

# ISSUE BRIEF

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## How the U.S. Should Respond to the Chinese Naval Challenge

*Dean Cheng*

Over the past year, China's leadership has indicated that it is intent upon pushing maritime development. In a recent study session involving the top Chinese leadership, Chinese leader Xi Jinping emphasized the importance of the sea for China's economic development and national security, and reiterated the need to make China a "strong maritime nation."<sup>1</sup> This appears to be part of his "China dream."

Beijing's decision to build a navy is a natural outgrowth of China's dependence on the sea for resources and trade. But China is also party to disputes with virtually all of its maritime neighbors, including formal U.S. allies Japan and the Philippines, as well as Taiwan, which holds carefully constructed American security guarantees. And China's construction of an anti-access/area denial system directly challenges American interests in the region.

**China's Strategic Interests.** China's reliance on the sea has grown steadily as it has become a global trading power. Much of China's imports and exports are seaborne, as over 85 percent of its trade relies on the sea. Moreover, China also relies on the oceans to feed its population, and increasingly, as with the purchase of Nexen Corporation, to power

its industry (through offshore oil drilling).

The territory at stake is vast. The 1992 PRC Law on the Territorial Sea and the Contiguous Zone states:

The territorial sea of the People's Republic of China is the sea belt adjacent to the land territory and the internal waters of the People's Republic of China. The land territory of the People's Republic of China includes the mainland of the People's Republic of China and its coastal islands; Taiwan and all islands appertaining thereto including the Diaoyu Islands; the Penghu Islands; the Dongsha Islands [Pratas]; the Xisha Islands [Paracels]; the Zhongsha Islands [Macclesfield Bank] and the Nansha Islands [Spratlys]; as well as all the other islands belonging to the People's Republic of China.

The waters on the landward side of the baselines of the territorial sea of the People's Republic of China constitute the internal waters of the People's Republic of China.

This set of claims is far more expansive than allowed under the United Nations Law of the Sea Treaty that China is party to, but it would appear clear that Beijing considers its claims to trump those allowed under the treaty, as evidenced by its refusal to submit its disputes with the Philippines to arbitration, which is required by the treaty.<sup>2</sup>

**Military Considerations.** China's leadership has paid increasing attention to the oceans. Chinese documents, including the 2010 State Oceanic Administration report and last year's 18th Party Congress work report, are replete with references to

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**The Heritage Foundation**  
214 Massachusetts Avenue, NE  
Washington, DC 20002  
(202) 546-4400 | [heritage.org](http://heritage.org)

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“blue soil” and the need to “build a strong, maritime nation (*jianshe haiyang qiangguo*).”

Not surprisingly, the oceans have assumed a growing importance in Chinese military calculations as well. When Hu Jintao enunciated the “new strategic missions” for the Chinese People’s Liberation Army (PLA) in 2004, the maritime domain was specifically listed, alongside the space and cyber domains, as arenas where the PLA must be prepared to defend China’s national interests.

Chinese defense minister Chang Wanquan, in his meetings with U.S. Secretary of Defense Chuck Hagel in August 2013, reiterated the importance of the oceans. General Chang warned, “No one should fantasize that China would barter away our core interests, and no one should underestimate our will and determination in defending our territory, sovereignty and maritime rights.”<sup>3</sup>

The intent to defend China’s perceived maritime interests is reflected in the growing reach and capability of the People’s Liberation Army Navy (PLAN). Over the past two decades, it has shifted from a mostly “green-water” navy, focused on patrolling the Chinese littoral, to a blue-water force. Alongside missile-armed fast attack craft, such as the Type 022 Houbei, there is a growing array of sophisticated frigates and destroyers capable of much more extended operations at sea. These major surface combatants, moreover, are being constructed by the dozen, rather than in twos and fours, as was the case through the 1990s.

Then there is the Chinese aircraft carrier *Liaoning*. Since conducting its first sea trials in 2011, the ship has steadily expanded operations, including conventional flight operations by China’s nascent corps of carrier pilots. While not ready for 24/7 flight operations along the lines of a U.S. *Nimitz*-class vessel, the Chinese have clearly moved to basic takeoffs and landings ahead of projections.

China meanwhile has also commissioned a number of underway replenishment ships—an essential part of any future carrier operation. Coupled with China’s growing fleet of surface combatants, the military means of supporting China’s goal of being a “strong maritime power” are being put into place.

As with so many other Chinese efforts, the goal of making China a “strong maritime power” will not be achieved overnight. At a recent conference held in Shanghai, Chinese scholars laid out a 30-year plan. By 2020, the objective is to make China one of the world’s top eight maritime powers. By 2030, China expects to be a mid-level maritime nation among the top five maritime powers. By 2049—in time for the hundredth anniversary of the founding of the PRC—the goal is to be one of the top three maritime powers.<sup>4</sup>

**Policy Recommendations.** In light of the Chinese naval buildup, the U.S. should:

- **Fully fund the Navy’s shipbuilding program.** A strong defense also requires joint capabilities—one cannot pay for naval construction by starving the Air Force, deferring space systems, or neglecting the ground forces.
- **Invest in a strong research and development program.** Whether the U.S. leads or follows will depend on the availability of funds to move innovative research programs from experiments through testing to actual production.
- **Strengthen ties with longtime allies and friends and build new relations throughout the region.** Unlike Europe, Asian defense budgets are rising, so America is likely to benefit from stronger partners in the longer term. But that requires more attention to be paid to the region. Former Secretary of State Hillary Clinton clearly

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1. Xinhuanet, “Pushing Forward Towards an Economically Strategic Ocean, Pushing the Construction of a Strong Maritime Nation,” July 31, 2013, <http://www.chinanews.com/gn/2013/07-31/5108322.shtml> (accessed September 6, 2013).

2. Xinhuanet, “China Reiterates Opposition to Philippines Arbitration Bid,” February 20, 2013, [http://news.xinhuanet.com/english/china/2013-02/20/c\\_132181037.htm](http://news.xinhuanet.com/english/china/2013-02/20/c_132181037.htm) (accessed September 6, 2013); and Daniel Ten Kate, “China Spurns Arbitration as US Joins Japan on Sea Stance,” Bloomberg News, June 2, 2013, <http://www.bloomberg.com/news/2013-06-02/china-spurns-sea-claim-arbitration-pushed-by-u-s-and-allies.html> (accessed September 6, 2013).

3. Robert Burns, “Hagel Says He Will Visit China Next Year,” Knox News, August 19, 2013, <http://www.knoxnews.com/news/2013/aug/19/hagel-holds-first-pentagon-talks-with-chinese/> (accessed September 6, 2013).

4. China NewsNet, “Experts Converge on Shanghai and Intensely Discuss ‘China’s Strategy as a Maritime Power,’” August 29, 2013, [http://news.xinhuanet.com/overseas/2013-08/29/c\\_125274627.htm](http://news.xinhuanet.com/overseas/2013-08/29/c_125274627.htm) (accessed September 6, 2013).

made Asia a priority; her successor, John Kerry, should effect a pivot to complement that of the Pentagon.

- **Rescind the invitation to the PRC to participate in RIMPAC—unless it is prepared to offer the same invitation to Taiwan and the PRC is prepared to extend a reciprocal invitation to the U.S. to its own military exercises.** Inviting the PRC to participate in major joint naval exercises involving U.S. allies implies a level of trust and confidence in the PRC that is unwarranted.

**Opposite Directions.** Washington needs to recognize the challenge posed by the PRC to itself and its allies. Self-deception and delusion can only hurt the United States.

That this is occurring in the midst of sequestration is even more problematic for American naval preeminence. The U.S. Navy has long argued that it needs a minimum 313-ship fleet to meet its current obligations. But the defense budget cuts mean that the Navy is likely to fall to some 260 ships—and even then, that includes heroic assumptions about how long ships can be kept in the fleet.<sup>5</sup>

Sequestration poses the real likelihood of a one-ocean navy in the coming decade, even as China's naval program gathers steam. The U.S. cannot be a first-rate power if it has a second-rate navy.

—*Dean Cheng is a Research Fellow for Chinese Political and Security Affairs in the Asian Studies Center at The Heritage Foundation.*

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5. Congressional Budget Office, *An Analysis of the Navy's Fiscal Year 2013 Shipbuilding Plan*, 2013, pp. 5, 14, and 20.