Mister Chairman and members of the Committee, I am grateful for the opportunity to appear before you today to talk about Chinese military capability. China is clearly a rising power. In the past, conflicts have often occurred between such a power and the existing leading power. One element in the events and perceptions that have led to such conflicts is the growth of the military capability of the rising power. With that in mind, the Council on Foreign Relations sponsored an independent Task Force that looked at Chinese military power and how it may evolve over coming decades. I chaired that Task Force and Admiral Joseph Prueher, formerly Commander in Chief of Pacific Forces was Vice Chairman; the group met half a dozen times over a period of a year and there were meetings of sub groups that dealt respectively with political, economic and technological factors. You have a copy of the report, but I will take a few minutes to summarize where I think the group came out.
1. China is modernizing its military capabilities, unevenly but across the board. The capabilities sought have several purposes. The first is to help maintain domestic stability and ensure regime security. The second is to develop limited power projection capabilities for possible conflict scenarios along China's periphery, especially beyond the Asian land mass, and in particular towards Taiwan, which the PRC regards as a matter of Chinese sovereignty. Elsewhere along its periphery it is intended to defend what it sees as its territorial interest. And as a rising power, China sees an improved military capability as a natural concomitant, increasing its international prestige and influence.

2. The PLA (which is China's name for all of its armed forces) is at least two decades behind the US in military capability, by which measure the US outclasses the PRC not only globally but in East Asia. Moreover, given continued allocation of resources, the US will continue to do so for decades to come. On present trends, however (for example, assuming Japan continues to forego a role as a major regional military power) China will during that period become the predominant military power among the nations of East Asia.

3. That said, we could get some nasty surprises, especially if we don't pay sufficient attention to PLA capabilities and PRC strategy, or if we don't track their development carefully.

The Taiwan Strait is the area of greatest military concern in the bilateral balance. During the next decade, a main focus of Chinese military development is, if the political situation develops so that the PRC decides to use military force to intimidate or attack Taiwan so as to obtain a favorable political settlement or political control, to have the military capabilities and proper tactics to achieve that result. To do so China would have to prevent effective US intervention, either by acting very quickly (a challenge to US intelligence capabilities) or by using its anti-ship missiles and submarines to slow and interfere with the operation of a US naval task force. There is no doubt in my mind as to the military outcome of such a conflict --victory for the US. But there could be serious risks and costs to the US military and what we would regard as a military defeat for the Chinese they might well regard as a political victory, depending on the effect on the political situation in Taiwan.

4. If I could now turn to some more specific PLA programs, I would note that their most successful ones are in the area of ballistic missiles and nuclear weapons. Short-range ballistic missiles constitute a significant part of the PRC's threat to Taiwan.
Nuclear-armed long-range missiles, rather few in number -- a couple of dozen ICBMs and a ballistic missile submarine which seldom goes to sea -- constitute their nuclear deterrent vis-à-vis the US. They appear to have been satisfied with a minimal deterrent of this sort. My own judgment is, however, that they could and will build up their long-range ballistic missile force to whatever level is necessary to preserve that deterrent in the face of a future US ballistic missile defense system.

The PLA also has been improving its ground-force equipment. But, as PRC military commentators themselves observe, the bulk of its enlisted force consists of poorly educated and trained conscripts. Moreover, indigenous production capability for advanced aircraft and maritime forces is unsatisfactory, which is why they have to purchase much of such equipment from foreign suppliers. There is little or no joint-force training; their pilots fly few hours per month and even fewer over water. PLA organization is by military region rather than in unified commands. Their C4ISR (Command Control Communications, Intelligence, Surveillance and Reconnaissance) capabilities are still relatively primitive. And the Chinese industrial production base for conventional arms, unlike their civilian manufacturing industry that is so successful in international -- including high tech -- trade, remains part of the state-owned enterprise system that drags down Chinese economic growth; correspondingly, it is inefficient and its products not of the best.

5. One way to look at the PLA is to compare resources devoted to it with those devoted elsewhere. By that measure, China is in a class with the UK, France, Japan and Russia. It is behind them technologically, but fields a larger force. It is probably less able to project power outside of its contiguous landmass, but could be formidable on the Asian landmass.

6. China, as I said at the beginning, is pursuing a deliberate and focused course of military modernization, aimed at shifting from a military with a continental orientation requiring large land forces for in-depth defense to a military with a combined continental and maritime orientation that requires a smaller, more mobile and more technologically advanced "active peripheral defense" capability. It is therefore important for the US to watch for development of key areas to be used to help gauge the pace at which that modernization is proceeding. These fall into five categories: C4ISR; joint operations; precision strikes; combat support; and training. And there are some indicators that would represent major shifts away from the current priorities, greatly changing the nature of the Chinese modernization program, such as crash programs to
build more amphibious warfare ships, expanded acquisition of more advanced fighter aircraft by the PLA naval air force or a dramatic increase in the pace of submarine force modernization.

Finally, the Task Force made a few other recommendations. One is that there should be a broader military-to-military dialogue. But it should be designed to achieve specific goals, including greater transparency in the PLA budget process and a strategic dialogue over missile defense and nuclear modernization. There should also be so-called Track Two talks on crisis management issues. In the past such events as the accidental bombing of the Chinese embassy in Belgrade and the collision of US and PRC military aircraft near Hainin Island in 2001 were not handled very well, especially on the Chinese side. We should seek improvement in the manner in which such political-military crises are addressed.

Thank you Mister Chairman.