
THE
2014 B. C. Lee Lecture

Featuring

The Honorable Jim Talent

Delivered Monday, December 8, 2014

WASHINGTON, DC





The B. C. Lee Lectures

U.S. National Security and Rising China

The Honorable Jim Talent

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1995	Henry Kissinger
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2011	Joseph I. Lieberman
2013	Ed Royce
2014	Jim Talent

The Heritage Foundation is honored to present the B. C. Lee Lectures on international affairs. These lectures focus on U.S. relations with the Asia–Pacific region. They are funded by an endowment from the Samsung Group in honor of the late B. C. Lee, the corporation’s founder.

The Heritage Foundation has also taken great pride in dedicating an executive conference room to the memory of B. C. Lee. Mr. Lee was a true visionary. Through his leadership, Samsung contributed greatly both to the economic development and well-being of the Korean people and to the development of mutually beneficial relations between the people of the Republic of Korea and the United States.

The Heritage Foundation’s Asian Studies Center was established in 1983 to focus the attention of Washington policymakers on U.S. economic and security interests in the increasingly dynamic Asia–Pacific region. Its purpose is to promote mutual understanding and enhance cooperation between the United States and the countries of the Asia–Pacific region.

Abstract:

China does not necessarily want conflict with the United States, but an environment is being created, in part because of the changing balance of power, in which China's leaders might be tempted to believe that confrontation with the U.S. will deliver to them what Sun Tzu called the "ultimate victory," which is victory achieved without firing a shot. That is destabilizing the region and creating a risk of escalation, either deliberate or through miscalculation. But if our leaders will act on a bipartisan basis with competence and consistency over time, the U.S. can keep its commitments, protect the legitimate interests of our people, preserve the peace, and hope ultimately for a reformed and more progressive leadership of a strong and stable China that uses its strength in a working partnership with the U.S.

U.S. National Security and Rising China

The Honorable Jim Talent

THE HONORABLE JIM DEMINT: This is a special event at Heritage, the annual B.C. Lee Lecture. The B.C. Lee Lecture is named for the founder of Samsung, a man of real vision for the U.S.–Korean alliance and South Korea’s role in the world. He was a remarkable entrepreneur and leader. I had the pleasure of meeting B.C. Lee’s grandson, Jay Lee, during my visit to Seoul this past May. A leader of our delegation was Heritage founder and former President Dr. Ed Feulner, and Ed, I really appreciate you being with us today.

We’re very pleased to have in our audience today several of Samsung’s representatives, including corporate Executive Vice President David Steel and Executive Vice President of Samsung Electronics North America, Mr. Kim. I am glad they share the vision of freedom, security, and prosperity for the Korean Peninsula—three goals, may I say, for which we all strive. Thank you both for being here today.

The Samsung group generously endowed this series of annual lectures on Asia policy two decades ago. True to B.C. Lee’s vision, the program not only highlights the critical importance of the U.S.–Korea alliance, but reminds us of South Korea’s broader association with U.S. Asia policy and our friends all across the region. B.C. Lee took as his scholarly name Asan, which translated conjures the image of a strong rock in a clear lake. It is my hope that though there is a great space between our parts of the world, the kinship of free peoples may span like an unshakable boulder amidst placid waters.

Past speakers in this series have included Henry Kissinger, Jesse Helms, Colin Powell, Condoleezza Rice, and Senator Joe Lieberman; last year, the chairman of the House of Foreign Affairs Committee, Ed Royce, was our

speaker. We're going to hear more about today's featured guest speaker, former Senator Jim Talent, a little later. All I'll say now, Jim, is you follow a very proud tradition here at Heritage.

There are a few other people I'd like to recognize. First of all, Ambassador Ahn from the Republic of Korea. Ambassador, thank you for being here with us today. He's been indispensable to me and my effort to get up to speed on U.S.-Korea relations. He is such a friend to The Heritage Foundation and to the alliance, so thank you for being with us.

I also want to acknowledge other representatives from the diplomatic corps. My friend Ambassador Cuisia from the Philippines is here, as are ambassadors from Sri Lanka and Brunei, as well as diplomats from many other embassies. Thank you all for joining us today. I'm always glad to see my friends from embassy row.

Finally, I want to recognize Diana Davis Spencer. We're celebrating the legacy of B.C. Lee and his vision, but Diana and her parents, the late Kathryn and Shelby Cullom Davis, have been such great inspirations for the creation of the Davis Institute and to our whole foreign policy and defense team. I would be remiss, Diana, in not recognizing you and all you've done. Thank you for being with us. Without the support of friends like the Lees and the Davises, we would not be able to do the policy work that Heritage is so well known for.

I am now going to turn the podium over to Diana's daughter, Abby Moffat, to introduce today's speaker. Abby is proof that excellence can be inherited over several generations. Abby's business and philanthropic acumen is impressive, and her work with nonprofits and volunteer organizations has profited America greatly.

Abby is a Heritage Foundation trustee and the executive vice president, chief operating officer, and trustee of the Diana Davis Spencer Foundation, which focuses on education, entrepreneurship, national security, and promoting the values of the founding generation. She has also served on the boards of many other worthy institutions, such as the Media Research Center, the Center for Security Policy, and the Institute of World Politics.

Abby is a real leader on the Heritage board on matters of national security and foreign affairs, so she's the perfect person today to introduce Senator Talent.

ABBY MOFFAT: Good morning to all of you. I wanted to thank each and every one of you for being supportive of Heritage and being supportive of America, and also supportive of the relationship between Korea and the United States. It is a true honor to be here today to introduce an extraordinary man, Senator Jim Talent.

I think you can learn a lot about biographies looking online and understanding people's lives, but it's important to understand what made Senator Talent the man he is today. It started as a young man; his parents were entrepreneurial in bringing him up and believed that if you wanted to be an active citizen, you needed to show your children how to do it. So at nine years old, he was handing out pamphlets for the school board with his mother, Maria, who herself was a court reporter and an entrepreneur with her own business. His father was a lawyer and had his own firm.

So although Jim did not go into business per se, he used all of his entrepreneurial talents to bring service to our country. He is a lawyer by background, but in his early 30s he decided to be a public servant. He ran for Congress and won in the House of Representatives. He then became a Senator in 2002. He made a huge difference in the Senate and made a name for himself and for our country. He also went on, after losing the Senate, to be a top adviser to Mitt Romney. It's a shame, in my opinion, that Romney didn't win, because we'd have a fantastic Secretary of Defense.

He is married to Brenda, who runs a think tank in St. Louis called Show Me. She's been doing that since 2010. They have three children, and they're actively involved in St. Louis as well as here in Washington. Without further ado, let's bring up Senator Talent.

THE HONORABLE JIM TALENT: Thank you so much, Abby, for that very kind introduction. It's great to be with you today: great to be with The Heritage Foundation, that citadel for freedom and for the values and institutions of American life; great to be here with my old friend Dr. Ed Feulner, who has meant a lot to me personally as well as professionally and was running the foundation when we worked on welfare reform together in the 1990s; great to be here with my old friend Jim DeMint, extremely effective in the U.S. Senate and the House before then and now maybe even more effective in fighting for his values as President of The Heritage Foundation.

Thank you, Abby, for everything you've done for our country, for the foundation. Thanks to Samsung for endowing this, to Ambassador Ahn for

being here, representative of one of America's strongest and best allies in Asia, and thanks to all of you for coming.

I want to focus today on the relationship between the United States and China, and I want to focus on the aspect of that relating to the two countries' militaries, because that is what I have been doing. I focused on defense issues when I was in the House and the Senate, served on Armed Services Committees in both bodies my entire time there, and have been doing a lot of that both here at Heritage and also in my work as an adviser to Governor Romney.

In focusing on the military side of this, I don't want to suggest that that's the only or maybe even the most important aspect of the relationship. I do believe that the tools of hard power are the underpinning of success in foreign policy for the United States. It doesn't mean that it should be the primary tool we rely on, much less the only one, but it's the tool that gives efficacy and credibility to the other tools, so it's important to focus on what's happening.

A Rising Hegemon

You will see in the literature if you read about American-Chinese relationships that the People's Republic is often referred to as a rising hegemon. Certainly they are a country that is growing strong and reasserting its historic place in Asia, a nation of 1.4 billion people, an economy that's grown from being a poor economy to the second biggest economy in the world: According to the International Monetary Fund last week, I believe, they've become the biggest economy in the world.

They're a nation growing strong which has a very strong leader now. Xi Jinping is consolidating his power in the People's Republic faster than his predecessors. He assumed the chairmanship of the Central Military Commission immediately upon taking office. He's been strong enough to lead an unprecedented anti-corruption campaign. He has been strong enough to push through changes in how China organizes its national security architecture, the new National Security Commission, that his predecessors wanted to do but weren't able to do.

So it's a strong country. I think it's fair to say that it is seeking a form of dominance, at least, or hegemony in the Western Pacific and that this impulse is expressing itself through a series of actions in the East and South China Seas, wherein China asserts its sovereignty essentially by taking actions in defiance of the claims of other countries. They act like a sovereign in a number of ways and back that up with locally dominant military power, although typically they have expressed that by using maritime forces rather than the military forces per se.

Some examples: Two years ago they blocked off the Scarborough Shoal and took control of it from the Philippines. They're trying to do the same thing in the Second Thomas Shoal. This summer, China stationed an oil rig in contested waters also claimed by Vietnam. They renewed work vigorously on reclamation projects on nearby reefs and islands to help sustain their naval and maritime law enforcement presence in the region. And they're building artificial island bases out in the sea.

China is seeking a form of dominance or hegemony in the Western Pacific, and that impulse is expressing itself through a series of actions in the East and South China Seas, wherein China asserts its sovereignty essentially by taking actions in defiance of the claims of other countries.

They've been flooding the Senkaku Islands, which Japan administers, with fishing boats, Coast Guard vessels, and overflights of military aircraft. They have declared an air defense identification zone in the East China Sea; they're quite likely to do the same, many experts believe, in the South China Sea soon. They've issued official maps depicting Taiwan and much of their near seas as Chinese territory, out to the famous nine-dash line.

All of this is accompanied by vigorous claims of absolute sovereignty and, as I said, backed up by locally dominant military power. They've created it with a very substantial massive military buildup in the last 15 to 20 years.

Why Does China Seek Hegemony?

I'm going to discuss that buildup and what the United States might do in response, but first I want to talk about why they're seeking this dominance or hegemony. I think there are three sets of reasons.

The first is economic and strategic: China wants unfettered access to the resources under its near seas and wants also to gain dominion over its strategic environment—quite understandable.

The second set is nationalistic and historical. I can talk about that by comparing it with American policy regarding the world at large. After World War II, the U.S. midwived an international system that fosters three things:

- First, free access to the common areas of the world—the seas, space, and now cyberspace;
- Second, neutral rules of trade which treat countries, big or small, equally; and
- Third, the peaceful resolution of disputes according to the norms of the international system or through uncoerced negotiations between countries.

I think it's fair to say that the People's Republic has been happy to accept the benefits of that system but that they are currently chafing under the restraints.

I visited Japan a year and a half ago with the U.S.–China Commission, talked to a Japanese scholar there who said that we—by “we” he meant Japan, the U.S., the world's democracies—have traditionally viewed the world horizontally. The Chinese view it vertically. Their vision is of a world where the powerful countries tend to get the most benefits, and in pushing for increased dominance over the East and South China Seas, they are in effect pushing for that kind of a system.

This vision underlies a lot of their rhetoric and a lot of the differences between the U.S. and them. When President Barack Obama recently visited China, Chinese leaders constantly talked about a new era of great-power relations, whereas President Obama was quite disciplined in never referring to it that way and instead talked about cooperation according to accepted norms.

When President Barack Obama recently visited China, Chinese leaders constantly talked about a new era of great-power relations, whereas President Obama was quite disciplined in never referring to it that way and instead talked about cooperation according to accepted norms.

The third set of reasons is political. We have to understand we're dealing with a leadership in China that knows very well it lacks the legitimacy of a democratically elected government to strengthen its popular support. To get a stronger base of support among the people, the Communist Party has in effect made an implicit deal with the Chinese people. Even though they're not in power through the process of democratic elections, they promise economic

growth, a better quality of life, and the reassertion of China's historic place as the Middle Kingdom in Asia.

So it's fair to say that success in these areas is not just a matter of national interest to the leadership, although it is vital in their view to regime stability. No goal is more important to the leadership than regime stability. This is one of the reasons why I'm concerned that people who believe a slowing economy in China may make them less provocative may well not be correct. If a slowing economy causes greater discontent at home, the regime may decide to try and direct that discontent outward toward opponents or adversaries. That would certainly be a classic authoritarian tactic; we see Russia using it now.

The point is that the Chinese government is asserting itself in its near seas to advance interests its leaders view as vital to their country and the stability of their regime.

Now, they're not reckless: far from it. I think they tend to be pretty conservative historically in terms of what they do tactically, but they're not irrational either, and there's no reason to believe or expect that these tactics, this coercive but non-kinetic tactic that they're using in the East China Sea, will end or stop as long as they believe that they're gaining from it and as long as they think that the balance of power—the correlation of forces—is shifting in their direction.

A 20-Year Military Buildup

I mentioned before that in support of the policy, the Chinese have engaged in a massive military buildup for close to 20 years. I want to examine that in some detail. Before doing that, I want to say that I'm indebted to the U.S.–China Economic and Security Review Commission, on which I serve. We issued a report about three weeks ago that has a long chapter on Chinese military modernization. I highly recommend it to you, and much of what I'm going to tell you is from that report.

Let me go back to 1995–96, when there was a confrontation between the U.S. and China over Taiwan. There was a move in Taiwan that the People's Republic interpreted as a move toward independence. It involved the Taiwanese president coming to the United States. The U.S. first said no and then changed its mind and said he could come, and this upset the leadership considerably, and they took some actions, including shooting some missiles, that registered their discontent. President Bill Clinton responded by steaming aircraft carriers into the region, and there really wasn't anything that China could do about it militarily.

It was a humiliating incident for them, and it caused them not only to continue the buildup, which was embryonic at that point, but to study very carefully the posture, the size and shape of America's military, how the United States has projected power in the post-Cold War era, so that they could build up their military in a way that not just made it bigger and more powerful, but enabled it to exploit what they saw as a vulnerability in America's forces.

So when I talk about this buildup, I'm not talking about an apples-to-apples comparison with the American military; they're not trying to create a copy of the U.S. military. It's purposeful, it's strategic, and it's designed to accomplish the objectives for the reasons I set forth before and to advance their national interests as they see it in the region.

The Chinese have studied very carefully the posture, the size and shape of America's military, how the United States has projected power in the post-Cold War era, so that they could build up their military in a way that enabled it to exploit what they saw as a vulnerability in America's forces.

Navy. Let me move through this service by service. Let's take the Navy. By 2020, the Chinese will have 320 to 350 vessels in their Navy. The point is not that the Navy is getting bigger but that they're replacing their existing inventory of ships with modern, multi-mission vessels that are capable of accomplishing their goals in the area. They're going to have 60 to 78 submarines, most of them diesel but an increasing number of nuclear submarines. They're going to be quiet, and they're getting quieter, which is usually important in the undersea domain.

They also have a surface fleet of cruisers, frigates, corvettes, and destroyers that are stuffed with anti-ship cruise missiles. Each of them will be outfitted with four to eight cruise missiles, each of which will have a range of 120 to 150 nautical miles.

Meanwhile, the American Navy is at 285 vessels and under current budget lines is headed down to approximately 240 or 250 ships. If that's the size of the American Navy, it means we're only going to be able to deploy globally 80 to 90 ships at a time. It's an important rule to understand that a global power like the U.S. can only deploy approximately a third of its forces at any given time.

In addition—and this applies to everything I’m going to say about this buildup—remember the enormous advantage that China has in terms of proximity in the region. They can concentrate their forces, either right away or within a couple days, any place in the region that they want to.

America, to move forces in the region, has to do so at the end of a long logistical tail. It takes several weeks to steam a ship from the western coast of the United States to the East or South China Sea. We’re already seeing the effect of the reduction in the American Navy and the disadvantage we have of distance. The Navy announced a couple of days ago that next year there’s going to be four months out of the year when there’s going to be no aircraft carrier in the Western Pacific.

The Chinese are building up their nuclear forces. We have had no unclassified assessment from the Department of Defense since 2006 about China’s strategic arsenal. The commission estimates they’ll have by 2020 about 150 ICBMs with 250 warheads. Meanwhile, the American arsenal, while it’s much bigger, is untested and is aging. Again, that shows the global reach of their buildup.

Space. Space is tremendously important. China is already a first-tier space power. They’re launching satellites which can jam satellites; they’re launching satellites which have operational arms which can pull other satellites out of orbit. A number of years ago, they exhibited the ability to launch satellites with a kinetic quality, the ability to hit other satellites. By 2020, they’ll have the capacity to destroy or severely disrupt America’s space architecture in every orbital regime.

Ashley Tellis of the Carnegie Endowment testified before the House Armed Services Committee earlier this year that we cannot overstate the difficulty and the burden that the U.S. is going to have to maintain information dominance. Our whole military depends on our satellite structure. If those are struck down—our command, our control, our real-time intelligence—we’re deaf, dumb, and blind basically.

There are tremendous civilian implications to having the ability to attack the space architecture as well, because our civilian infrastructure is also dependent on it. It’s the Achilles’ heel, really, and we’ve just begun to grapple with the problem. It’s going to take an enormous effort, and it’s not budgeted for at all now.

Air Force. The Chinese have 2,200 fighters. Again, what they’re doing is replacing the older aircraft that are much less useful with new fourth-generation

fighters equivalent roughly to our F-18 Super Hornets. They've designed and are testing two new fighters, fifth generation, one of them an air superiority fighter.

Although I'm not saying it's as good as our F-22s, it's important to understand that they will have two fifth-generation fighter lines, including an air superiority fighter line, in operation where they can buy in volume, and the U.S. four years ago closed its fifth-generation air superiority fighter, the F-22. For the first time in the post-World War II era, we don't have a modern fighter—or sixth-generation fighter—in design.

C4ISR. C4ISR—command, control, computers, communications, intelligence, surveillance, and reconnaissance—is the ability to see in real time what's going on in a battle space. They're developing AWACS¹ and UAV² capabilities that will allow them to look over the horizon to see moving targets, and if they can do that and wed that to maneuverability built on their missiles, they can target much more precisely. Instead of shooting at a target that's moving and they can't see, they're shooting at a target and then maneuvering it in flight. It can make the difference between a hit and a miss if you get into a naval confrontation.

Our whole military depends on our satellite structure. If those are struck down—our command, our control, our real-time intelligence—we're deaf, dumb, and blind basically.

Cyber. I'm just going to quote from one expert on cyber in terms of what China is doing there. Mike Hayden, former CIA and NSA director under Presidents Clinton and George W. Bush, is the only person who's ever held both jobs. He said this about China's cyber espionage: "I understand the Chinese espionage effort against the West; as an intelligence professional, I stand back in awe at the breadth, depth, sophistication and persistence of the Chinese espionage campaign against the West."³

1. Airborne Warning and Control System.

2. Unmanned Aerial Vehicle.

3. Christopher Joye, "Transcript: Interview with Former CIA, NSA Chief Michael Hayden," *Australian Financial Review*, July 19, 2013, http://www.afr.com/p/national/transcript_interview_with_former_KnS7JDIrw73GWlljxAv7dK (accessed February 4, 2015).

That includes a campaign to appropriate the most closely held secrets of America's defense contractors. At least two dozen of our defensive systems we estimate have been mined in that fashion, so this is a form of reconnoitering. You reconnoiter the battle space before it happens, and if you know what the defensive systems' capabilities are, you can plan for the weaknesses.

To sum up, China has developed the largest and most sophisticated inventory of missiles in the world today. That includes anti-ship cruise missiles, anti-ship ballistic missiles, and long-range conventional ballistic missiles. They are constantly improving and expanding the arsenal. All their land-based conventional missiles, for example, are road mobile, so they can make some more difficult to target.

The Shifting Balance of Forces

I said before this was not an apples-to-apples buildup compared with the U.S., so what is the point of it? What are they trying to achieve? The answer is that they want to exploit the vulnerabilities that they've analyzed and seen in America's military. There's a global reach aspect to it, but that's probably down the road. In the near term, the purpose is to achieve the capability to asymmetrically—and that's an important concept—deny American forces effective access to the region.

What are the Chinese trying to achieve? The answer is that they want to exploit the vulnerabilities that they've analyzed and seen in America's military. In the near term, the purpose is to achieve the capability to asymmetrically deny American forces effective access to the region.

Here it's important to refer to an assumption under which the American military has been built. Particularly our naval and air forces operate on the assumption that they can operate freely in regional seas or from bases in a region and project power. They can get close enough to the target to be able to use strike aircraft or missiles.

If a nation can deny the United States that access, they can force us to stand off—particularly asymmetrically so that the costs to them are relatively low. They can neutralize much of the surface firepower of the American Navy and much of the firepower of the Air Force, either neutralize it or force an American

President, in order to protect our forces or impose costs in response, to escalate a military confrontation into other domains of war, which in a confrontation can give a country tremendous leverage.

Here's the kind of scenario that I'm referring to. At the beginning, I referred to the incidents involving Taiwan in 1995–96; suppose there's a similar crisis that develops. It seems like Taiwan is moving toward independence in a way that the Chinese leadership disapproves of—again, understandably so, given the relationship between the two countries. The Communist Party leadership is concerned that they may be sacrificing a core national interest, that the regime may be losing support from the people, that, say, dissent is being expressed on the Internet, or that there are hard-liners within the leadership who are being empowered because of what is seen as an insufficiently active attempt to protect Chinese interests.

The Obama Administration's rebalance policy is failing for want of power, primarily because of the defense cuts in the U.S. over the last four years and the chaotic atmosphere they've created in the Department of Defense.

So the regime decides to issue an ultimatum to Taiwan: Further moves toward independence will be considered a violation of agreements, China reserves the right to react with force, and they warn the U.S. that an attempt to support Taiwan with the kinds of forces that we used in 1995 and '96 will be viewed as an act of hostility.

What does the American President do? Does he send a \$15 billion aircraft carrier into the area knowing that there's a good chance that China can sink it with several hundred million dollars' worth of anti-ship missiles? Remember: Given the evolving balance of forces, the only way militarily—and I'm keeping this within the military sphere; I understand there are diplomatic and economic aspects of this as well—that the President can minimize costs to American assets in the region, given the current or developing posture of forces, or impose costs on the Chinese is by escalating the conflict, attacking missile sites, perhaps on the Chinese homeland, or moving into another domain of war.

If that's the case, the only options the President has are bad options under those circumstances. And if the only options that the President would have

under that kind of a confrontation are bad options, will the Chinese leaders believe that the U.S. will back down in the event of that kind of a confrontation, and does it therefore make it more likely that the confrontation will occur in the first place? That's the kind of scenario that the shifting balance of forces may be leading to, and that kind of scenario is very destabilizing.

The overall point is that the balance of power in the region is shifting toward China. We don't know exactly where it is at this point—the commission found that, and I agree—and it's shifting because of their comprehensive, concerted, and purposeful effort in building up their military and building up their military with a purpose. They are becoming, if they're not already, a peer competitor of the U.S. in the Western Pacific.

I'm not saying that China wants to be or is an enemy of the U.S. I'm not saying that they want or intend conflict with the U.S. I'm saying that an environment is being created, in part because of the changing balance of power, where the leadership of China might be tempted to believe that confrontation with the U.S. will deliver to them what Sun Tzu called the “ultimate victory,” which is victory achieved without firing a shot. That is destabilizing the region and creating a risk of escalation, either deliberate or through miscalculation.

What Should the U.S. Do?

What should the U.S. do? I think the first thing to do is to be clear about what we are protecting in the region and why. Our major interests in the region, as I indicated before, are alliance commitments, our right to trade and travel in the region on equal terms with other countries—free access to the commons—and the peaceful, non-coercive resolution of disputes between nations according to the norms of the international system to which the U.S. has committed so much of its effort and its prestige.

I think the Obama Administration's rebalance policy has done a reasonable job of identifying and affirming those interests diplomatically. We've reaffirmed our alliances in the region with Japan, the Philippines, and Korea. We are attempting to negotiate a Trans-Pacific Partnership, which will further pull those countries together—negotiations have stalled, but it's a good initiative—and I think the U.S. has reacted reasonably well to things like the creation of the ADIZ⁴ by maintaining our independence and right to travel over international waters.

4. Air Defense Identification Zone.

But the rebalance policy is failing for want of power, primarily because of the defense cuts in the U.S. over the last four years and the chaotic atmosphere they've created in the Department of Defense.

Very briefly, the American military was fragile when President Obama assumed power in 2009. After years of hard fighting, the force was already substantially smaller than it had been before. It was deploying at a much higher level than anybody anticipated; we had underfunded modernization and procurement accounts; there were all kinds of issues. Then, in 2009 and 2010, Secretary Robert Gates targeted about \$400 billion in defense cuts over 10 years and ended up cancelling a number of the remaining modernization programs.

Then, in the spring of 2011, Secretary Gates proposed a 10-year budget path for the military that would have contained modest increases in the defense budget every year. As a result of the fiscal crisis of that year—or maybe I should say the political crisis evolving from the fiscal situation—Congress and the President eventually agreed on two rounds of cuts in the budget of the military that took \$1 trillion over 10 years.

This was done without any analysis of the impact on national security. It was highly irresponsible. It is forcing reductions in the size of the military: The Navy, as I said, is headed down to a fleet size in the middle 200s. The Air Force is operating at its smallest level and with older aircraft than at any time since the inception of the service. The Army is headed down to officially 450,000 soldiers, but probably lower than that—420,000, which would be less than we've had in the active duty Army since before World War II.

The upshot globally is that America is confronting growing risks around the world—not just in the Western Pacific, but in unstable North Korea, the danger of an Iran nuclear program, the danger of an Islamic caliphate in Iraq and Syria, spreading terrorism in general, and an unfriendly Russia—and we are confronting those threats, which didn't even exist 20 years ago, with a military that is smaller than existed 20 years ago and which is losing its technological edge, particularly as regards China.

The cuts in the capability are a problem. Another problem is that the cuts coming at this time send exactly the wrong message, not just to China, but to other countries, and not just to potential adversaries, but to friends and allies, that the U.S. does not have the will or a healthy enough sense of its own self-interest to sustain the tools necessary to defend itself. It would be quite rational for potential aggressors to conclude that a nation that doesn't have the will to

prepare for a confrontation won't actually fight if a confrontation occurs, and that makes the confrontation more likely. It's destabilizing.

Need for Effective National Security Planning

Finally, I'll say, as a person who's worked with the Department of Defense in one aspect or another for years, that the cuts and the sequester in particular have thrown the department into a kind of chaos. I don't want to overstate that. They're continuing to function; they're continuing to deploy. Nevertheless, defense planning is supposed to occur this way: The department gets its national military strategy and direction from the highest political levels; it decides what kinds of force it needs to carry out its mission, what kind of capabilities; it budgets to that; and then it submits that budget to Congress for oversight.

One necessary step is to reverse the cuts of the last three years and go back at least to the baseline that Secretary Gates proposed in the spring of 2011. We can't hope to do what we need to do in the Western Pacific, or really anywhere else around the world, at this budget baseline.

We've been doing it the opposite way for the last four years. There's been no normal national security planning. They've been handed a budget line that was pulled out of midair and told to plan to it, and it's causing a kind of chaos at precisely the time when effective planning is most needed—not just of the force, but things like deterrence theory and doctrine, the kind of thing we developed at a very sophisticated level in the Cold War. At just the time when we need that, the instrument of the government which has that responsibility is operating in a hamstrung and chaotic fashion.

One necessary step is to reverse the cuts of the last three years and go back at least to the baseline that Secretary Gates proposed in the spring of 2011. That's the recommendation of another commission I serve on, the National Defense Panel, which unanimously on a bipartisan basis recommended that. We can't hope to do what we need to do in the Western Pacific, or really anywhere else around the world, at this budget baseline.

I believe that's the strongest message we could send, the most stabilizing message we could send. There's a fundamental level where defense policy is

foreign policy, not just because of the options that robust tools of hard power give you, but because of the message it sends about national purpose and will.

Teddy Roosevelt said that you walk softly but you carry a big stick. You don't need to set a lot of redlines or make a lot of threats if other countries can see that you are tending to the power that you need to preserve the peace and protect your interests. I amend what Teddy said a little bit: You can afford to walk softly if you carry a big stick.

Then we need to seek for ways that we can minimize, in the event of a confrontation, the costs that the Chinese military as structured can impose on the U.S. or increase the costs that we can impose but without an escalation into another domain of war. Many of them are asymmetric, which means they don't cost that much.

We could increase the production and the build rate of the *Virginia* class submarine. In the undersea domain, the U.S. still has a distinct advantage: The *Virginia* class submarine is quiet; it has tremendous range and duration on station; it's a very deadly platform. We currently have four on patrol, and we're buying two a year. We should try and move that up to three a year. I think it will be very stabilizing if we do.

We can harden our targets, harden the infrastructure of our air bases, reduce the susceptibility of our carriers by pursuing anti-missile directed-energy kinds of solutions. We're testing that, but we're behind where we should be. And we can find other asymmetric and non-escalatory ways to impose costs should it come to that.

Secretary Chuck Hagel has talked about building a new frigate or corvette; we could outfit those frigates with anti-ship missiles, which is a way again of being able to impose costs without escalating the conflict and therefore shows the kind of will and deterrent power that would allow us to deter confrontations or manage them if they occur. We could also consider road-mobile cruise missiles that could be operated on land at strategic chokepoints.

Again, the point is to change the cost-benefit analysis of the leaders of China by developing tactics that hold real promise of increasing their costs and minimizing ours in a way that doesn't require escalation into another domain of war. We've done this sort of thing in the past. If you think about, for example, when the Soviets blockaded Berlin, we had the tools to airlift to Berlin. We minimized the cost of that without escalating the crisis. Even the blockade of

Cuba during the Cuban missile crisis was a reasonably non-escalatory way of dealing with that and therefore defusing it.

Drawing on America's Latent Strengths

I'll say again that you want to avoid a situation where either side, much less both sides, find themselves in an escalating confrontation from which they cannot withdraw without a loss that they're not willing to accept. In a sense, it's like high-stakes poker: You can start a poker hand thinking that you're going to be able to win it or, if you can't win it, that you can get out without much cost, but the longer the hand goes on and the more money you put in the pot, you become after a while committed to it, and it gets harder and harder to withdraw over time. That's the kind of scenario we need to be anticipating and trying to prevent.

The U.S. has tremendous advantages—latent strengths—that we have yet to draw upon and can draw upon in a way that preserves the peace and also allows China room to continue to grow and become again the great power that historically it has been in Asia and engage in peaceful competition with the U.S.

America has the most dynamic and productive economy in the world. I mentioned before that the Chinese economy is becoming larger than ours, but they have four times the people. There is a sense in which China has become a relatively rich state, but it's still a relatively poor country, and they have tremendous economic challenges which their government acknowledges that they have to overcome. They don't have a private banking system or a legal system that's adequate to support a free-enterprise economy. Local governments don't have an adequate tax base, and there are tremendous imbalances in the economy, which results in bubbles like the real estate bubble that they're confronting today.

If our leaders will act on a bipartisan basis with competence and consistency over time, the U.S. can keep its commitments, protect the legitimate interests of our people, and preserve the peace.

When you're talking about a competition among countries, a dynamic, productive economy is a tremendous advantage. The U.S. is a stable and resilient constitutional democracy with a highly resilient political system that should give our leaders room to develop policies and prosecute them over

time. In a competition—and this is one that could last decades—the U.S. can afford to suffer setbacks and failures because we have such a resilient political system. And the U.S. has friends in the region, friendships based on traditional relationships, friendships based on common values, and friendships based on hard-headed national interests.

Protecting America's Interests

What the U.S. wants for the region is what most countries want: We want peace; we want rules that everybody follows, regardless of whether they're powerful or not powerful; and we want peaceful commerce on equal terms. An America that is vigorous, that is active, that is committed protects those interests. We don't know whether a dominant China would protect those interests. We have reasons to be concerned, and that's why there are so many partnerships we already have in the region and so many others that we could have with a consistent and intelligent policy over time.

Finally, we have some time. We have time to react still, but I want to caution you that when you're talking about military power, the tools of hard power, you can't turn on a dime. You can change policies quickly; you can change diplomatic initiatives quickly, relatively speaking; but you can't build a frigate overnight. It has to be designed, it has to be tested, and that takes time. We have the military we have today in part because of decisions that were made a decade or more ago, so if we want to be prepared for the upcoming decade, we need to start making decisions now.

There is no reason this new era of competition with China need result in some ruinous military conflict or the wholesale abandonment of America's vital interests. If our leaders will act on a bipartisan basis with competence and consistency over time, the U.S. can keep its commitments, protect the legitimate interests of our people, preserve the peace, and hope ultimately for a reformed and more progressive leadership of a strong and stable China that uses its strength in a working partnership with the U.S. around the globe.

Questions and Answers

VOICE OF AMERICA REPORTER: Senator Talent, you mentioned that during the recent trip in Beijing, China mentioned the new type of major-power relations. I'm just wondering: Why is China so enthusiastic about this new type of major-power relation and the U.S. is so reluctant to accept it?

JIM TALENT: I think the reason is because what was working there was an underlying difference of opinion about what the framework for international relations should be, at least in that part of the world. President Xi was sending the signal that they are more comfortable with a great-power kind of framework, which, as I said before, is one in which the largest and most powerful countries tend to get the benefits. If you look at historically how China has operated in Asia, that's what they've been.

This is not an attack on or a maligning of them. This is how they are defining their vital national interests, and it's what's impelling them to this policy.

President Obama, on the other hand, is representing a different view of the world, including in the Western Pacific, which is one in which countries relate to each other more or less as equals according to norms that more or less everybody understands and has agreed to. It's America's view of the world.

More broadly speaking, one of the reasons I believe America is an exceptional country is because, despite the fact that it has been so powerful since the end of World War II relative to the rest of the world, it has identified its vital national interests in a benign and almost defensive way, and there are not that many of them. Basically, we want to defend the homeland; we want free access on equal terms for everybody to the common areas of the world.

Then the U.S.—and I didn't mention this, although it's certainly relevant here—is a kind of a risk manager. We manage the risk of conflict to deter or defuse it before it rises to the level where it gets out of hand, and we have that goal because we lived through the first half of the 20th century. We saw what happens when you don't manage risk and manage conflict; you end up with two world wars.

The way America defines its vital interests is the way that most countries around the world, when they think about it and if they're not aggressive in their intentions, are pretty comfortable with. I think that's what was working there beneath the surface.

CHARLES SNYDER, AUDIO VIDEO NEWS: Senator, do you have any comments on the current nominee for Secretary of Defense?

JIM TALENT: Yes. Ashton Carter, I think, is a good nomination. He's a brilliant guy, particle physicist; I think he taught himself Greek and Latin while he was in school. He's very familiar with the department because he's held the number two and three jobs.

The question—and this is a question everybody’s asking—is: Is he going to be listened to by people in the White House? If you read Secretary Panetta’s and Secretary Gates’s books, you’ll see the frustrations they felt at not being listened to. I suspect Secretary Hagel had similar frustrations, so that’s really the question.

I look on it as a piece of good news. Obviously, we’re going to have to go through the confirmation hearings, and the Senators are going to have their questions, and I expect the subject I’ve addressed today is going to come up, but I was pleased when I heard it.

GREGORY HO, RADIO FREE ASIA: You bring up a very important term: rising hegemony. In the past six to eight years, the Chinese leadership focused on so-called peaceful rise, but nowadays, they talk more about a so-called new type of great-power, nation-to-nation relationship.

I just wonder how deeply the current Administration shares your insight that China now is like a rising hegemon instead of still having the old thinking about how they want to rise peacefully. It’s very obvious the new leadership is different. How deeply does the current Administration or the Congress share your view that China is a true rising hegemon nation?

JIM TALENT: The Congress, of course, is made up of 535 people. In my meetings, I think people understand this, and they are concerned about it, and it’s clear the Administration is.

As I said before, I think the rebalance policy is an intelligent policy. I don’t know if that’s the right term for it, but what the policy indicates, and on a timely basis, is an attempt to indicate America’s commitment to the region. We have followed it up diplomatically with the kinds of talks and discussions and cooperative agreements with allies like Korea that I think are part of what needs to happen, and the Administration in the last year to 18 months has been more willing to speak in clearer terms. Ben Rhodes did the last time, for example, Obama was in the Western Pacific. I think all of that is to the good.

Again, my concern is that we’re not backing it up with the kind of actions that the leaders of other countries tend to look at. Just as we listen to what the Chinese leaders say but look more at what they do, they’re doing the same thing. They see, in terms of the tools of hard power, that they’re on the escalator up and we’re on the escalator down, and that is undercutting the other messages that we’re trying to send.

Believe me, I don't hesitate to criticize the Obama Administration and have done so very severely with regard to policy in other parts of the world. I think the policy here is okay; I'm concerned about it failing for want of power.

I'll speak more broadly: I'm not sure that many American Presidents have really fully understood the importance of sustaining and building up the tools of national influence—not just military power, but others. Ronald Reagan understood it. He was very fond of saying that of the four wars that occurred in his lifetime, none happened because America was too strong. That's the last thing that I think our whole political leadership, not just in the White House, could learn.

EDWIN J. FEULNER: My job is a very simple one today. It is to reinforce a point that Senator Talent just so ably made, which is that the U.S. has tremendous strengths we can draw upon. One of those strengths is the close alliance between the U.S. and the Republic of Korea.

Leading the Republic of Korea side here in Washington, it is my very great pleasure to introduce Ambassador Ho Young Ahn. Ambassador Ahn was educated at Seoul National; he then was exposed to Washington when he came to Georgetown University. He has served in India, in Washington earlier in his career at the OECD,⁵ and was ambassador to Belgium. He served in the European Union. He was Vice Minister in the Ministry of Foreign Affairs when I first got to know him, and for 18 months now he has been Korea's ambassador here in Washington.

AMBASSADOR HO YOUNG AHN: There are so many people I should be thanking: Dr. Feulner for your very generous introduction of me to this audience. There are so many familiar faces, and I know how well-informed you are on issues of Asia, on issues of the relationship between Korea and the United States.

Then, of course, I should be thanking Senator DeMint for organizing this memorial lecture in memory of B.C. Lee. And I guess I should be thanking B.C. Lee, at the very least in spirit, in the sense that he left this great legacy behind, this lecture at The Heritage Foundation, one of the most prestigious institutions in Washington, D.C., and the rest of the world. Then, last but not least, I should be thanking Senator Talent.

5. Organisation for Economic Co-operation and Development.

I was listening to Walter Lohman (director of The Heritage Foundation's Asian Studies Center) when he said there have been many lecturers for this B.C. Lee Lecture, but at the same time, he said this is the best he ever heard. Well, Senator Talent, let me confess to you: This is the first B.C. Lee Lecture I'm listening to, but you have my vote.

I was just listening very closely to what Senator Talent had to say, and it was in two distinct parts. In the first part, it was a very thorough and professional analysis of the shifting military balance in Northeast Asia. That was the first part.

Maybe many of you would have agreed with me that where he seems to be telling the truth, maybe it is an inconvenient truth. Maybe that could have been the feeling you had, but at the same time, very skillfully he moved on to the second part, and in the second part he was saying it is not too late; we can in fact work very hard and then bring the relationship or bring the balance to something more positive from the U.S. point of view.

I joined the Korean Foreign Service back in 1978, so it is 36 years that I spent in the Korean Foreign Service. When I joined the Korean Foreign Service, the first job given to me, the first assignment given to me, was to come and work for the desk of the United States. So for the past 36 years, I had the extreme pleasure of observing the bilateral relationship between Korea and the United States. And then, as Dr. Feulner said, it is 18 months since I came to Washington this time.

One of the things which happened last year and then which happened this year is the outcome of an opinion poll conducted by the Pew Research Center. I guess many of you are already familiar with it. One of the things which the Pew Research Center does every year is survey the image of the U.S. in a large number of countries around the world.

Last year, the positive image of the U.S. in Korea was 78 percent. It was one of the highest in the whole world. I said to myself, maybe it is too high. That's what I thought last year. This year, what happened? It went up to 80 percent. I cannot believe it. It's 80 percent: the highest support rate for the positive image of the U.S. anywhere in the world.

As an ambassador, from time to time I ask myself why that is the case, why the positive image of the U.S. is so high in my country. If I come up with just one answer, it is because the U.S. is a unique country in the whole world. Why do

I say that? There are many reasons why I think it is a unique country. Let me share with you just three of them.

The first reason: because of the power you have. We talk about hard power, soft power, and then these days we even talk about smart power: Power can be defined in many different ways. Power, in order to be effective, should be organized, and then it should be organized in the most efficient manner.

Let us just think about the most fundamental of powers, which is economic power. I look at the U.S. economy: \$17 trillion, and you grow sometimes 2 percent, 3 percent, 4 percent, and when I look at that growth rate, it is just wondrous to me. Why do I say that? I think when an economy grows in size, when an economy matures in its quality, then there is a very natural law, which is the growth rate somehow slows down. I always tell myself it's an economic equivalent of low gravitation. But somehow the U.S. economy defies that low gravitation and continues to grow. That is something most wondrous to me.

The second reason why I think the United States is a unique country is because you are willing to use the power. Why? Because Americans feel responsible over what's happening in other parts of the world. Look at what is happening in West Africa, the epidemic called Ebola. Of course we are concerned, but at the same time, look at what the U.S. is doing. You are sending 3,000 soldiers; you allocated \$1 billion; you requested another \$5 billion.

That's what the U.S. does. That's not necessarily what the government of the U.S. does. I think that's what the U.S. is doing with the recommendation from the Congress as well as with the full support of American citizens. The U.S. is ready to use the power. Why? Because you feel responsible about what is happening around the world. That, I think, is another very unique aspect of the American society.

The third reason why Koreans believe the U.S. is a very unique country is because the willingness to use that power is based upon a set of values which is widely respected and appreciated around the world. We cannot say that of too many historical powers. We have been talking about hegemony today, hegemony 100 years ago, hegemony 1,000 years ago: With how many countries can you say its power, its willingness to use the power, is based upon values—human rights, democracy, rule of law, transparency? That, I think, is a very unique aspect of the United States of America: power, willingness to use the power, but at the same time motivated by a set of values with which we can sympathize and which we can appreciate.

That, I think, is the reason why in my country, when the Pew Research Center comes and then conducts their research, the positive image of the United States comes up so high again and again and again. So thank you for being such firm supporters of the relationship between Korea and the United States. Thank you once again, Dr. Feulner, Senator DeMint, and Senator Talent. 🇺🇸

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