrepreneurial class (with its U.S. and Western education and contacts) are likely to encourage the government to continue opening its economy to ensure sustained high levels of economic growth.

With regard to U.S.-Taiwan-China relations, this scenario may ironically have a high potential for confrontation because of the increased nationalist sentiment in China. However, it is assumed here that hard-line elements in the CCP and the PLA are kept in check, and that the CCP on balance decides not to risk China's economic growth and stability over a war with Taiwan and the United States. Indeed, growing China-Taiwan trade links provide a potential buffer to escalating conflicts. Rather, China will continue to keep Taiwan on the agenda, but this will be driven largely by a need for domestic propaganda. The threat of military action over Taiwan continues to cast a shadow but is not a likely option so long as no player upsets the existing dynamic (i.e., Taiwan does not declare its independence). China will still harbor mistrust against the United States and its intentions in the region. The relationship will remain cordial, but not without episodes of tension. Ballistic missile defense (BMD) will continue to be a major security issue for China. The intensity of the issue will be determined by the extent of U.S. progress towards BMD deployment.

Internationally, China's foreign policy goal will be to limit U.S. influence while increasing its own status. China perceives that its regional influence is an inverse relationship to that of the

United States. However, that relationship will not prohibit cooperation between China and the United States where China perceives an opportunity to expand its influence in relation to the United States. China will remain rhetorically combative but not overtly aggressive in dealing with its neighbors, particularly India and Japan. It will continue to check India's progress in the international community, as well as keep a watchful eye on any move by Japan regarding its military. No military movement by China in the South China Sea or Spratley Islands is expected. China can be expected to continue with its vocal role in international organizations. Its diplomatic efforts will increase as China tries to build its reputation as a regional and aspiring global power.

Scenario 2: CCP Hard-Line Strengthens

The possibility does exist for the CCP to take a more hard-line approach to hold onto power rather than adapting to fit the emerging society. A hard-line regime's political slant will be inward, an oligarchic authoritarianism under a strong leader (although the leader may be a puppet of the ruling elite). Instead of moving to a nationalist ideology, it will incorporate nationalism into its "revolutionary" rhetoric. It will promote itself as the party of the Chinese people using revolutionary historical appeal, as well as nationalist prosperity projections. The hard-line regime will also reject increased civil liberties and will use violent crackdowns as necessary. The hard-line projection moves toward a more militaristic state that is strongly anti-U.S. with increasing cooperation between the PLA and CCP. The military will have a greater role in the political structure.

Under such a scenario, the government could be expected to invalidate many economic agreements with foreign entities. It may nationalize foreign-owned or invested enterprises, including technology and capital. An inward turn toward a military-industrial economy is likely. Technology will be evaluated for dual-use purposes and the military will be allowed to openly participate in economic ventures again. China will also target "capitalist" enterprises for crackdowns and harassment. However, it should be noted that these crackdowns will most likely be selective and intended to instill fear into those who challenge the CCP's power. Most likely, the taizidang enterprises will be left alone, except for those who have fallen out of favor with the ruling elite. In terms of its international economic standing, China will attempt to redefine and/or justify its role in economic organizations, such as the WTO, by both overt and private demands for policy change. It will use its diplomatic skill to maintain membership without having to sacrifice its political goals.

The hard-line scenario has the greatest potential for armed conflict in U.S.-Taiwan-China relations because of the increased hard-line control and the increased involvement of the military. An entrenched CCP will be trying to reestablish its revolutionary role in society. It will continue threatening rhetoric, but will still need provocation to initiate military action. However, this provocation may be minor by today's standards. The threat threshold will be lower and the threat rhetoric will increase dramatically with the initiation of successful BMD efforts by the United States. China may become more aggressive in regional conflicts and can be expected to dramatically increase its defense spending, particularly on power projection forces and nuclear weapons.

Under this scenario, China's hard-line turn would have negative international diplomatic repercussions. The United States and China's neighbors would be on edge. These heightened tensions could lead to small skirmishes, particularly in disputed territories like the Spratly Islands and the Sino-Indian border. Conflict with India would be particularly dangerous given both states' nuclear status. The world will be faced with an increasingly uncooperative China in international regimes and wherever else it feels it can challenge the United States. It may be particularly disruptive in the UN Security Council, where Beijing is the most powerful diplomatically. It may also counter U.S. policy with continued proliferation assistance to North Korea and Iran.

This scenario would certainly be the worst of the possibilities presented here. However, it is unlikely a hard-line aggressive China would emerge unless there was a spurring event such as a major provocation from Taiwan or a domestic coup coupled with increasingly successful entrepreneurial class that threatens the CCP's existence. The party would need a compelling reason to take such a drastic step away from liberalization.

Scenario 3: CCP Marginalized or "Collapsed"

On the other end of the spectrum, the CCP could severely weaken or collapse. Many authors have referenced a Soviet-style collapse as a model for China. This example seems unlikely, as the Soviet collapse hinged on severe economic troubles and societal changes. While the CCP may be eclipsed, the Chinese state would not necessarily disintegrate. However, the prospect of CCP marginalization or outright collapse remains and could be either leadership-driven or market-driven.

If China were to experience a dramatic weakening of the CCP system, it could take quite some time before a clear path was discernable. When the dust settled, China could be expected to emerge as a weakened authoritarian state slowly moving toward a democratic structure.⁴ Under these conditions, China could see the more moderate, democratic elements playing greater leadership roles. However, the role of the military would be a key yet uncertain variable. Any move toward democracy will hinge upon the acquiescence of the military hierarchy, which might conceivably hope to seize power itself. As these possibilities play out, China will be increasingly unstable. Its focus will be to rally domestic support under nationalist rhetoric and economic strength. China will also reach out to the international community in cooperative efforts to ensure its security while undergoing its transition. Depending on the influence of the PLA, China might be particularly willing to negotiate on defense issues in order to maintain stability in the region.

This post-CCP regime will rely on its economy for stability and as a unifying tool. It will increase the privatization of industry, but likely encounter more widespread organized crime and

⁴ Alternatively, a strong Putin-like autocratic regime could emerge but this seems unlikely for a number of reasons. China differs from the former Soviet Union most dramatically in its strong economy, which is developing an entrepreneurial middle class along with a burgeoning free-market. This new middle class will experience greater individual prosperity and will be less likely to want continued or strengthened government interference. Also, no strong autocratic personality is evident in the rising 4th generation of leaders. Toward the end of the 15-year time frame, the 5th generation leadership will begin to emerge. If they are to be entrepreneurial taizidang, it seems unlikely that a strong autocrat will be among them either.

increased corruption. Because privatization would be done quickly (and out of necessity), the economy could see adverse effects in terms of inadequate management skills, declining profitable industries, increased unemployment, and a lack of food and other resources necessary to maintain stability. To counter these effects, China will need to attract even greater foreign investment and consulting.

Assuming the PLA remains under civilian rule, this scenario provides the most likely opportunity for peaceful China-Taiwan re-unification, or at least political cooperation. Taiwan may step up to help China and provide a political model for institution building. Greater cooperation between China and Taiwan could further China's goal of reducing U.S. influence in the region and lessen ties between Taiwan and the United States. An amiable China-Taiwan relationship could cut out the U.S. role in the dialogue and lessen the rationale for BMD deployments. However, there is always the possibility that even given this dramatic political change in China, Taiwan may still not want to politically participate with the mainland. Taiwan's reaction would be key to determining the security of region.

In the foreign policy arena, a post-CCP China is likely to curry favor with the international community rather than inflame tensions. It will pull back from its active involvement in international organizations but will remain vocal to secure its position in them. Also, China will limit its involvement in regional matters until Beijing finds its footing again.

Military and Nuclear Force Projections

China's military has an agenda of its own. The two major issues facing the military in the next 15 years are 1) conventional force modernization and 2) nuclear force modernization. However, the PLA must deal with the realities it faces politically and financially. The political and military apparatus have been in a tacit struggle for influence during the Jiang Zemin years. Neither entity has enough power on their own to control the actions of the other, but Jiang Zemin was successful in gaining control of the military's purse strings when the banned military participation in commercial enterprises. As noted above, the military will be increasingly reliant on the government for financial support of its ambitious development programs.

The PLA's ability to fulfill its agenda is dependent on its political influence and the overall health of the Chinese economy. In the first scenario, PLA political influence will be limited. Nationalist sentiment will be guarded by the political elite and therefore the PLA will be watched carefully so as not to insight the population beyond the political elite's ability to control it. However, expenditures on weapons technology are likely to increase as the economy continues to prosper. The second scenario will allow the PLA to increase its political influence as the political elite relies more on their military power. Defense spending will likely increase in the short-term; however, a hard-line stance may jeopardize economic growth and therefore long-term military and weapons development projects. The third scenario is the most difficult to predict. The strength of the PLA at such a time will be a deciding factor. However, military spending is likely to be cut as the political elite attempt to ensure a stable and growing economy. Weapons development programs are likely to be moved lower on the list of spending priorities.

With regard to PLA spending priorities, a long-term development program has been underway, particularly in ballistic missiles. While the military has been using the U.S. BMD issue as a justification to develop MIRV missiles, the reality is that China's MIRV program has been underway for quite some time. China's military also needs to greatly improve its navy, air force, and C2 systems to compete with rival Western military powers. It sees these modernization efforts as necessary to its national defense. However, some U.S. observers remain skeptical of the progress of these efforts, arguing that military modernization is low on the list of government financial priorities. While modernization will likely continue, these observers argue that the PLA will not transform into a NATO-style military but more likely develop the means to pressure Taiwan and perhaps wage a successful asymmetrical conflict against the United States across the Taiwan Strait.

China's nuclear strategy appears to be in transition as well. Since the inception of its nuclear weapons program, China has subscribed to a policy of minimum deterrence. Under this strategy, China maintains a nuclear force at minimum quantitative levels needed to deter a nuclear attack, principally by the United States. U.S. officials have publicly stated that China maintains fewer than 20 ICBMs capable of delivering nuclear weapons against the United States.

Minimum deterrence, by its nature, is not geared toward actual nuclear warfighting. However, recent Chinese writings and actions have led some to conclude that China is moving beyond its minimalist approach toward a "limited deterrence" policy. Limited deterrence envisions the limited use of nuclear weapons at the tactical and operational levels, while relying on a strategic retaliatory force to deter all-out nuclear reprisals.

Along this spectrum of deterrence and warfighting, other possible mutations of China's nuclear capabilities exist. For example, China might greatly expand the number of warheads it could deliver in order to negate a U.S. BMD system. Presumably, there would be debate among analysts as to whether that increase was intended to reinforce the credibility of China's deterrent or to enhance regional warfighting options. Alternatively, China might engage in a nuclear build-up that went considerably beyond countering U.S. missile defenses. As the United States (and Russia) dramatically reduced its nuclear weapons, China might seize upon the opportunity to build up, effectively achieving nuclear peer status – at least in numeric terms – faster and cheaper than would otherwise be the case.

In short, it may not be possible to determine with certainty which nuclear strategy will prevail in China over the next 15 years. In both the internationalist CCP scenario and the post-CCP scenario, China would likely continue to espouse a minimum deterrence doctrine. At the same time, the PLA could be expected to pursue capabilities that would provide for a limited deterrence option. An overt shift to a limited deterrence doctrine would be expected in the hard-line CCP scenario. China would be bracing for conflict and would want to move to a more aggressive military and nuclear posture. As in contemporary Russia, greater reliance on nuclear weapons as a potential warfighting capability also would potentially buy China time to modernize its conventional forces, which are quite inferior to their Western counterparts. However, a greater Chinese reliance on nuclear weapons for regional contingencies would be particularly threatening to Taiwan, Japan, and India.



ALTERNATIVE NUCLEAR STRATEGIES VIS-À-VIS CHINA

8 November 2001

Greg Weaver

**Prepared for Defense Threat Reduction Agency/
Advanced Systems Concepts Office
Contract DTRA01-00-D-0003
Task Order 0013**

This paper represents the views of the author, not necessarily those of the sponsor or any other U.S. Government agency.



SAIC **strategies** **GROUP**
CREATING KNOWLEDGE, INTEGRATING SOLUTIONS

SPONSOR: Defense Threat Reduction Agency
Major General Robert Bongiovi, USAF
Acting Director

Advanced Systems and Concepts Office
Dr. Charles A. Gallaway, Director

BACKGROUND: The Defense Threat Reduction Agency (DTRA) was founded in 1998 to integrate and focus the capabilities of the Department of Defense (DoD) that address the weapons of mass destruction threat. To assist the Agency in its primary mission, the Advanced Systems and Concepts Office (ASCO) develops and maintains an evolving analytical vision of necessary and sufficient capabilities to protect United States and Allied forces and citizens from WMD attack. ASCO is also charged by DoD and by the U.S. Government generally to identify gaps in these capabilities and initiate programs to fill them. It also provides support to the Threat Reduction Advisory Committee (TRAC), and its Panels, with timely, high quality research.

ASCO ANALYTICAL SUPPORT: Science Applications International Corporation has provided analytical support to DTRA since the latter's inception through a series of projects on chemical, biological, and nuclear weapons issues. This work was performed for DTRA under contract DTRA01-00-D-0003, Task 13.

SUPERVISING PROJECT OFFICERS: Dr. Anthony Fainberg, Chief, Advanced Concepts and Technologies Division, ASCO, DTRA, (703) 767-5709, Dr Jeffrey S. Milstein (703) 767-5716.

SCIENCE APPLICATIONS INTERNATIONAL CORPORATION: 1710 SAIC Drive, McLean, Virginia, 22102. Telephone: (703) 676-5550. Project Coordinator: Mr. Gregory Giles, Assistant Vice President & Manager, Weapons Proliferation Analysis Division, (703) 676-6408.

REPORT: The publication of this document does not indicate endorsement by the Department of Defense, nor should the contents be construed as reflecting the official position of the sponsoring agency.

ALTERNATIVE NUCLEAR STRATEGIES VIS-À-VIS CHINA

INTRODUCTION

As of the writing of this paper, the United States and Russia are actively engaged in an effort to redefine their strategic interactions, and the roles their nuclear forces play in those interactions. It seems likely that deep reductions in U.S. and Russian nuclear forces will soon be agreed upon, along with some form of understanding that permits the United States to pursue the deployment of limited national missile defenses. These reductions are not likely to be enshrined in a written agreement. Rather, Russia and the United States seem prepared to come to some form of informal understanding regarding mutual nuclear force reductions that would be both formulated and implemented unilaterally. Thus, the U.S.-Russian nuclear relationship is about to be fundamentally altered.

But what about China?

As the United States and Russia dramatically draw down their nuclear forces in recognition of the fundamental change in their political relationship, China is actively engaged in a comprehensive nuclear force modernization program. And as Russian-American relations appear to be growing more cooperative and less adversarial, Sino-American relations remain a contentious mix of competition, ideological disputation, and sometimes grudging economic interdependence.

As the importance of the U.S.-Russia nuclear relationship wanes, and the United States moves to reconfigure its nuclear forces while incorporating both theater and national missile defenses into its national security posture, what should U.S. nuclear strategy be vis-à-vis China? This paper posits, characterizes, and examines a range of alternative future U.S. nuclear strategies toward China. It also highlights the nature of the strategic choices being made when one such strategy is chosen over another.

The alternative strategies examined were developed in part by posing different ways to address five key questions that are likely to define any given U.S. nuclear strategy toward China:

1. How best to deter/prevent Chinese nuclear attacks on the U.S. and its allies?
2. How best to shape the future development of U.S.-China relations, and thus potential Chinese threats to the U.S. and its allies?
3. How to maintain U.S. freedom of action in defending American interests in Asia in the face of Chinese opposition?
4. How to wage theater and strategic warfare against China in defense of American interests if necessary?

5. How to achieve the above goals without adversely affecting U.S. relations with Russia or undermining U.S. interests vis-à-vis regional powers?

For each of the strategies developed and examined the paper presents an overview of the strategy, the rationale for and assumptions underlying the strategy, the elements of the strategy itself, and the nature of the strategic choices involved in selecting and implementing the strategy.

Alternative Strategy 1: *Augmented Traditional Deterrence*

Overview

Augmented Traditional Deterrence is essentially a continuation of traditional U.S. nuclear strategy toward China: deterrence at both the theater and strategic levels by means of holding at risk key assets the Chinese leadership is believed to value highly. This strategy is thus fundamentally target set-based, with the required U.S. nuclear forces and supporting capabilities being directly derived from an assessment of what is needed to destroy in retaliation what the Chinese leadership values most. While the nuclear forces this strategy requires would inherently provide the U.S. National Command Authority with an array of warfighting and damage-limiting options in the event of war, the emphasis in nuclear planning, force posturing, and associated declaratory policy is on deterrence of Chinese first use of nuclear weapons. The "augmentation" envisioned refers to currently planned improvements in U.S. conventional strike capabilities that have the potential to replace nuclear targeting of some types of high value targets. "Augmentation" also includes the deployment of significant theater missile defenses in the near-term, and possibly the deployment of limited national missile defenses in the longer term. However, this strategy does not envision offense-defense integration beyond deconfliction.

Rationale and Assumptions

Advocacy of adopting a strategy of Augmented Traditional Deterrence vis-à-vis China is based on a quite simple four part rationale. First, nuclear deterrence based on holding an adversary's high value assets at retaliatory risk has effectively prevented nuclear war, and arguably major conventional war, between nuclear-armed states since Hiroshima and Nagasaki. Second, U.S. conventional superiority vis-à-vis China means that successful nuclear deterrence will likely result in U.S. victory in any conceivable crisis or conflict with China, and especially in a Taiwan scenario. Third, given the previous two rationales, there is no need to risk sparking an arms race and exacerbating already contentious relations with the world's most populous state in an effort to deny China the ability to hold targets in the United States at nuclear risk. Most advocates of this approach are likely to view it as the strategy best suited to favorably shaping future Chinese nuclear force modernization, so as to avoid creating an increased threat to the U.S. and its allies that might not otherwise materialize. And fourth, the magnitude of the Chinese nuclear threat is not now, and will not be in the foreseeable future, sufficient to risk undermining the restructuring of the U.S.-Russia nuclear relationship (by, for example, fielding large scale national missile defenses designed to neutralize Chinese nuclear forces).

Adopting an Augmented Traditional Deterrence nuclear strategy toward China would be based on a number of key assumptions.

The most fundamental of these assumptions is that deterrence of Chinese nuclear first use against the U.S. or its allies is the single most important objective of U.S. nuclear strategy toward China. This view is not accepted as a given throughout today's U.S. national security establishment (see Alternative Strategies 3 and 4 below for examples of strategies based on different assumptions). Nevertheless, the rationale for adopting this strategy alternative is based first and foremost on this assumption.

The second important assumption underlying this strategy is that deterrence of Chinese nuclear first use is best (and reliably) achieved by threatening U.S. nuclear retaliation against those assets the Chinese leadership most values. This assumption is itself based on several other assumptions.

Obviously, a prerequisite for a strategy based on this second assumption is the identification of the Chinese leadership's value structure, and the translation of that value structure into potential targets and target sets to hold at risk. Thus, a third (and multifaceted) assumption of this strategy is that the U.S. can accurately assess what the Chinese leadership most values, convert those values into operationally meaningful target sets, and effectively and credibly communicate to the Chinese leadership a threat to destroy them in peacetime, crisis or conflict. (It should be noted in discussing this aspect of the strategy that it is possible the Chinese leadership might well perceive an effective and credible deterrent threat to their most important values even if the U.S. assessment of those values was inaccurate.)

Also underlying the strategy's assumption that retaliatory threats are the key to deterring Chinese nuclear use is another unstated (and perhaps unconscious) assumption. The strategy assumes that the credibility of U.S. retaliatory threats will be sufficient to deter regardless of the nature of the nuclear first use the Chinese might contemplate, and regardless of the consequences the Chinese believe they will incur by not initiating nuclear use.

The final key assumption underlying Augmented Traditional Deterrence is that nuclear deterrence requirements vis-à-vis China (i.e., the ability to hold key assets at risk via U.S. nuclear retaliation) are not likely to change appreciably in the foreseeable future, despite Chinese nuclear force modernization and the potential for an accompanying shift in Chinese nuclear doctrine. This, despite the fact that these changes may provide China with new offensive options derived from both improved capabilities and increased numbers, while changing the nature of the Chinese target set itself (e.g., adding mobile ICBMs to the mix).

Strategy Elements

Nuclear Force Requirements

Because this strategy is fundamentally target set-based the U.S. nuclear forces required to support it will be derived from the nature and size of the Chinese target sets deemed critical to deterrence. In the past these target sets and the U.S. forces needed to hold them at risk were de

facto treated as lesser included cases of the U.S.-Soviet nuclear confrontation. This would likely continue to be true in the near-term, as even the significantly lower overall U.S. nuclear force levels currently being discussed with Russia would not appreciably alter U.S. capabilities to hold key Chinese target sets at risk.

Several factors could force a reevaluation of the U.S. nuclear force requirement under this strategy in the mid- to long-term however. A greater than expected expansion of Chinese offensive nuclear forces (perhaps as a result of Chinese misperceptions regarding the intent of limited U.S. national missile defenses) could increase the Chinese counterforce threat to a significantly reduced U.S. force, or dramatically expand the U.S. counterforce targeting requirement (assuming the Chinese nuclear forces are viewed by the leadership as a key asset). Chinese development of an effective national air defense system, missile defenses of their own, or a breakthrough in strategic antisubmarine surveillance could also influence U.S. force needs (though these appear unlikely today).

Finally, U.S. breakthroughs in the development of advanced conventional strike capabilities (particularly in the area of locating and destroying mobile missile units) could arguably reduce the nuclear forces required to implement this alternative strategy.

These potential mid-to long-term developments aside, there is little indication that the nuclear force requirements of Augmented Traditional Deterrence would exceed (either quantitatively or qualitatively) those currently envisioned in the force reduction discussions with Russia.

Declaratory Policy

Augmented Traditional Deterrence would require no significant change in current U.S. declaratory policy regarding how it might respond to Chinese nuclear attack. Even a move to adopt a "No First Use" policy would not undermine the core of this strategy (deterrent nuclear retaliatory threats), though many proponents of it would oppose such a move as unnecessarily reducing the Chinese leadership's uncertainty regarding how we might respond to indications they were preparing for nuclear use.

Adoption of Augmented Traditional Deterrence vis-à-vis China could at some point spark an interesting and potentially important debate about the relative deterrent merits of the ambiguity vs. the specificity of U.S. deterrent threats. During the Cold War the United States concluded (correctly in our view) that ambiguity regarding the nature of the U.S. response to Soviet aggression enhanced deterrence (contributing in part to the development of NATO's Flexible Response doctrine). However, some post-Cold War deterrence analysis has indicated that when faced with an adversary whose risk-taking propensity is relatively high (unlike the Soviet leadership of the 1970s and 80s) specificity regarding declaratory deterrent threats is to be preferred. This is because high risk-takers are more likely to perceive the uncertainty surrounding ambiguous threats as opportunity to be seized, rather than as unknown danger to be avoided. Of course, the more specific the deterrent threats voiced through declaratory policy, the higher will be the deterrent premium on getting Chinese perceptions of high value assets "right".

Targeting Policy

Under this strategy targeting policy is likely to be strongly driven by U.S. estimates of what the Chinese leadership values most. This is not to say that U.S. planners will be limited exclusively to deliberate "strategic" targeting aimed at deterring Chinese nuclear use. Some adaptive "theater" planning is almost certain to take place as well. However, the primary emphasis in this strategy's targeting policy will be on holding at risk those Chinese assets they are deemed to value most, recognizing that there is likely to be some overlap between "deterrent" and "operational" targeting, particularly in the area of counterforce operations.

Extended Deterrence

Given U.S. conventional superiority over China in those conflict conceivable in the near- to mid-term, extended deterrence under this strategy is a function of deterring Chinese nuclear attacks (or Chinese nuclear coercion) against U.S. allies in Asia. Augmented Traditional Deterrence advocates will argue that if Chinese nuclear use can be deterred, then U.S. conventional superiority will carry the day, deterring any significant Chinese aggression and reassuring our allies simultaneously. They will also point out that the planned deployment of effective theater missile defenses will also bolster extended deterrence.

It should be noted, however, that far less work has been done on the escalation dynamics of potential future Sino-American conflicts in East Asia than was done on the central NATO-Warsaw pact scenario during the Cold War. Chinese perceptions of the risks of and opportunities for coercive or decisive operational use of nuclear weapons in the theater are not well understood, and may be changing as they modernize their forces and we draw down our nuclear forces quantitatively and qualitatively.

Impacts on Shaping China's Strategic Direction

One of the primary purposes of this strategy, and its attendant acquiescence to a continued Chinese ability to threaten CONUS targets with nuclear destruction, is the avoidance of Chinese actions that would be deleterious to long-term U.S. security interests. By foregoing the opportunity to trump China's nuclear deterrent, and relying instead on a strategy focused first and foremost on deterring Chinese nuclear first use in a future conflict, the strategy is intended to limit the nature and extent of Chinese nuclear force modernization and expansion. Specifically, it is hoped that the strategy will result in China moderating the number of mobile nuclear ICBMs it fields, foregoing the development and deployment of multiple warheads on its missile force, and retaining something like a Minimum Deterrence strategic doctrine for the foreseeable future. It should be noted that the success of this strategy in favorably shaping China's strategic direction is heavily dependent on U.S. success in convincing the Chinese leadership that planned theater and limited national missile defenses will not substantially undermine China's nuclear deterrent, and provide the U.S. a measure of escalation dominance or nuclear coercive power.

Impacts on U.S.-Russian Nuclear Relations

Because the nuclear force and declaratory policy requirements of this strategy demand no significant near-term change in U.S. capabilities or policies, and do not impede in any way potential agreed force reductions, the strategy is likely to have little impact on Russian-American nuclear relations. This is in fact one of the major arguments in favor of pursuing this strategy in lieu of some of the alternatives.

Strategic Choices Involved

Adoption of the Augmented Traditional Deterrence strategy outlined here would indicate that the United States had made several key strategic choices.

First and foremost, Augmented Traditional Deterrence would mean that the United States had chosen to accept a continued Chinese ability to hold targets in the U.S. at risk of nuclear attack. The strategy explicitly foregoes the pursuit of an extensive national missile defense aimed at neutralizing the Chinese strategic arsenal, viewing such a defense as strategically unnecessary, politically provocative and counterproductive, and economically profligate. Nor does the strategy call for a concerted effort to field offensive capabilities sufficient to pose a high confidence preemptive counterforce threat. Such capabilities are simply not seen as required to achieve the strategy's primary objective: deterrence of Chinese nuclear first use.

Some would argue that the strategy's emphasis on deterring Chinese first use indicates another strategic choice inherent in it: a preference for deterring Chinese nuclear use over maintaining U.S. freedom of action in the face of Chinese aggression in East Asia. Critics would argue that this strategy is not particularly conducive to engaging in competitive escalation in a crisis or conflict, as its primary focus is on threatening the adversary with severe costs for crossing the nuclear threshold rather than with defeat at every level of violence. The strategy arguably leaves open the possibility of China waging war successfully below, and possibly "just" above, the nuclear threshold.

Finally, inherent in the Augmented Traditional Deterrence strategy is a related strategic choice to have a less well thought out and prepared set of political-military options in the event deterrence of Chinese first use fails. Because the emphasis of the strategy's targeting and declaratory policies is on the deterrence of Chinese first use, less attention is paid to what the U.S. NCA is likely to require and desire should the strategy fail to achieve its primary objective.

Alternative Strategy 2: *Capabilities-Based Nuclear Deterrence*

Overview

Senior officials of the Bush Administration have stated their intention of reorienting U.S. defense planning away from the highly specific "threat-based" planning suitable in a security environment marked by a single peer competitor. Instead, they propose moving toward "capabilities-based" planning that is designed to prepare for conflict with any of a number of potential adversaries.

This nuclear strategy alternative is based on such a shift in approach. China alone would not be the focus of such a strategy, though it would be applied to China as well as other threats. Rather, the U.S. would seek to identify the range of nuclear deterrence/warfare capabilities it requires to perform key missions relevant across the full range of scenarios it might encounter. Scenarios involving China would obviously be included in this assessment. However, the assessment of U.S. nuclear force requirements in those scenarios would not be explicitly target set-based, nor would they be optimized to any particular scenario (and certainly not to all scenarios simultaneously). Thus, the strategy would involve a macro-level assessment of the kinds of nuclear capabilities required in any of a number of potential conflicts with China.

Rationale and Assumptions

The primary rationale for a shift to a capabilities-based nuclear strategy toward China (and others) is that the lack of a peer competitor means that the U.S. need not (and thus should not) fully focus its nuclear strategy, planning, and force structure decisions on a single adversary in order to be effective in protecting and furthering U.S. security interests. A secondary rationale is that a shift to a capabilities-based strategy will free U.S. nuclear policy-makers and planners from the vicissitudes of anticipated ups and downs in political relationships and alignments that are likely to mark the future international security environment. The capabilities-based strategy is in part intended to eliminate the need for an “enemy” to justify the maintenance and improvement of a core set of nuclear force capabilities and support assets.

Those that advocate a shift to a capabilities-based strategies base their views on a number of central assumptions.

The most important of these assumptions involve the nature of the missions nuclear forces are required to serve. First, a capabilities-based strategy assumes that one can readily and confidently identify the full range of nuclear force missions the U.S. might need to perform across a range of potential conflict scenarios. In the context of China strategy this assumption means that the missions U.S. nuclear forces are required to perform in a crisis or conflict with China are sufficiently identifiable to be operationalized in terms of force structure and support requirements.

A corollary assumption is that no single nuclear mission is, or should be, paramount in shaping the required nuclear forces and planning. This is not to say that there will be no appropriate prioritization among nuclear mission needs, but rather that no single mission will dominate the assessment process, and override other requirements in its claim on limited resources. This assumption is critical to the viability of a capabilities-based strategy. When nuclear capabilities are developed and sustained based on a wide range of potential missions across an array of potential scenarios (rather than being optimized against a single, specific threat) it is less likely that all missions and force requirements will be adequately addressed as lesser-included cases of the central planning scenario against a peer competitor. Similarly, this strategy alternative also assumes that specific mission requirements against specific adversaries (such as China) can be adequately met without optimization against each (or any) specific threat.

Also inherent in a capabilities-based nuclear strategy is the assumption that there is not need to explicitly plan for a wide range of contingencies involving simultaneous conflicts against multiple adversaries. Doing so would almost certainly result in far greater force requirements than would be deemed necessary by any reasonable planner (or Member of Congress). Rather, the emphasis in a capabilities-based nuclear strategy is on fielding and maintaining a force that is more than sufficient to perform all required missions individually, with a reasonable surplus capability not rigorously tied to any specific threat of multiple conflict scenarios.

Finally, the capabilities-based strategy is based on a fundamental political assumption that may or may not prove to be accurate. Namely, that an adequate nuclear force structure, related support activities, and nuclear doctrine and associated planning are politically sustainable without being tied directly to a specific threat or threats that are widely recognized and understood in the body politic. While a given administration's national security policy analysts and planners might be able to forge a consensus among themselves behind a carefully crafted capabilities-based strategy, consistently selling such a strategy to Congress will pose a formidable challenge. Congressional oversight and the legislative branch's power of the purse is profoundly based on demanding detailed justification for an administration's requests for funding. It remains to be seen whether a sufficient political consensus can be built behind a capabilities-based nuclear strategy that ultimately requires those funding it to agree that a given strategy, doctrine, and associated force structure "feel about right" across the threats the United States faces in a complex multipolar security environment.

Strategy Elements

A capabilities-based nuclear strategy applied to China would likely have a number of distinctive elements, all derived directly from a set of nuclear missions deemed relevant to potential conflicts with China. That set of nuclear missions is likely to include at a minimum (in no particular order):

1. Pose a prompt war termination threat
2. Threaten key assets highly valued by Chinese leadership
3. Counter operational impacts of PRC nuclear use
4. Limit damage to the U.S. and/or its allies from PRC nuclear use
5. Reassure U.S. allies facing PRC nuclear threat
6. Strike key targets only vulnerable to nuclear attack

This range of potential nuclear missions vis-à-vis China is significantly broader than the primary focus of the Augmented Traditional Deterrence strategy on holding key high value assets at risk. This is because the capabilities-based strategy is explicitly focused on identifying the full range of nuclear missions vis-à-vis a particular adversary. It is thus more likely to emphasize missions with theater and strategic operational impact as well as deterrent significance.

Nuclear Force Requirements

This strategy's emphasis on spanning the range of relevant nuclear missions rather than focusing on a single high priority mission is thus likely to result in the identification of a requirement for a

more varied force mix, though quite possibly as part of a smaller overall force structure. While it is impossible to completely escape assessing what it would take to strike specific Chinese target sets, the capabilities-based approach is likely to entail less stringent planning criteria than more traditional threat-based, optimization strategies. Remember too that the results of the capability-based assessments of relevant China scenarios will only be one input into a more comprehensive survey of the nuclear capability requirements across all scenarios. Thus, rather than either fundamentally shaping U.S. force requirements (as in the case of a threat-based strategy focused primarily on China) or having no appreciable impact on U.S. force requirements (as in the case of China being considered a lesser included case of the Soviet threat during the Cold War), the capabilities-based strategy's impact on U.S. nuclear forces is likely to be a middle ground between the two. In that "requirements middle ground" operational considerations (as opposed to purely deterrent considerations) are likely to be given greater weight.

Declaratory Policy

U.S. declaratory policy vis-à-vis China under a capabilities-based nuclear strategy would differ primarily in its emphasis, rather than its content, from that likely to result under an Augmented Traditional Deterrence strategy. A primary feature of peacetime declaratory policy under a capabilities-based strategy would be an emphasis on assuring China and other potential adversaries that U.S. nuclear forces are not specifically aimed at them. Rather, they are intended to serve U.S. security interests more broadly, helping to provide the U.S. the requisite military capabilities it needs to protect and further its interests around the globe.

Declaratory policy vis-à-vis China would thus probably be less specific in peacetime, and more specific in time of crisis or war, than it is today. Because of this strategy's de-emphasis of planning specifically against China in peacetime it might be necessary to shape U.S. crisis or wartime declaratory policy so as to make the Chinese leadership more explicitly aware of U.S. nuclear capabilities and intentions should a war with China escalate to nuclear use.

This peacetime-wartime dichotomy in declaratory policy would serve to help favorably shape China's strategic direction (see more detailed commentary below), while providing for more explicit deterrent threats to be levied when needed. It should be noted that this approach to declaratory policy does in theory run the risk of engendering Chinese miscalculation regarding U.S. resolve and intent should the Chinese leadership consider a surprise attack in a future crisis or conflict. In such a situation Chinese decision-making regarding whether to go to war (and whether to use nuclear weapons in doing so) could take place without the deterrent benefit of a clearly articulated, China-specific declaratory policy.

Targeting Policy

A capabilities-based nuclear strategy lends itself far more readily to reliance on highly adaptive targeting and planning rather than on deliberate planning along the lines of the SIOP and Major Attack Options. This is a natural consequence of fielding a force that was quantitatively and

qualitatively derived from a broad range of mission requirements spanning a range of potential scenarios.

Nuclear targeting and planning is also likely to involve a more broad-based set of nuclear operations given the emphasis in this strategy on meeting a wide range of potential nuclear mission requirements. For example, rather than focusing relatively narrowly on developing highly optimized Major Attack Options on large target sets of high value to the Chinese leadership, a capabilities-based strategy is more likely to generate a wider range of nuclear strike options. Some of these adaptively planned options would emphasize theater nuclear operations designed to counter the impacts of Chinese theater use and reestablish deterrence, while other might be aimed at providing the NCA with prompt damage limitation or war termination options should the prospects of escalation control in a given scenario look grim.

The primary effect of these differences in targeting policy under a capabilities-based nuclear strategy is likely to be increased Chinese uncertainty about U.S. intent in an escalating crisis or conflict. A key debate is thus likely to unfold over whether this uncertainty, in the case of China, is desirable (e.g., deterrence enhancing and operationally difficult to counter) or undesirable (e.g., it creates a sense of opportunity rather than deterrent uncertainty in the minds of the Chinese leadership)

Extended Deterrence

The extended deterrence impact of a capabilities-based nuclear strategy vis-à-vis China is uncertain. This uncertainty extends to the impact of such a strategy on both allied and Chinese perceptions of the credibility and importance of the U.S. extended deterrent in the context of U.S. security interests.

On the one hand, a repeatedly declared U.S. intent to field nuclear forces designed explicitly to meet the full range of potential contingencies the U.S. and its regional allies might face, without singling out China as a recognized adversary, could serve to reassure U.S. allies in East Asia and/or enhance deterrence of Chinese use of force in the region. Such an approach would demonstrate both U.S. will and capability to deter and defend against a Chinese attack on our regional allies. It would also demonstrate American political sensitivity to not making China an enemy unnecessarily, and destabilizing East Asia in the process. Success in achieving these favorable extended deterrence impacts is likely to be a function of how well the U.S. communicates the fact that while its capabilities-based strategy is not aimed explicitly at China, it was developed with the potential need to deter or defeat China in mind.

On the other hand, adoption of a capabilities-based nuclear strategy could be perceived by our regional allies or the Chinese leadership as an indication that the U.S. is unwilling to confront growing Chinese power in the region. Particularly important in this regard will be the avoidance of any perception that the resultant U.S. nuclear strategy and associated force structure in some way does not adequately address an important element of Chinese military power.

Impacts on Shaping China's Strategic Direction

As noted earlier, one of the potential benefits of a capabilities-based nuclear strategy vis-à-vis China is its potential to favorably influence Chinese perceptions of U.S. intentions. By purposefully making clear that U.S. nuclear strategy is not explicitly aimed at China as an emerging “peer competitor” or “likely adversary,” it may be possible to convince the Chinese leadership that it can safely moderate its nuclear force modernization program, even in the context of a limited deployment of national missile defenses by the United States.

However, it is also possible that open discussion of a wide range of potential U.S. nuclear missions vis-à-vis China could have quite the opposite effect on China's strategic calculations. In particular, any public emphasis placed on damage limitation and war termination as high priority nuclear missions that are elements of a capabilities-based strategy could elicit a seriously negative response from the Chinese. And in the context of a U.S. capabilities-based strategy a Chinese decision to dramatically increase its nuclear capabilities is likely to create new, more taxing U.S. nuclear requirements.

Impacts on U.S.-Russian Nuclear Relations

To the extent that the adoption of a capabilities-based nuclear strategy would continue the trend of de-emphasizing the U.S.-Russian nuclear relationship as the centerpiece of U.S. strategic concern, the likely impact of this strategy would be favorable.

Applying a capabilities-based approach to China is unlikely to result in any changes in U.S. forces or doctrine that would be cause for alarm in Moscow. The forces required to perform certain particularly sensitive nuclear missions vis-à-vis China are unlikely to pose a dire threat from a Russian perspective.

Strategic Choices Involved

Moving to capabilities-based defense planning in general, and capabilities-based nuclear strategy in particular, would entail a revolutionary departure from post-World War II U.S. national security policy.

Perhaps the single most dramatic strategic choice involved in a move to a capabilities-based nuclear strategy would be the acceptance of the principle of “satisficing” as opposed to “optimizing” force structure development and maintenance. The entire U.S. strategic community would be called upon to develop and use new criteria for evaluating the desirability of specific force posture, force structure, policy, and planning proposals involving U.S. nuclear forces and strategy.

In the context of China the strategic choice implications of adopting a capabilities-based strategy are a function of the nuclear missions and requisite capabilities that are deemed necessary by those in charge of U.S. strategic planning. Thus, adoption of such a strategy need not necessarily indicate an American strategic decision to tolerate continued Chinese ability to strike the U.S.

homeland (though we believe this is the most likely conclusion of a global capabilities-based assessment). It is in fact theoretically possible that an American administration could conclude that the range of scenarios involving China requires the trumping of the Chinese nuclear deterrent.

What an honestly professed and implemented capabilities-based strategy is almost certain to indicate, however, is an American strategic choice to make no single potential adversary the primary focus of its strategic planning and nuclear strategy. This is in fact the thrust of the entire strategic concept.

Alternative Strategy 3: *Offense-Defense Escalation Dominance*

Overview

This strategy seeks to take full advantage of U.S. technological superiority to trump China's nuclear deterrent forces, and thus enable the U.S. to dominate Chinese military forces at every level of violence in the event of conflict. It also seeks to leverage the resultant military superiority to influence Chinese political decision-making, especially regarding the use of force against Taiwan and other U.S. allies in the region. It combines improvement of U.S. counterforce capabilities (both nuclear and advanced conventional) with the deployment of extensive theater and national missile defenses. While the envisioned offensive counterforce improvements might be achievable as significantly reduced U.S. nuclear force levels, the national missile defense program would be substantially expanded, specifically aimed at countering China's ability to strike the United States with nuclear weapons.

Rationale and Assumptions

The primary rationale for adopting an Offense-Defense Escalation Dominance strategy is that, because China is a potential peer competitor/adversary, and because the trumping of China's nuclear force is possible, it would be irresponsible for the United States to do otherwise. A secondary, but important, rationale for this strategy is that once implemented it would significantly enhance the freedom of action of the United States in Asia for the foreseeable future. In particular, the U.S. would be able to make use of its conventional military superiority in the defense of Taiwan (or in other potential conflicts with the PRC) with far less concern over the consequences of possible escalation.

The primary assumption on which this strategy is based is that the escalation dominance it advocates, and the resulting political benefits of it, are in fact achievable. This primary assumption is in turn based on several underlying assumptions.

First, it assumes that highly effective theater and national missile defenses can be developed and fielded in the near- to mid-term. For the purposes of this strategy these defenses need not be leak-proof against the entire Chinese missile force, in part due to the potential of improved U.S. counterforce capabilities to reduce the size and coherence of the missile threat that the defenses must counter. Nevertheless, the required effectiveness of such defenses is likely to be fairly demanding given their purpose: to permit the United States to run significant nuclear escalation

risks in potential conflicts in which the Chinese stake in the outcome is arguably higher than that of the United States. The strategy bases the credibility of the required American risk tolerance on the ability of the U.S. to either prevent or severely limit damage to the United States and its allies from Chinese nuclear use. Second, the strategy assumes that China will be unable or unwilling to overcome such defenses by dramatically expanding their nuclear force modernization program. Third, the strategy assumes that significant improvements in the counterforce capabilities of U.S. offensive forces are possible, especially versus mobile missile forces, the most challenging aspect of effective counterforce operations against modernized Chinese nuclear forces. It should be noted here that the strategy envisions the integration of advanced conventional strike capabilities with nuclear counterforce capabilities to achieve this objective.

In addition to these assumptions regarding the capabilities required to implement this strategy the strategy is based on three key political assumptions as well. First, the strategy assumes that China is likely in the near-term to pursue an aggressive nuclear force modernization program designed to alter the nature of Sino-American strategic interaction regardless of the nuclear strategy adopted by the United States. The second political premise of the strategy is that in the mid- to long-term China will, when faced with the insurmountable strategic challenge of countering U.S. Offense-Defense Escalation Dominance, decide that strategic competition with the United States is beyond its reach, and not in its national interest. Finally, the strategy assumes that the United States is politically capable of implementing and sustaining a strategy toward China that will be viewed by many, at home and abroad, as unnecessarily aggressive and coercive.

Strategy Elements

Nuclear Force and Missile Defense Requirements

An Offense-Defense Escalation Dominance strategy would require improvements in U.S. offensive nuclear counterforce capabilities, particularly against Chinese mobile missile forces and possibly command and control facilities. Such improvements could include advances in real-time strategic surveillance capabilities combined with enhanced command and control and adaptive planning techniques to enable strikes on mobile missile units as they are detected in the field. Improved advanced conventional strike capabilities have the potential to augment the nuclear counterforce operations in performing the strategy's primary offensive mission: holding Chinese nuclear forces at risk. Such conventional counterforce capabilities would increase the credibility of U.S. strikes on Chinese nuclear forces before they are launched, as they would place the onus of nuclear first use on China rather than on the United States.

In terms of overall nuclear forces levels required by this strategy, significant reductions from today's force structure would not be precluded. The primary nuclear force size driver under this strategy would be counterforce targeting requirements. Thus, U.S. nuclear force requirements under this strategy would be in part a function of the scale and nature of Chinese nuclear force modernization/expansion. However, over at least the mid-term the force levels currently being discussed by Russia and the United States would almost certainly be sufficiently large to support

the offensive requirements of this strategy. Similarly, while Chinese force modernization/expansion would undoubtedly increase China's ability to pose a counterforce threat to U.S. nuclear forces, the significant U.S. theater and national missile defenses envisioned by this strategy would almost certainly obviate any requirement to enhance the survivability of U.S. nuclear forces, even at significantly lower force levels.

That being said, in order to ensure that the U.S. would be perceived as willing and able to dominate China at every level of escalation this strategy might require an expansion of U.S. theater nuclear capabilities. Such an expansion might include new (or resurrected) theater nuclear delivery systems and/or new warhead capabilities. While this proposition regarding the need for enhanced theater nuclear capabilities is certainly debatable (especially given U.S. conventional superiority at the theater level vis-à-vis China once its forces are deployed), an argument could be made that the current U.S. nuclear posture has significant gaps in it regarding the ability to wage tactical nuclear war at sea or on the battlefield. A determination would have to be made regarding the adequacy of current U.S. capability to use bomber or dual-capable aircraft to play these roles. It should be noted, however, that a key element of this strategy is the belief that effective theater missile defenses would serve to reduce dramatically Chinese incentives to initiate small scale theater nuclear use of this kind.

On the defensive side of the Offense-Defense Escalation Dominance strategy toward China the overwhelming emphasis would be placed on fielding highly effective theater and national missile defenses. The required defenses would have to be capable of denying the Chinese confidence that they could use nuclear weapons against the U.S. or its allies to further their interests and war aims. Thus, the defenses would be sized specifically to counter Chinese offensive forces.

The defenses demanded by this strategy almost certainly require the fielding of layered defenses at both the theater and national missile defense levels (possibly including the use of some "theater" missile defense assets as the first layers in a national missile defense system). Once again, for the purposes of this strategy U.S. missile defenses need not be leak-proof, but they will have to be sufficient to convince the Chinese leadership that U.S. decision-makers would be confident in their ability to severely limit or prevent damage to the U.S. and its allies should China choose to escalate a conflict. Note also that in the early stages of U.S. missile defense deployments this more ambitious defense objective need not have been decided yet, leaving room for the U.S. to pursue an alternative nuclear strategy toward China while testing the nature of the Chinese response, and holding off on a full and clear move to Offense-Defense Escalation Dominance until Chinese intentions can be discerned. However, given the potential for a determined Chinese effort to defeat such a system (especially in the near-term) this layered defense will have to come on line fairly quickly once a decision had been made to pursue this strategy seriously.

Declaratory Policy

U.S. deterrent declaratory policy under an Offense-Defense Escalation Dominance Strategy would probably shift away from reliance on threats of devastating nuclear retaliation against

China's most valued assets. Rather, U.S. deterrent declarations would more likely emphasize the futility of a resort to the use of nuclear weapons by China.

Such declarations would seek to convince the Chinese leadership that U.S. defenses and counterforce capabilities will deny them any operational or political gain through the use of nuclear weapons, resulting in a Chinese defeat that would entail considerably higher costs than would result from conventional military defeat alone, due to the potential effects of U.S. nuclear use. U.S. declaratory policy under this strategy would explicitly seek to put the onus of nuclear escalation on the Chinese leadership, while implicitly holding out the possibility that at some point Chinese actions may cross the threshold at which the U.S. might preemptively strike Chinese nuclear forces with advanced conventional and/or nuclear counterforce assets.

This strategy is also likely to require a different peacetime "declaratory policy" designed to shape Chinese perceptions of U.S. intentions and sustain domestic and international support for the strategy while it is being implemented. Here, U.S. public diplomacy is likely to emphasize that China has nothing to fear from a more defense-dominant U.S. strategy that includes significant reductions in U.S. nuclear forces so long as its own intentions towards the U.S. and its regional allies (including Taiwan) do not include the use of force for the settlement of disputes.

Targeting Policy

U.S. nuclear targeting policy under an Offense-Defense Escalation Dominance strategy would emphasize the targeting of Chinese nuclear forces and their associated command and control and support structures. The focus of U.S. targeting efforts would be on limiting damage to the U.S. and its allies from Chinese nuclear attack. Deliberate planning of what have traditionally been termed Major Attack Options would be decidedly de-emphasized. Instead, the strategy would require the integration of nuclear and advanced conventional counterforce operations and demand significant improvements in near-real time surveillance and associated adaptive planning capabilities. Ideally, U.S. strategic and theater counterforce operations would look much more like current conventional theater air campaign operations, with targeting of Chinese nuclear forces adapting in real time to the results of initial strikes and the emergence of new targets. Once again, this kind of operational concept would be made possible by the backstopping effect of effective theater and national missile defenses.

There is little, if any, role for traditional countervalue nuclear targeting in this strategy. While retention of such threats as an "ultimate" option could serve to enhance deterrence at the margins, this strategy's deterrent focus is on convincing the adversary that he will be decisively defeated at whatever level of violence he chooses.

Extended Deterrence

Enhancement of the extended deterrent effect of U.S. security commitments in Asian is one of the primary motivations for adopting an Offense-Defense Escalation Dominance strategy vis-à-vis China.

This strategy is explicitly designed to counter Chinese efforts to deter U.S. involvement in regional conflicts with China. The intent of the strategy is to convince the Chinese leadership that the United States will not view the risks of escalation of confronting Chinese use of force against U.S. regional allies as incommensurate with the U.S. interests at stake in such conflicts. Thus, its purpose is to more forcefully and credibly extend the U.S. deterrent umbrella over America's allies in Asia.

A potentially important implication of this strategy's impact on extended deterrence is its effect on Taiwanese calculations regarding actions to further its independence objectives. It is possible that increased Taiwanese confidence that the United States would come to its defense, and succeed in that defense with little damage to Taiwan, could embolden Taiwanese decision-makers in this regard.

Impacts on Shaping China's Strategic Direction

The nature of the impact of this strategy on China's strategic direction is the single most important issue regarding its desirability, in effect the \$64,000 question regarding this strategy toward China.

As alluded to above in the discussion of key assumptions, this strategy is intended in part to convince China that a strategic decision to seek long-term peer competitor status with the United States would be both futile and counterproductive to Chinese national interests. By seeking to trump the Chinese nuclear deterrent, the strategy's intent is to avoid a second "Cold War" confrontation by forcefully encouraging the Chinese to choose cooperation over competition in its relations with the United States, while hedging against a Chinese decision to do otherwise. Again, as noted above, the perceived impact of this strategy on Chinese strategic direction is based in part on dual assumptions. First, that the current Chinese nuclear force modernization program already indicates an undesirable shift in Chinese nuclear strategy and strategic intent toward competition, and possibly confrontation. Second, that China cannot/will not choose to try to defeat a U.S. Offense-Defense Escalation Dominance strategy through expanded nuclear force modernization over the mid- to long-term (though some near-term response is expected until it becomes clear to Beijing that the U.S. will persist in implementing the strategy).

On the other hand, it is clear today that the Chinese fear that the intent of the U.S. missile defense program is to trump their deterrent, making them vulnerable once again to American nuclear coercion. They have repeatedly made clear that they are determined to prevent this from happening, and that they will do what it takes to maintain their ability to hold the United States at nuclear risk. Some China analysts contend that China is capable of ramping up the pace and scale of their modernization program faster than the U.S. can develop and field the missile defenses the strategy demands. Such an expansion of Chinese nuclear forces would likely include not only an increase in the size of the Chinese missile force, but a potential move to multiple warhead missiles and penetration aids as well. In addition, were the U.S. to pursue this strategy toward China, while simultaneously implementing deep reductions in its nuclear forces in

cooperation with Russia, the Chinese might perceive an opportunity to attain numerical parity with both the U.S. and Russia as a byproduct of choosing strategic competition over cooperation.

Impact on U.S.-Russian Nuclear Relations

An Offense-Defense Escalation Dominance strategy toward China would not preclude the pursuit of significant nuclear force reductions in cooperation with Russia, but it could have the effect of placing a floor under such reductions from both the U.S. and Russian perspectives.

Because the minimum U.S. nuclear force required under this strategy is in large part tied to the size of future Chinese nuclear forces (due to the strategy's emphasis on counterforce capabilities), U.S. willingness to engage in deep force reductions while pursuing this strategy may be constrained by the nature of the Chinese response. In addition, U.S.-Russian reduction agreements are likely to precede our ability to draw confident conclusions about the ultimate size and shape of Chinese nuclear modernization/expansion in response to this strategy. Thus, the United States would be forced to take potential future requirements vis-à-vis China into account now in deciding the depth shape of its own force reductions.

From the Russian perspective, U.S. pursuit of this strategy vis-à-vis China will raise the specter of highly effective, multi-layered American missile defenses combined with a counterforce focused American nuclear force posing a threat to Russia's own reduced nuclear deterrent force. Whether the ongoing transformation of the Russian-American political relationship will overcome such Russian concerns remains to be seen. But if it does not, U.S. pursuit of this strategy vis-à-vis China could constrain Russian willingness to engage in deep reduction as well. In addition, potential increases in Chinese nuclear forces that could result from Chinese efforts to counter this U.S. strategy could also create serious concerns in Moscow regarding a burgeoning Chinese threat. This too could constrain Russian willingness to engage in deep reductions, and increase Russian interest in missile defense.

Strategic Choices Involved

Pursuit of an Offense-Defense Escalation Dominance strategy vis-à-vis China would involve several major strategic choices by the United States.

First, having decided that it wishes to pursue this strategy, the United States would face a decision regarding whether and when to make clear that it was in fact doing so. This is a critical strategic choice, as there is potentially a significant time phasing issue involved in relative U.S. and Chinese abilities to compete in the context of this strategy. If the United States makes clear that it has selected this course of action early on, the Chinese will have a potentially critical headstart in developing counters to it through offensive modernization/expansion. If, however, the United States either deliberately chooses to conceal its shift to this strategy, or decides to hold pursuit of this strategy in abeyance (as a hedge against a downturn in U.S.-China relations), it may be able to lay much of the foundation for the implementation of this strategy without sparking an aggressive Chinese response.

Second, a decision to openly pursue this strategy would mark an end to efforts to constrain Chinese nuclear force modernization/expansion by convincing Beijing that the U.S. missile defense program will not threaten China's nuclear deterrent. Instead, the United States would launch an effort to convince the Chinese that countering the new U.S. strategy through offensive force expansion is not feasible, and counterproductive.

Finally, a decision to openly pursue this strategy would require that the United States highlight China as a potential adversary in its national security strategy if for no other reason than to elicit and sustain the required domestic political support for implementation of the strategy. This would be a key strategic choice for the United States that could have major impacts on U.S. relations with its regional allies, and on U.S. cooperation with China on issues outside East Asia.