

THE HERITAGE LECTURES

53

Arming the
Dragon: How
Much U.S.
Military Aid to
China?

By Martin L. Lasater



The Heritage Foundation was established in 1973 as a nonpartisan, tax-exempt policy research institute dedicated to the principles of free competitive enterprise, limited government, individual liberty, and a strong national defense. The Foundation's research and study programs are designed to make the voices of responsible conservatism heard in Washington, D.C., throughout the United States, and in the capitals of the world.

Heritage publishes its research in a variety of formats for the benefit of policy makers, the communications media, the academic, business and financial communities, and the public at large. Over the past five years alone The Heritage Foundation has published some 1,000 books, monographs, and studies, ranging in size from 953-page government blueprint, *Mandate for Leadership III: Policy Strategies for the 1990s*, to more frequent "Critical Issues" monographs and the topical "Backgrounders" and "Issue Bulletins" of a dozen pages. Heritage's other regular publications include the *SDI Report*, *U.S.S.R. Monitor*, *Heritage Foundation Federal Budget Reporter*, *Business/Education Insider*, *Mexico Watch*, and the quarterlies *Education Update* and *Policy Review*.

In addition to the printed word, Heritage regularly brings together national and international opinion leaders and policy makers to discuss issues and ideas in a continuing series of seminars, lectures, debates, and briefings.

Heritage is classified as a Section 501(c)(3) organization under the Internal Revenue Code of 1954, and is recognized as a publicly supported organization described in Section 509(a)(1) and 170(b)(1)(A)(vi) of the Code. Individuals, corporations, companies, associations, and foundations are eligible to support the work of The Heritage Foundation through tax-deductible gifts.

Note: Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

The Heritage Foundation
214 Massachusetts Avenue, N.E.
Washington, D.C. 20002
U.S.A.
202/546-4400

ARMING THE DRAGON: HOW MUCH U.S. MILITARY AID TO CHINA
by
Martin L. Lasater

The focus of this paper will be less on the military modernization of the People's Republic of China (PRC) and more on the U.S. role in that modernization. Nonetheless, a few descriptive remarks about the modernization of the People's Liberation Army (PLA) are in order.

The PLA, which includes strategic nuclear forces, the army, navy, and air force, totals some four million men and women, with approximately five million reservists.

Strategic nuclear forces include a handful of Intercontinental Ballistic Missiles (ICBM) and Submarine Launched Ballistic Missiles (SLBM), and approximately 110 Intermediate- and Medium-Range Ballistic Missiles. The PRC has given top priority to the development of its strategic forces as a deterrent against both superpowers. PRC strategists indicate they are satisfied with China's present minimal deterrent force. Nonetheless, Beijing continues to emphasize nuclear weapons and their delivery systems because Soviet nuclear capabilities in Asia are improving rapidly.

China recognizes that its ability to deter the Soviet Union depends upon Kremlin perceptions that any attack against the PRC will result in an unacceptably high level of damage against the Soviet homeland. PRC priority given to the development of its SLBM force reflects Chinese determination to build a survivable second strike capability. Similarly, Beijing's opposition to President Reagan's "Star Wars" concept reflects, at least in part, PRC concerns that China's limited ICBM force might be neutralized.

China's army is the largest in the world with some three million troops. A 25 percent reduction of army personnel is underway, as well as a reduction of eleven military regions to seven. These force reductions and organizational reforms have as their objective the creation of a leaner and meaner army. Currently, there are only about 13 armored divisions as opposed to 118 infantry divisions. China justifiably is proud of its army, and most PLA officers express

Martin L. Lasater is Director of the Asian Studies Center at The Heritage Foundation.

This lecture was presented to the National Security Studies Program Weekend Seminar, March 8-9, 1986, Georgetown University, Washington, D.C.

confidence in their ability to lure foreign aggressors deep into China and to annihilate them.

Despite the stated optimism, for several years there has been an ongoing debate within the PLA over the merits of "People's War" under modern conditions. A great deal of interest has been shown in the U.S. Air-Land Battle concept envisioned for Central Europe. However, the PLA would have difficulty implementing this strategy because of its lack of heavy helicopters.¹

The PLA's most recent performance in the 1979 punitive expedition against Vietnam was not notable. Units had to signal each other by hand; orders were not obeyed because officers were not recognized on the field of battle; casualties were extraordinarily high; and the air force would not provide cover for fear of being shot down.

The PLA navy is large in terms of numbers, but light in individual ship tonnage. The navy is composed of three or more nuclear powered and 107 diesel attack submarines, 44 destroyers and frigates, more than 70 large patrol craft, and about 800 fast attack craft of various designations. In addition, the navy has about 800 shore-based aircraft, including 600 fighters and light bombers, and some 86,500 Marines.

The Chinese navy is divided into three fleets. In the North Sea Fleet there are about 500 vessels of all types; the East Sea Fleet has some 750; and the South Sea Fleet totals about 600 vessels.

The Chinese navy is considered a coastal defense force, although the PRC is moving in the direction of a blue water fleet. During November 1985-January 1986, Beijing sent a destroyer and supply ship 12,000 nautical miles on a goodwill visit to Pakistan, Sri Lanka, and Bangladesh. One of the main reasons China is increasing her power projection capabilities is to enforce her claims to islands and seabed resources in the South China Sea.

According to Jane's Defence Weekly, China's navy modernization program is focusing on three areas of priority: "upgrading electronics throughout the force, updating the surface fleet, and modernizing the submarine fleet by acquiring Western hardware and electronics. The hardware-related goals are intended to overcome the fact that the fleet is not well equipped for modern war, particularly with the Soviet Union as a potential foe."²

1. June T. Dreyer, "The Military Balance: Can It Be Kept?", paper presented at a seminar on U.S.-China relations sponsored by the Asian Studies Center of The Heritage Foundation, January 28, 1986.

2. "Bringing China's Navy Up To Date," Jane's Defence Weekly, January 25, 1986, p. 113.

The PLA air force has about 120 medium bombers, some thought to be nuclear capable and some armed with anti-ship missiles. There are also about 500 light bombers, 500 ground attack fighters, and more than 4,000 fighter interceptors. More on the air force modernization program will be mentioned later in this paper.

Despite the large size of the PLA and its impressive defensive strength, Chinese armed forces have major weaknesses. As identified by U.S. analysts as early as 1980, these weaknesses include: lack of mobility and mechanization; poor logistics systems for sustained offensive operations; marginal command and control for combined arms or joint service operations; obsolescent weaponry; limited power projection capability; obsolescent aircraft and avionics; poor pilot training; inadequate communications; limited defense industry capability; obsolescent ships and onboard equipment; and limited amphibious lift capability.

Sino-American military cooperation has focused on remedying these weaknesses within certain political parameters. Neither side, for its own domestic and foreign policy reasons, wants to give the appearance of a close military relationship with the other.

The initial steps in opening a dialogue between the military establishments of the two countries took place in 1980. The visit of Secretary of Defense Harold Brown to Beijing in January 1980 and that of Deputy Chief of the General Staff Liu Haqing in May and soon-to-be Defense Minister Geng Biao in June of that year were critical to the early relationship.⁴

Numerous studies were made during the 1978-1980 period to determine how the U.S. could assist the PLA to modernize. One official document leaked to the press was Consolidated Guidance No. 8, which reportedly estimated that \$50 billion in U.S. military aid would be required to make the PLA an effective deterrent against the Soviet Red Army. The document described China as playing a "pivotal role" in the global balance of power and stated that it would be in the U.S. interest "to encourage Chinese actions that would heighten Soviet security concerns." The study recommended that the United States help modernize the PLA, because China then would be able to tie down Soviet

3. U.S. Senate, Committee on Foreign Relations, and Library of Congress, Congressional Research Service, The Implications of U.S.-China Military Cooperation: A Workshop (Washington D.C.: U.S. Government Printing Office, 1981), p. 31.

4. Edward Ross, "U.S.-China Military Relations," paper presented at a seminar on U.S.-China relations sponsored by the Asian Studies Center of The Heritage Foundation, January 28, 1986. Mr. Ross's presentation was the most comprehensive statement to date by an Administration official on Sino-American military cooperation.

forces in a war involving NATO. The Guidance said Washington should consider the possibility of military support to Beijing if a Sino-Soviet nuclear or conventional war broke out.⁵

Although hope for a "quick fix" of the PLA diminished in light of the magnitude of the problems confronting the modernization of the Chinese armed forces, the idea of having China as an ally against the Soviet Union has persisted. The Fiscal Year 1984-1985 Defense Guidance, for example, is reported to have projected China as an ally in the event of a Soviet invasion of the Persian Gulf.⁶

The willingness of the United States to sell arms to the PRC on a case-by-case commercial basis was first announced by Secretary of State Alexander Haig in June 1981. Three years later, in June 1984, Ronald Reagan cleared the way for direct U.S. Foreign Military Sales (FMS) to the PRC by declaring, as required by law, that the sale of U.S. weapons to China would "strengthen the security of the United States and promote world peace."

After a period of rocky Sino-American relations during 1981 and 1982, a more cooperative era emerged in May 1983 when Secretary of Commerce Malcolm Baldrige announced the liberalization of the sale of dual-use technology to the PRC.⁷ A few months later, the basic guidelines for Sino-American military cooperation were established during the visit of Secretary of Defense Caspar Weinberger to China in September 1983.

The framework established by Secretary Weinberger included high-level strategic dialogue between senior U.S. and Chinese military leaders; functional military exchanges between the Chinese and American armed services; and the selection of several military mission areas for future arms sales and technology transfers. In subsequent discussions, the mission areas were defined as anti-tank, artillery, air defense, and surface-ship antisubmarine warfare.

Commercial munitions list equipment already sold to the PRC include 24 S-70C Sikorsky helicopters, 5 GE LM2500 gas turbine naval engines, coastal defense radars, and communications equipment. Negotiations are ongoing for numerous other items as well.

5. Consolidated Guidance No. 8 was summarized in The New York Times, November 4, 1979, p. A1.

6. For highlights of the document, see China Post (Taipei), January 18, 1983, p. 1, citing UPI sources in Washington.

7. Beijing reacted highly favorably to this announcement. See Xinhua, June 28, 1983, in FBIS-China, June 28, 1983, p. B1.

The first U.S. government-to-government sale of military equipment to the PRC was announced in September 1985, a \$98 million package including the design and layout of an artillery munitions factory and various technical data packages for 155mm projectiles.

This year additional Foreign Military Sales (FMS) transactions are possible. A co-production agreement for the Improved TOW anti-tank guided missile is being negotiated, as is co-production of the Mark 46, Mod-2 lightweight ASW torpedo. Most controversial, perhaps, is a pending avionics modernization package for China's high altitude interceptor, the F-8.

The F-8 is described by the Administration as a twin-engine, delta wing, high altitude interceptor. The avionics package would give 50 F-8s an all-weather, day-night capability. The \$500 million package includes avionics components integrated by a U.S. prime defense contractor under U.S. Air Force supervision.

The integration would take six years to complete and would include an airborne radar; navigation equipment; a heads-up display; mission computer; an air data computer; and a data bus. The F-8s receiving the avionics package would have to be modified; but this modified version, dubbed the F-8-2 or F-8B, may already exist.

There are a number of objections to the avionics package which should be considered.

First, none of our Asian friends agree with the sale. ASEAN does not, South Korea does not, Japan does not, and Taiwan certainly does not. The reason is simple. The sale of advanced avionics to the PRC adversely affects the regional balance of power. While the United States is evaluating the sale in terms of how best to help China deter the Soviet Union, most of the rest of Asia is looking at how the sale adds to the Chinese threat to the region.

Second, the purpose of the sale seems to be misdirected. The F-8 was designed 20 years ago to counter a high-flying, subsonic Soviet bomber threat. But with plenty of SS-20s and Backfire bombers now in the region, the Soviet Union is not likely to send slow high altitude bombers over China. And if they do, they certainly will be escorted by interceptors far superior to the F-8. Therefore, the deterrent capability of the enhanced F-8 is of marginal utility against the Soviet Union. But the improved F-8 can make a big difference in regional conflicts between China and her smaller noncommunist neighbors such as Taiwan.

Third, although the Administration claims that the avionics package is an end-item sale and does not involve co-assembly or co-production or the transfer of design or production technologies, this may not be the intention of the PRC. What is important to China is not simply 50 avionics packages, but rather the technology the

