

STRATEGIC AGGRESSION: CONDITIONS THAT COULD TRIGGER AGGRESSIVE MILITARY ACTION BY THE PEOPLE'S REPUBLIC OF CHINA

A Monograph

by

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ABSTRACT

STRATEGIC AGGRESSION: CONDITIONS THAT COULD TRIGGER AGGRESSIVE MILITARY ACTION BY THE PEOPLE'S REPUBLIC OF CHINA, by Major Corey M. Landry, U.S. Army, 100 pages.

Over the past two decades, China's rapid military expansion has raised concern among U.S. policy makers and defense officials. While it publicly claims a policy of "peaceful development," China continues to develop high technology weapons systems and force projection platforms that are widening its military advantage over its neighbors and could possibly deny American military access to the region in the event of conflict. China's true ambitions and long-term strategy are difficult to discern, as it is intentionally secretive about its military development and foreign policy. Despite its military buildup and secretive nature, China has not yet shown any intention of conducting strategic military aggression against other nations. However, could China's non-aggressive posture change? And if so, what emerging conditions might indicate that such a change is taking place?

This monograph uses a case study of interwar Germany to determine the factors that led to Germany's strategic aggression, and assesses modern-day China against those factors. Interwar Germany embarked on a rearmament program that produced the massive military force Hitler used to initiate World War II. In comparison, there are clearly substantial differences between Germany and China, but there are also some parallels and areas for concern. Emerging domestic problems could manifest themselves in China over the next two decades – possibly leading to instability – and China is not content with America's military presence in the Western Pacific. If China is unable to maintain its current high levels of economic growth, potential domestic and international problems could destabilize the Chinese Communist Party and provide more aggressive leaders the credibility needed to seize power. The United States can no longer afford to train, and maintain an expensive, Cold War-style military force for an unlikely war. Therefore, it must monitor the military doctrine, domestic climate, international relations, and political conditions within China for negative trends. Provided the United States maintains its advantage in military technology, research, and development, it will likely have enough time to react to changing conditions and prepare its military forces for the right conflict.

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TERMS AND ACRONYMS

CCP	Chinese Communist Party
CMC	Chinese Central Military Commission
Luftwaffe	German Air Force
NPC	Chinese National Party Congress
PLA	Chinese People's Liberation Army (Senior military organization of China)
PLAAF	Chinese People's Liberation Army Air Force
PLAN	Chinese People's Liberation Army Navy
PRC	People's Republic of China
Reichstag	German Parliament
Reichswehr	German <i>Reich</i> Defense (name of the German military force until May 1935)
Wehrmacht	German Defense Force (name of the German military force after May 1935)

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INTRODUCTION

Even if great power war is a thing of the past, great-power rivalry certainly is not.¹

– Aaron Friedberg, *A Contest for Supremacy*

On January 5, 2012, after more than a decade of continuous combat in Afghanistan and Iraq, U.S. Secretary of Defense Leon Panetta issued new strategic guidance to the Department of Defense. Designed to focus the development, equipping, and posturing of the "Joint Force 2020," the strategic guidance directed the re-balancing of U.S. military posture to "increase its institutional weight and focus on enhanced presence, power projection, and deterrence in Asia-Pacific."² Mr. Panetta issued this guidance to adapt U.S. forces to a rapidly changing global security environment in which China is aggressively expanding the strategic, air, naval, and force projection capabilities of its military forces while regional disputes continue to simmer in East Asia. The strategy reflects fear in the international community that China's rise and possible regional hegemony may overwhelm its neighbors, most of whom are key allies in the strategic interest of the United States.³

The concern over China's rising influence and power is not limited to a single political party or administration. During the 2012 U.S. presidential election campaign, republican candidate Mitt Romney made the United States' policy on China a point of contention and promised to take a more aggressive economic and military stance. In the western Pacific region,

¹Aaron L. Friedberg, *A Contest for Supremacy: China, America, and the Struggle for Mastery in Asia* (New York: W. W. Norton & Co., 2011), 39.

²Leon E. Panetta, "Statement on Defense Strategic Guidance" (Press Brief, Washington, DC, January 5, 2012), <http://www.defense.gov/speeches/speech.aspx?speechid=1643> (accessed October 2, 2012).

³Andrew J. Nathan and Andrew Scobell, "How China Sees America," *Foreign Affairs*, October 2012, 32.

where tensions run high over contested seas, islands, and Taiwan reunification, Romney proposed that the "United States should maintain and expand its naval presence...We should be assisting partners that require help to enhance their defensive capabilities."⁴ It is apparent that no matter the political situation in the U.S., Sino-U.S. relations will be a top priority in national strategy, including military forces.

China's military modernization program is progressing rapidly. In 2012, it announced an 11.2 percent increase in disclosed defense spending to U.S \$106 billion, continuing two decades of sustained increases in defense expenditures. From 2000-2011, China averaged 11.8 percent annual growth in disclosed military spending.⁵ Although the military budget is only one element contributing to an overall increase in government expenditures, increases in defense spending outpaced those of other government programs in recent years, reflecting sustained investment in advanced weapons systems and force projection platforms. These investments include development of robust cyber warfare programs, including espionage and anti-satellite missiles; "anti-access/area-denial" (A2/AD) systems, such as anti-ship ballistic missiles; stealth aircraft, such as the J20 fighter; and the launch of its first aircraft carrier on September 25, 2012.^{6,7}

Massive programs such as these could provide China with the military power necessary to use or

⁴"China & East Asia | Mitt Romney for President", n.d., <http://www.mittromney.com/issues/china-east-asia> (accessed October 2, 2012).

⁵Anthony H. Cordesman and Yarosh, Nicholas S., *Chinese Military Modernization and Force Development: A Western Prospective*, Burke Chair in Strategy (Washington, DC: Center for Strategic and International Studies, July 30, 2012), 65.

⁶Office of the Secretary of Defense, *Military and Security Developments Involving the People's Republic of China 2012*, Annual Report to Congress (Washington, DC: Department of Defense, May 2012), iv.

⁷Jane Perlez, "China Shows Off an Aircraft Carrier, but Experts Are Skeptical," *The New York Times*, September 25, 2012, sec. World / Asia Pacific, <http://www.nytimes.com/2012/09/26/world/asia/china-shows-off-an-aircraft-carrier-but-experts-are-skeptical.html> (accessed October 10, 2012).

threaten the use of aggressive military force to settle disputes or gain territory against established norms of international behavior.

The lack of complete transparency in China's disclosed defense budget and the secrecy that surrounds its strategic objectives create a sense of uncertainty in discerning its true ambitions and heighten the suspicions of China's neighbors and the international community. Predicting China's strategic goals is difficult because it involves so many factors. Some, such as trade and territorial claims, are easily measurable, while others, including leader personalities, emotion, and random events are not.⁸ Thus far, China has been content to quietly build military power within its borders while simultaneously increasing its participation, cooperation, and influence in international institutions and the global market. However, tensions between China and its neighbors are rising, and sabre rattling is a regular occurrence. Given this combination of increased military capacity and regional rivalry, will China's historically defensive military posture continue? Should China decide to take aggressive military action against America or its allies, would the United States be prepared to respond?

If the United States understands the conditions that could lead to Chinese aggression and recognizes the indicators that those conditions are emerging, it can develop an appropriate military force structure, allocate resources accordingly, and prepare its operational forces for a possible conflict. This is important whether events point to conflict or not. If conflict appears likely, the U.S. military must be organized, equipped, and trained for success. However, it is equally important for the United States to recognize when conflict is not likely. In a resource-constrained environment, funding and preparing the military for an unlikely conflict on the basis of unwarranted fear or blind belief in the necessity of parity is a waste of resources and would leave the military less prepared for other, more likely contingencies.

⁸Friedberg, *A Contest for Supremacy*, 37.

This paper aims to identify the conditions that could trigger aggressive Chinese military action by examining one of the most well-documented historical cases of strategic breakout – interwar Germany – and comparing its conditions to those of modern-day China. Like China, interwar Germany embarked on a massive military expansion program and was vague about disclosing its strategic goals to the international community. However, capacity alone did not create strategic breakout. In Germany, an extreme change in political leadership, from the democracy of the Weimar Republic to the Nazi Party of Third Reich, handed control of the German war machine to an Adolf Hitler determined to exact German revenge on the world. This paper will analyze interwar Germany to determine the conditions and events that contributed to both its capacity and propensity for strategic military aggression. The paper will then assess current day China against those conditions in order to identify potential areas of risk in which negative changes could provide early indication of an increased likelihood of aggression. The comparison of present-day China to 1930s Germany reveals that, although unlikely, a rapid ascension of aggressive political leadership in China could result in strategic military aggression. That possibility is one for which the U.S. military must prepare if it is serious about defending its allies and strategic interests in east Asia.

LITERATURE REVIEW

There is no shortage of books on the topic of United States - China relations. As China emerged to become the sole nation with the ability to rival the United States in economic and military power, so did concern over its long-term ambitions and strategy. Does it seek "peaceful development," as it publicly proclaims? Does it seek to establish regional hegemony and reduce American influence in the western Pacific? Or, does it ultimately seek to displace the United States as the global superpower? The opinions on this subject can be divided into three schools of

thought aligned along international relations theories - offensive realism, defensive realism, and liberalism.

Recent Works on China's Rise

Offensive realists view international relations as a struggle for power, and therefore constantly heading towards conflict, but also believe that a pragmatic approach to power can maintain peace.⁹ In their opinion, nations like the United States and China will both seek to act in their own interests, regardless of international institutions or ideology. International relations are a zero-sum game, in which a gain for one party results in a loss for another. Therefore, Chinese and American security interests are ultimately incompatible, tensions are inevitable, and relations will tend towards conflict. The best that the United States can do is to contain China's rise and prepare itself for conflict if necessary.

Stefan Halper, senior fellow in the Department of Politics and International Studies at the University of Cambridge and former member of the U.S. Department of State under President Reagan, adopts a realist view of Sino-American relations in *The Beijing Consensus*. Halper views China not as a military threat, but an ideological one. He argues that, unlike the Soviet Union, China is not playing the power-rivalry game by the same rules as the United States. Rather than focusing on arms races or dogmatically adhering to communist ideology, China is establishing economic relations with developing countries - regardless of their form of government, morals, or values - to fuel rapid economic growth, gain global influence, and discredit the idea that the path to economic success is political freedom. Such cooperation not only provides an alternative source of revenue and development to oppressive governments, it serves as a model for them by demonstrating how autocratic governments can achieve economic growth against the Western

⁹Jack Snyder, "One World, Rival Theories," *Foreign Policy*, no. 145 (December 2004): 55.

model of liberal democracy. If China continues to engage developing countries while the United States refuses to do so without conditions, America will lose its position of preeminence. To continue to hold influence, the United States should engage third-world countries more vigorously by abandon its conditions-based approach to economic cooperation.¹⁰

Author Aaron Friedberg adopts perhaps the most confrontational perspective with his 2011 book, *A Contest For Supremacy*. Friedberg, former Director of Policy Planning under Vice President Cheney from 2003-2005, takes a definite offensive realist approach to U.S.-China relations, claiming that China and the United States are locked in an ideological struggle for preeminence in Asia. Rooted in political differences, the struggle is a conflict between liberal democracy and the Chinese Communist Party's authoritarian regime, and economic cooperation and diplomatic engagement is not enough to overcome it. He observes that, historically, rising powers are dissatisfied with the existing world order and will aggressively attempt to assert themselves. China is no different, and if its military and economic rise continues unchecked under the current authoritarian regime, it will eventually use that power to dominate its neighbors and push the United States out of East Asia.¹¹ Friedberg proposes several ways in which the United States should respond to China's rise: First is to correct its financial imbalances to reduce reliance on foreign capital; second is to strengthen regional alliances with China's neighbors; and third is to increase U.S. Navy presence in east Asia to counter China's anti-access and area denial capabilities.

Defensive realists, like classical, believe nations act in their own interests, but that some interests overlap and conflict is avoidable if both states are content with status quo security. They

¹⁰Chris Chafin, "The Beijing Consensus: How China's Authoritarian Model Will Dominate the Twenty-First Century," *Journal of International Affairs* 65, no. 1 (Fall 2011): 265.

¹¹Friedberg, *A Contest for Supremacy*, 38.

believe that many historical conflicts were the result of each party misunderstanding the other's intentions, setting off a self-perpetuating cycle of increasing military development and mutual suspicion. Conflict is only avoidable, however, if neither party is aggressive.¹² By increasing dialogue, transparency, and understanding, nations can accommodate each others' interests and avoid conflict.

Henry Kissinger, the former National Security Advisor and Secretary of State under Presidents Nixon and Ford, embraces the defensive realist perspective in his book, *On China*, published in 2011. The book traces the evolution of Sino-American relations and offers proposals common to both sides for how to best manage them moving forward. He highlights three phases in the development American relations with the People's Republic: 1) the period from the establishment of the People's Republic until formal relations were established in 1969; 2) the period from 1969 until 1989, when China and American enjoyed strategic cooperation in support of common security interests; and 3) the current period, which began with the Tiananmen Square massacre and fall of the Berlin wall in 1989 and resulted once again in mistrust and ideological tension.¹³ Adopting a defensive realist perspective, Kissinger opines that the causes of conflict often lay in security dilemmas, during which deterrent strategies of both sides are misinterpreted as threats and become self-fulfilling prophecies that lead to conflict. Citing Anglo-German relations leading up to World War I as an example and a warning, Kissinger believes that both sides need to understand the interests of the other, find common security interests, and make high-level diplomatic gestures to assure each other of tolerance and good intentions.

¹²Robert Jervis, "Realism, Neoliberalism, and Cooperation," *International Security* 24, no. 1 (Summer 1999): 49.

¹³Aaron Friedberg, "The Unrealistic Realist," *New Republic* 242, no. 11 (August 4, 2011): 25–26.

Zhiquan Zhu presents another defensive realist's perspective in his book, *US-China Relations in the 21st Century*. Zhu, an Assistant Professor of International Political Economy and Diplomacy at the University of Bridgeport, suggests that China will likely displace the United States as the world's most influential geo-political power. How they handle the transition will determine whether that process involves conflict. To support this claim, he develops an analytical model to forecast the potential outcomes of a power transition from the United States to China. Zhu examines two case studies of historical power rivalry: Great Britain and Germany from 1871 - 1914, which led to World War I; and Great Britain and the United States from 1865 to 1945, which resulted in a peaceful transition. Zhu analyzes the events and conditions that produced the two outcomes, and creates a model for predicting the nature of future power transitions. He concludes that the United States and China can execute a peaceful power transition if their populations, governments and top leaders have a positive opinion of their bilateral relations and are satisfied with coexistence in a new international order.¹⁴

Unlike realists, liberals believe that globalization, interdependence, and international institutions are pushing states away from conflict and towards cooperation.¹⁵ They point to China's increasing participation in international and multilateral institutions as evidence that it seeks cooperation and a place as a responsible member of the international community. China's reliance on global trade has firmly entrenched it in the international market, thus making armed conflict an increasingly costly proposition. Liberals also believe China's participation in the international community will have a "socializing" effect on it, leading to a gradual liberalization and eventually complete geopolitical integration. Unlike realists, liberals believe international

¹⁴Zhiquan Zhu, *US-China Relations in the 21st Century: Power Transition and Peace* (London; New York: Routledge, 2006), 171.

¹⁵Snyder, "One World, Rival Theories," 54.

relations are not a zero-sum game, but that cooperation can produce mutual benefits and lasting peace. Therefore, there is more opportunity for peace between the United States and China than war.

In *Social States: China in International Institutions, 1980 - 2000*, Alastair Johnston investigates the effects of socialization on Chinese foreign relations and comes to a conclusion that is consistent with liberal theory. In his study, Johnston examines three behaviors within socialization - mimicking, social influence, and persuasion - and how they have manifested themselves in Chinese foreign policy and participation in international institutions during two critical decades of Chinese development. His conclusion is that, although China still maintains a predominately realist view of international relations (realpolitik), socialization and participation in international institutions has led China to adopt a more cooperative stance and constrain itself even when contrary to its power interests.¹⁶

Most of these works present opinions on the current strategies of China and the United States and their implications on Sino-American relations, while providing a relatively cursory assessment of Chinese military power. This is not surprising, considering the fact that all of these works conclude that China does not seek direct military confrontation with the United States – at least not yet. The most pessimistic conclusion is that of Friedberg, who sees China leveraging its military power to coerce its neighbors and deter American interference. However, none of the authors directly address the possibility of aggressive Chinese military action. What are the conditions that could lead to such action, and what events or factors would indicate that those conditions are emerging or present? By identifying these factors and conditions, one can make an informed assessment of the likelihood of Chinese strategic aggression.

¹⁶Alastair I Johnston, *Social States: China in International Institutions, 1980-2000* (Princeton, N.J.: Princeton University Press, 2008), 197.

Analytical Framework

This paper identifies two basic conditions that, if any state meets, increase the likelihood of military aggression. The first condition is a high military capacity for aggression. Although states can and sometimes do take aggressive military action with weak military forces, a low potential for success is a significant deterrent to aggression, whereas a high potential for success increases the confidence of strategic leadership. The second condition is aggressive political or strategic leadership. Again, aggressive use of force is possible without aggressive leadership - such as a case of rogue military leadership - but aggressive action is typically initiated by aggressive nations, and aggressive nations are led by aggressive regimes. Table 1 displays the various combinations of these variables and conveys a common sense assumption that aggressive strategic leadership combined with high military capacity for aggression increases the likelihood of aggressive use of force. While the lack of one of the positively correlated variables does not preclude military aggression, the presence of both makes it far more likely.

Conditions	Non-Aggressive Leadership	Aggressive Leadership
Low Military Aggression Capacity	Aggressive Use of Force Unlikely	Aggressive Use of Force Possible
High Military Aggression Capacity	Aggressive Use of Force Possible	Aggressive Use of Force Likely

Table 1. Conditions Determining the Likelihood of Aggression

METHODOLOGY

This monograph utilizes two qualitative case studies: one to identify the factors that lead to aggressive military capacity and aggressive political leadership; and a second to analyze those factors in the People's Republic of China and identify changes that could increase the likelihood of strategic aggression. The first case study is a qualitative analysis of Germany between 1918 and 1939. Interwar Germany is the quintessential example of large-scale strategic aggression for which the world was unprepared. After analysis, several factors emerge that contributed to the development of a German Wehrmacht capable of such decisive early victories over its neighbors

and enabled the rapid ascension to power of Hitler and his Nazi Party. These factors provide valuable insights and a framework from which to conduct the second case study – a qualitative analysis of the current Chinese military and political potential for aggression.

Variable Operationalization

Potential for Military Aggression

From the analysis of interwar Germany case study, four factors stand out that allowed Germany to develop the offensively capable strategic military force with which it entered World War II. The first is military size, composition, and development. Germany embarked on massive military rearmament and advanced weapons development programs to field land, air, and naval forces required for strategic offensive action. The second factor is training and doctrine. German military capacity was critical for offensive action, but would have been useless without the proper training and doctrine to employ it. The third variable is the maintenance of a level of secrecy, to hide both capacity development and strategic objectives. Had Allied powers known the full extent of Germany's rearmament programs and strategic goals, they could have executed a preventive strike to halt its progress. Last, the military leadership needed to be willing to lead its forces into offensive action. Therefore, Hitler needed to ensure the complete loyalty of his generals and unquestionable compliance with his orders. Using these factors, this monograph will analyze the current conditions of the Chinese People's Liberation Army (PLA) to assess its capacity for strategic aggression.

Military Potential for Aggression	Factors Affecting Military Potential for Aggression			
	Disposition of Military Leadership	Training and Doctrine	Military Size, Composition, and Development	Level of Secrecy
High Potential	Aggressively Rogue or Subservient to Aggressive Political Leadership	Aggressive and Offensively Focused	Large Size or High Rate of Growth, Offensive Platforms, and Advanced Weapons Development	Secretive / Deceptive
Low Potential	Non-aggressive or Subservient to Non-aggressive Political Leadership	Defensive or Limited War Focus	Small Size and Low Rate of Growth, Defensive Platforms	Transparent and Open

Table 2. Conditions Affecting Offensive Military Capacity
Potential for Political Aggression

The above factors created a war machine that, when directed, ruthlessly waged war against Germany's neighbors. However, the decision to go to war rested with Hitler and his cabinet. Without Hitler's aggressive political leadership, the German *Wehrmacht* (Defense Forces) would not likely have gone to war. Hitler's appointment as Chancellor and subsequent consolidation of dictatorial power enabled him to intimidate Europe for six years. But how, in a supposed democracy, did an aggressive dictator seize power? Like military capacity, multiple conditions enabled the Third Reich's ascension to power. First, domestic economic problems fomented popular unrest and dissatisfaction with the existing government, making change appealing. The next was dissatisfaction with the international order. After World War I, Germany found its position and influence dramatically reduced by the Treaty of Versailles. Hitler capitalized on the negative sentiment with populist rhetoric that won his party a plurality of votes. The final factor was an unstable political system. The Weimar republic was a fledgling democracy, and its constitution allowed the President to dissolve parliament, demand elections, and rule by emergency executive powers during times of emergency. The result was a revolving door of political leadership that made the political environment unstable and opened the door for

the Nazi Party and Hitler. This monograph will analyze China's domestic climate, international relations, and political system to assess the likelihood of aggressive political leadership.

Likelihood of Political Aggression	Factors Affecting Political Disposition		
	Domestic Climate	View of the International Order	Political System
Conditions that Decrease the Propensity for Political Aggression	Positive; generally good or improving quality of life	Content with the international order and its place in it	Established and stable
Conditions that Increase the Propensity for Political Aggression	Negative; low or falling quality of life	Discontent with its place in the international order	Nascent or unstable

Table 3. Conditions Affecting Political Stability and Disposition

CASE STUDY: INTERWAR GERMANY

On May 7, 1919, following over four years of conflict in World War I, the European Allied Powers presented the Treaty of Versailles to Germany for its signature. The victorious allies viewed Germany as the aggressor nation; therefore Article 231 of the agreement forced Germany to accept full responsibility for the war.¹⁷ Designed to punish Germany and eliminate the possibility of future aggression, the terms of the treaty were harsh and humiliating. In addition to confiscating all of Germany's overseas imperial territory, forcing the concession of contiguous territory to neighboring countries, and exacting heavy war reparation payments, the Versailles Treaty effectively reduced the German military to a lightly armed land defense force. On the surface, the Versailles Treaty would appear to have been an effective instrument in preventing a future war in Europe. However, a mere 21 years after the end of World War I, Germany took Europe and the world by surprise when it invaded Poland and triggered World War II. Massive rearmament and military reform produced in the German Wehrmacht an offensively capable

¹⁷"Treaty of Versailles, 1919," United States Holocaust Memorial Museum, *Holocaust Encyclopedia*, January 31, 2013, <http://www.ushmm.org/wlc/en/article.php?ModuleId=10005425> (accessed January 31, 2013).

strategic military force, while turbulent domestic and international conditions allowed and ambitious and aggressive Hitler to seize unchecked dictatorial power over Germany. The resulting combination of offensive military capacity and aggressive political leadership produced a German political-military machine that would menace Europe for nearly six years and leave the world wondering why it had not done more to stop it.

German Interwar Capacity Development

When Germany initiated World War II in September, it possessed the most capable, efficient, and effective military force in the world.¹⁸ What had 20 years earlier been reduced to a shell of a defense force was transformed into a military powerhouse against whom Germany's neighbors were unable to effectively defend themselves. This rapid development was no small feat. Starting from scratch, and for much of the time under the restrictions of the Versailles Treaty, Germany not only had to design and produce weapons and platforms, it had to develop doctrine that effectively employed those systems. Under the watchful eye of its European neighbors, Germany did not want to provoke a preemptive war, particularly from France or Great Britain. It therefore needed to walk a fine line between hiding the depth of its programs and deterring intervention. Furthermore, Hitler needed absolute strategic control of his military and could not tolerate dissension from his senior officers. Hitler, the Nazi Party, and the Wehrmacht met these requirements by implementing a well-concealed rearmament and weapons development program, reforming its operational doctrine, and deceiving the international community as to its true capacity and strategic goals while ensuring military subservience to Hitler.

¹⁸Wilhelm Deist, *The Wehrmacht and German Rearmament* (Toronto; Buffalo: University of Toronto Press, 1981), Front Flap.

Rearmament and Weapons Development

The Treaty of Versailles essentially reduced the German military (*Reichswehr* in German) to a light land defense force. The treaty limited the army to 100,000 soldiers and 4,000 officers, and prohibited the possession of artillery, tanks, or other heavy weaponry.¹⁹ It prohibited the formation of an air force, including the possession of any military aircraft. Finally, it restricted the navy to six pre-Dreadnought era battleships, six cruisers, 12 destroyers, 12 torpedo boats, and prohibited the possession of submarines altogether.²⁰ The combined German military forces were a fraction of those of Great Britain and France, and had it adhered to the restrictions, Germany would have been in no position to take the strategic offensive in World War II.

Covert rearmament did not begin with the Nazis. Germany began violating the Treaty of Versailles well before Hitler came to power in 1933. In fact, attempts at modernizing and building an effective force began almost immediately after the signing of the treaty. In 1922, Hans von Seeckt, Commander-in-Chief of the *Reichswehr*, signed the Rapallo Treaty with Russia, which provided secret bases where the Germans could develop and train with prohibited weapons.²¹ At the end of the 1920s, Germany began to increase its rearmament efforts, with tanks becoming the main focus of its modernization program. German Army High Command had as much, if not more, to do with the creation of the German armored force as Adolf Hitler.²² Weimar

¹⁹Williamson A. Murray, "Armored Warfare," in *Military Innovation in the Interwar Period*, ed by. Williamson A. Murray and Alan R Millet (Cambridge; New York: Cambridge University Press, 1998), 16.

²⁰Deist, *The Wehrmacht and German Rearmament*, 70.

²¹James S. Corum, "A Comprehensive Approach to Change," in *The Challenge of Change: Military Institutions and New Realities, 1918-1941*, ed by. Harold R Winton and David R Mets (Lincoln: University of Nebraska, 2000), 60.

²²Dennis E. Showalter, "Prussian-German Operational Art, 1740 - 1943," in *The Evolution of Operational Art from Napoleon to the Present*, ed by. John Andreas Olsen and Martin van Cleveld (New York, NY: Oxford University Press, 2011), 50.

Chancellor Heinrich Brüning and the army had already begun secret re-armament when he met with the Allies in 1932 – prior to Hitler’s appointment as Chancellor – to negotiate arms levels and cancellation of reparations from WWI.²³ However, for most of the 1920s, as the German military tried to organize, train and equip an effective force, it was clear that robust military capacity and political-economic stability in Germany were mutually exclusive, incompatible goals under such resource-constrained conditions.²⁴ Germany would attempt to rearm and prepare for a defensive war within reason, but not to levels that would bankrupt the state. The pragmatism and holistic view that characterized this approach would disappear with the rise of the Third Reich.

Hitler’s ambitions went well beyond the development of an effective *Reichswehr* – he wanted a robust war machine that was capable of threatening, deterring, and defeating Germany’s neighbors and establishing Germany as the European hegemon. In that pursuit, Hitler took advantage of the military’s desire to completely rid itself of the Versailles restrictions in order to gain the support he needed to amplify the rearmament effort and carry out his strategy.²⁵ Thus, for the German armed forces as a whole, Hitler’s ascension to power on January 31, 1933 triggered rearmament of a scale and depth hitherto unimagined. On April 4, 1934, Hitler created the clandestine Central Bureau for German Rearmament to manage expanded rearmament programs.²⁶ Though Hitler maintained the secrecy of his rearmament efforts for his first two

²³William L Shirer, *The Rise and Fall of the Third Reich: a History of Nazi Germany* (New York: Simon & Schuster, 2011), 152.

²⁴Michael Geyer, “German Strategy in the Age of Machine Warfare, 1914-1945,” in *Makers of Modern Strategy : From Machiavelli to the Nuclear Age*, ed by. Peter Paret (Princeton, N.J.: Princeton University Press, 1986), 561.

²⁵Michael Mihalka, *German Strategic Deception in the 1930s*, Rand Note (Santa Monica, CA: Rand Corporation, July 1980), vii.

²⁶Barton Whaley, *Covert German Rearmament, 1919-1939: Deception and*

years, by 1935 he made public Germany's abrogation of Versailles military restrictions. German rearmament efforts were given the full resources of the state with the implementation of Hitler's Four Year Plan in October 1936. Placed under the supervision of Hermann Goring, the plan called for massive government spending, intended to make both the German economy and its armed forces ready for war within four years.²⁷ The focus on war made clear Hitler's ultimate aims of military aggression, and the plan itself clearly aimed to expand rearmament and German self-sufficiency. As the Reich implemented the plan, over 25 percent of Germany's workforce was dedicated to rearmament and by 1938, the last full year of peace, a full 17 percent of German gross national product was spent on the military.²⁸ Just six years after becoming Chancellor, Hitler managed to increase Germany's armed forces from a Versailles-limited 100,000 man *Reichswehr* to the feared *Wehrmacht*, composed a 550,000-man army, a robust air force, a combat-capable navy and advanced weapons that would initiate the bloodiest war in European history.

In 1933, Hitler dramatically increased the tempo of the German Army's rearmament program. Focused at first on infantry divisions, as the program grew more robust, it added armor forces at an alarming rate. Hitler placed an initial order for 100 tanks from Krupps Manufacturing to be delivered in March 1934, with an additional 650 for delivery in 1935.²⁹ In October of 1934, Germany issued the organizational table for its experimental armored unit, the 1st Panzer

Misperception, Foreign intelligence book series (Frederick, MD: University Publications of America, 1984), 24.

²⁷Geoff Layton, *The Third Reich 1933-45*, Kindle Electronic Edition. (London: Hodder Murray, 2005), chap. 2, Location 905.

²⁸*Ibid.*, Chapter 2, Location 1014.

²⁹Whaley, *Covert German Rearmament, 1919-1939*, 50.

Division.³⁰ One year later, the first three divisions were fully operational, and by 1940 that number increased to ten.³¹ Hitler did not wait long to make his plans for the army public, or to use them to his advantage. On March 16, 1935, Hitler publicly renounced the Treaty of Versailles, by announcing rearmament, expansion of the army to 550,000 men, and the reintroduction of military conscription.³² Two months later he secretly signed the Reich Defense Law, which officially replaced the *Reichswehr* with the *Wehrmacht*, renamed the Defense Ministry to War Ministry, and reinstated the previously banned General Staff.³³

The expansion of the army occurred at a rapid pace following the 1935 announcement. Hitler initially reduced the army to one functional division, scattering the personnel of remaining nine divisions to form the nucleus of his expanded 36-division army. It was with this division that he reoccupied the demilitarized Rhineland without response from France, effectively ending any ostensible adherence to the Versailles Treaty.³⁴ By 1937, Germany had reached the strength of 39 active divisions and 550,000 soldiers. This proved to be an adequate deterrent to its neighbors as it annexed Austria and diplomatically secured parts of Czechoslovakia in 1938 without bloodshed.³⁵ However, Germany's expansion plans for its army went well beyond what it publicly disclosed. By the time Germany invaded Poland in September 1939, it boasted 117

³⁰Showalter, "Prussian-German Operational Art, 1740 - 1943," 50.

³¹Williamson A. Murray, "The World in Conflict," in *The Cambridge History of Warfare*, ed by. Geoffrey Parker (New York: Cambridge University Press, 2005), 316.

³²James Steiner, *Hitler's Wehrmacht: German Armed Forces in Support of the Führer* (Jefferson, N.C: McFarland, 2008), 24.

³³Whaley, *Covert German Rearmament, 1919-1939*, 55.

³⁴Murray, "The World in Conflict," 321.

³⁵Whaley, *Covert German Rearmament, 1919-1939*, 106–107.

active divisions, over 2,200 tanks, and had mobilized 1.4 million soldiers, numbers that would continue to increase through the first two years of the war.³⁶

The expansion of German ground forces was accompanied by an equally ambitious expansion plan for air power. The German Air Force (*Luftwaffe*) covertly and overtly developed multiple air combat platforms for use in World War II. Beginning in 1933, Hermann Goering and Erhard Milch determined that building a heavy bomber force would provide the best deterrent to intervention by Britain and France; thereby giving the army and navy the room in needed to complete their rearmament.³⁷ In July and August of 1933, Defense Minister Werner von Blomberg signed directives for phases one and two of the *Luftwaffe* development plan. The plan directed a total of 55 operational squadrons by October 1, 1935. By the end of 1934, the *Luftwaffe* consisted of 27 bomber squadrons, 15 reconnaissance squadrons, and 11 fighter squadrons totaling 270 bombers, 303 reconnaissance aircraft, and 99 fighters.³⁸ Though these aircraft were already becoming obsolete, they served their purpose of deterrence admirably. However, Erhard Milch recognized the technological inferiority of his fleet, and on July 1, 1934 announced a new aircraft acquisition program with a goal of fielding 6,671 modern aircraft by March 31, 1938.³⁹

Believing the *Luftwaffe*'s projected strength to be an adequate deterrent to France and Great Britain, Herman Goering announced the establishment of the German *Luftwaffe* on March 9 1935, only one week before Hitler's announcement of rearmament.⁴⁰ By the end of that year, Germany had activated an additional five bomber groups, a bomber squadron, and a fighter

³⁶Ibid., 69.

³⁷Mihalka, *German Strategic Deception in the 1930s*, 50.

³⁸Deist, *The Wehrmacht and German Rearmament*, 59.

³⁹Ibid., 61.

⁴⁰Mihalka, *German Strategic Deception in the 1930s*, 54.

squadron.⁴¹ In 1935, it also began fielding the HE 111, DO 17, and JU 86 bombers to replace its older aircraft, and by 1937, the bombers as well as the ME 109 fighter reached full production.⁴² By the time Germany invaded Poland in September 1939, it had 21 operational air groups consisting of 302 squadrons and 4,093 operational aircraft.⁴³ Though existing production and development of the JU 88 strategic bomber both fell behind schedule, the rearmament effort allowed Germany to enter the war on the western front with a slight front line aircraft advantage of 1.1 to 1 against the Allied air forces.⁴⁴

Germany's efforts in establishing a viable air force were reflected in both its budget and the number of personnel dedicated to the effort. From March 1935 to August 1939, the *Luftwaffe* grew from 1,100 officers and 17,000 enlisted personnel to 15,000 officers and 370,000 enlisted members. Civilian aviation employees increased even more substantially, from 4,000 in 1933 to over 204,000 in 1938.⁴⁵ In the same time period, Germany's aviation budget increased from under 100 million to over 7 billion *Reichsmarks*.⁴⁶

In March of 1934, Admiral Erich Raeder, Commander-in-Chief of the German Navy, secured Hitler's approval to implement his Replacement Shipbuilding Program against the constraints of the Versailles Treaty.⁴⁷ The program set the foundation for expansion, but 1935 would prove to be the critical year for naval development. Germany convinced Great Britain to

⁴¹Mihalka, *German Strategic Deception in the 1930s*, 56.

⁴²Deist, *The Wehrmacht and German Rearmament*, 66.

⁴³*Ibid.*, 90.

⁴⁴Whaley, *Covert German Rearmament, 1919-1939*, 70.

⁴⁵Deist, *The Wehrmacht and German Rearmament*, 58–60.

⁴⁶Whaley, *Covert German Rearmament, 1919-1939*, 49.

⁴⁷Deist, *The Wehrmacht and German Rearmament*, 73.

sign the Anglo-German naval agreement in June 1935, which authorized Germany to build a naval fleet of up to 35 percent of the size of Great Britain's, effectively authorizing a five-fold increase in the size of the Reich's navy.⁴⁸ Though still significantly lower than British tonnage, the permitted 425,000 tons greatly exceeded the existing size of 86,000, and also exceeded the output capability of German ship production facilities prior to the start of the war. In other words, Germany secured permission to build a navy as fast as it could.⁴⁹ Another critical aspect of the agreement was the British concession to Germany that it could build submarines to an eventual one-to-one ratio. The British believed the agreement would preclude an arms race, but the German Navy's emphasis on submarines would prove this a false assumption.⁵⁰

Because of Raeder's already-implemented shipbuilding program, Germany was immediately able to begin fielding vessels within the limits of the naval agreement. It had six U-boats ready for assembly and eight more being prepared for assembly at the time of signing, and was able to commission its first submarine 11 days after the agreement went into effect. At the same time, Germany announced construction plans for two battleships, two cruisers, 16 destroyers, and 26 submarines.⁵¹ German naval rearmament had initially focused on creating a large, Mahanian style battle fleet, believing that British sonar had negated the advantage of submarines.⁵² However, Germany quickly realized the value of submarines in attacking surface vessels, and sought to achieve parity with the British underwater fleet as quickly as possible.⁵³ Its

⁴⁸Layton, *The Third Reich 1933-45*, chap. 7, location 3688.

⁴⁹Mihalka, *German Strategic Deception in the 1930s*, 58.

⁵⁰Steiner, *Hitler's Wehrmacht*, 25.

⁵¹*Ibid.*

⁵²Murray, "The World in Conflict," 320.

⁵³Steiner, *Hitler's Wehrmacht*, 26.

surreptitious preparation paid dividends. At the end of 1937, Germany possessed three battleships, six cruisers, seven destroyers, twelve torpedo boats and 36 submarines. By the start of the war, its fleet increased to five battleships, seven cruisers, 21 destroyers, and 57 submarines.⁵⁴ Though the British surface fleet was substantially larger, with submarines, the Germans achieved near parity, which would haunt British sea-lanes at the start of the war.

Much like the development of the army and *Luftwaffe*, naval expansion efforts are clear upon examination of rising budgets and manpower. From 1933 to the outbreak of war in 1939, personnel in the German Navy increased from 15,000 to 78,305, including a four-fold increase in officers. Its budget showed an even more substantial increase, from 76.1 million Reichsmark in 1933 to a peak of 603.1 million Reichsmark in 1937.⁵⁵

The rearmament program included the development of a number of revolutionary weapons systems. Long-range rockets, missiles, jet aircraft, long-range bombers, and atomic weapons were all in various stages of research, development, and production throughout the late 1930s and during the war. In the early years of Hitler's rearmament efforts, young German scientists Wernher von Braun and Walter Dornberger began work on Germany's rocket program in Peenemunde, on Baltic coast of Germany.⁵⁶ Their work yielded what became known as the V-2 long-range rocket and V-1 flying bomb, which Hitler used in retaliation against the Allied strategic bombing of Germany's cities. Had the war waited until 1943, Germany would have been in a much stronger military position, as these systems might have provided it with a decisive

⁵⁴Deist, *The Wehrmacht and German Rearmament*, 82.

⁵⁵*Ibid.*, 81.

⁵⁶John Keegan, *Intelligence in War: The Value--and Limitations--of what the Military can Learn about the Enemy*, 1st Vintage Books ed. (New York: Vintage Books, 2004), 265.

advantage over France and Great Britain.⁵⁷ In fact, German research and development in support of rearmament produced a number of revolutionary military technologies that, were they operationalized earlier, could have provided Germany with a decisive advantage in the war.

The expansion of German ground combat forces combined with the rapid establishment of the *Luftwaffe*, navy, and a robust advanced weapons development program to give the Germans a formidable strategic military force at the outset of World War II. Though it was initially weak relative to France and Great Britain, Germany's *Wehrmacht* appeared strong enough to serve as an adequate deterrent to intervention during its early phases of aggression. It remilitarized the Rhineland, annexed Austria and parts of Czechoslovakia in 1938 with no military response. Not until it invaded Poland on September 1, 1939, did France and Great Britain declare war on Germany. Even then, it took six months for armed conflict to begin, and Germany initiated it. The lack of earlier action on the part of Great Britain and France demonstrates the effectiveness, at least in perception, of Germany's rearmament.

German Training and Doctrine

All of Europe's military forces attempted to absorb and apply the lessons learned from World War One. But because of both its defeat and the restrictions of the Versailles Treaty, Germany looked more critically at its performance and more creatively for solutions. With his army reduced to a fraction of its former strength, commander-in-chief General Hans von Seeckt placed the army under direct control of the general staff (which was also prohibited, but disguised as an administrative headquarters), and directed a thorough analysis of its performance during the war.⁵⁸ In 1922, von Seeckt signed the Rapallo Treaty with Russia, which provided secret bases

⁵⁷Layton, *The Third Reich 1933-45*, Chapter 2, Location 1014.

⁵⁸Murray, "The World in Conflict," 315.

where the Germans could develop and train with prohibited weapons.⁵⁹ In the mid-1920s, Germany began to synthesize the lessons learned from its World War I analysis, staff training programs, and observations of foreign maneuver exercises, to develop new doctrinal and institutional concepts in support of offensive mechanized and armored warfare. By instituting theoretical and practical training in large unit tactics using envisioned armored forces of the future and indoctrinating operational concepts, General von Seeckt mentally prepared the German Army for effective performance in a future war during which its size and capabilities would not be constrained by outside powers.⁶⁰

Despite restrictions against armor and heavy artillery, the Reichswehr incorporated imaginative staff training and exercises to develop and test new concepts of war fighting that seize and maintain the initiative in the offense in order to overcome the stalemates and stagnant lines of World War I. Because of the nascent technology and unreliability of armor in World War One, European armies typically used it to complement infantry formations by penetrating defensive lines. Its usefulness as an independent formation was limited. By 1926, the Germans – through their observations of foreign military exercises – noted substantial improvements in the reliability, range, and speed of tanks. These improvements made armored formations capable of conducting extended maneuver operations to penetrate the decisive point and exploit the flank and rear of enemy formations. The Germans now viewed the use of armor in separate, standalone formations as a viable option versus a role of direct infantry support, and began to develop training plans for independent tank regiments.⁶¹ A 1926 directive, following observation of British tank maneuvers, dictated that armored units should operate independently or with other

⁵⁹Corum, “A Comprehensive Approach to Change,” 60.

⁶⁰Geyer, “German Strategy in the Age of Machine Warfare, 1914-1945,” 554.

⁶¹Showalter, “Prussian-German Operational Art, 1740 - 1943,” 49.

mobile units. Another army publication in 1927 forecasted that tanks would likely become the decisive maneuver force and that they would best be employed in brigades or larger-sized units.⁶²

Tested through a series of maneuver exercises using trucks and mock-up tanks, Germany realized the potential of mechanized formations to drastically increase the tempo and depth of operations, with some exercises achieving 300 kilometers of advance in three days. The result of these maneuver exercises was that, even before it had the physical forces to support it, the German Army developed tactics for the use of tanks and added them to their existing doctrine. It began to emphasize mobility, deep penetration, envelopment, and initiative in a 'shock and awe' type role versus the traditional emphasis it placed on mass and firepower during World War I. By the time it defied treaty restrictions and fielded its first panzer division, the German Army had a core cadre of officers who were conceptually indoctrinated in the use of armored formations to execute effective, perhaps decisive, offensive operations.⁶³

The Germans recognized the decisive role of the army in future wars. Because of this, their doctrine stressed inter-service cooperation between ground and air forces. However, the *Luftwaffe* also drew a keen interest in strategic bombing, and developed doctrine to integrate strategic bombing into war plans, including night and all-weather operations.⁶⁴ In support of the emerging doctrine, it developed sophisticated navigation and targeting systems that allowed it to conduct strategic bombing operations at night and in poor weather conditions, and was ahead of the British Royal Air Force in this respect.⁶⁵ Following the 1933/1934 *Wehrmacht* winter studies, the *Luftwaffe* also recognized the importance of fighter aircraft in defending its bombers from

⁶²Geyer, "German Strategy in the Age of Machine Warfare, 1914-1945," 559.

⁶³Showalter, "Prussian-German Operational Art, 1740 - 1943," 50.

⁶⁴Murray, "The World in Conflict," 319.

⁶⁵*Ibid.*

attack.⁶⁶ In 1936, the *Luftwaffe* published its service directive, “Aerial Warfare,” which directed the transition of the *Luftwaffe* from a “risk force” – designed to deter European military intervention – to an operational force with the primary function of conducting offensive strikes against enemy forces and population centers – strategic bombing. Fortunately for the Allied powers, resource and production constraints kept the *Luftwaffe* from achieving the size and capability to effectively support its strategic bombing doctrine.

German naval doctrine was a little slower to develop, due in part to the restricted size of its navy, but also to the lack of emphasis that Hitler and *Wehrmacht* leadership placed on naval importance in the early years of Nazi leadership. In 1933, public opinion viewed the navy’s primary purposes as coastal defense, sea-lines of communication protection, and maintenance of the link between the German mainland and East Prussia. Hitler himself was content with a navy that could provide coastal protection to deter conflict with Great Britain. This view contrasted greatly with Navy Commander-in-Chief Admiral Erich Raeder’s vision of the navy’s future mission. Raeder saw the navy’s critical task as the offensive protection of German blue water shipping routes, a task that required substantial deep-water naval investment.⁶⁷ Though he may not have turned Hitler into a full believer in the primacy of naval importance, Raeder at least convinced Hitler of the navy’s usefulness as a political instrument, as evidenced by the aforementioned Replacement Shipbuilding Program of 1934.⁶⁸ Ultimately, because the Anglo-German Naval Agreement of 1935 permitted submarine parity with Great Britain, Germany made submarine warfare and

⁶⁶Deist, *The Wehrmacht and German Rearmament*, 61.

⁶⁷*Ibid.*, 71.

⁶⁸*Ibid.*, 73.

attacks on Allied shipping the focus of its naval operations, vice attempting to compete with the decisive British advantage in surface ships.⁶⁹

As a result of these efforts, by the time Germany began its massive rearmament program, the *Wehrmacht* had already created the doctrine and organizational structure required to execute the highly mobile, rapid tempo offensive tactics it would use to shock Europe at the beginning of World War II.⁷⁰ The officers who developed and commanded the armored force of the 1930s were the same officers who benefitted from the critical analysis of World War I, innovative maneuver and staff exercises, and development of conceptual armor doctrine. Their efforts prior to rearmament produced a coherent and evolutionary tactical and operational framework for offensive armored warfare, and produced their infamous *Blitzkrieg* tactics.⁷¹ Though *blitzkrieg* was a tactical vice operational approach, it nevertheless wreaked havoc on Germany's enemies through sheer surprise and speed, and demonstrated the aggressive nature of German doctrine. German air doctrine also supported strategic aggression with its emphasis on strategic bombing, though production problems prevented acquisition of a force capable of effective execution. Naval doctrine received the least emphasis from strategic leadership, and the German Navy thus adapted its operations to the relative submarine strength of the force at its disposal.

German Strategic Deception

For Germany to develop the type of offensive military capacity required to initiate World War II without triggering preemptive action by neighbors, it needed a robust peacetime strategic deception effort. Heinrich Bruening and the *Reichswehr* had begun secret rearmament of naval,

⁶⁹Steiner, *Hitler's Wehrmacht*, 25.

⁷⁰Showalter, "Prussian-German Operational Art, 1740 - 1943," 48-49.

⁷¹Murray, "The World in Conflict," 316.

air, and ground forces well before Hitler came to power. In the early 1920s, Germany established a shipyard in The Hague to covertly develop submarines. It signed secret agreements with Finland and Spain, under which they developed the prototypes of the 250-ton U1 and U24, and the 750-ton U25 and U26 U-boats that would be in service during World War II.⁷² Additionally, throughout the Weimar period, Germany set up fake firms as covers for army weapons development. Koch and Keinzle, the most prominent of these firms, was a front for Krupps' top ordinance development team. During the 1920s, they developed designs for an entire family of tanks, heavy artillery, howitzers, and other prohibited weapons systems.⁷³ In 1925, Germany established a joint military flight school with Russia in violation of treaty terms, and it predicted that by 1932, under the cover of Lufthansa commercial air company, it would have 200 military aircraft. A week before Hindenburg appointed Hitler as Chancellor, Germany moved towards the establishment of a separate air force.⁷⁴ By 1928, the executive cabinet sanctioned the *Reichswehr's* secret efforts and approved funding without the approval of parliament.⁷⁵ All of these efforts were conducted quietly enough no to risk foreign intervention. However, Hitler's April 4, 1934 directive to dramatically increase rearmament efforts would need to be more carefully managed.⁷⁶

Because perceived risk influenced the policies and actions of potential adversaries, Germany aggressively manipulated international perception of its military forces during the

⁷²Whaley, *Covert German Rearmament, 1919-1939*, 28.

⁷³*Ibid.*, 29.

⁷⁴Mihalka, *German Strategic Deception in the 1930s*, 47.

⁷⁵Deist, *The Wehrmacht and German Rearmament*, 10.

⁷⁶Shirer, *The Rise and Fall of the Third Reich*, 152.

1930s to support Hitler's wider foreign policy objectives.⁷⁷ The Nazis executed their strategic deception plans in two distinct phases – with opposite effects – in order to prevent preemptive action against it, justify limited rearmament, and deter Allied intervention. First, they used deception to hide the depth of their rearmament programs and their strategic ambitions, and propaganda campaigns to justify limited rearmament. Then, after publicly abrogating the Treaty of Versailles restrictions by reinstating conscription and announcing an operational Luftwaffe in 1935, Germany deliberately inflated the perceived size and readiness of its forces in order to deter Allied intervention as it began its strategic aggression.

For the first two years of Hitler's Chancellorship, concealment was the name of the deception game. Though Hitler significantly increased most of the existing covert rearmament programs during this period, he and his cabinet realized that, should their efforts be discovered, they were vulnerable to Allied military action. Secret training agreements with foreign nations, foreign production facilities, the use companies and facilities as cover, and clever accounting and financial transactions all kept the scope of Germany's rearmament unknown, if not completely hidden. As a result, Germany was able to establish a solid foundation and production base to support overt rearmament in the future.

Secret training agreements with Russia and Italy provided Germany with a core of skilled military pilots, which formed the cadre of the *Luftwaffe*. Through 1933, Russian training airfields provided most German military pilot training. As these bases began to close, Germany needed to find a new training partner. Hitler spoke to Mussolini, who agreed to allow German pilots to attend the Italian Air Force's combat aviation schools. Disguised as Italian pilots, the Germans

⁷⁷Mihalka, *German Strategic Deception in the 1930s*, iii.

completed six months of realistic fighter and ground support training in 1933 before returning to Germany as commercial pilots. Within a year, they were commissioned in the *Luftwaffe*.⁷⁸

Germany hid the production of weapons by establishing secret production facilities on foreign soil and hiding German production through financial gimmicks. The Krupps Corporation established a secret tank design and prototype production facility in Sweden, and was able to test those tanks in Russia. When Hitler placed his first order to Krupps for 100 tanks, engineers and production employees simply relocated from Sweden to Germany to begin work, as Krupps had already built production facilities that were ready for conversion to military use.⁷⁹ Economic Minister Hjalmar Schacht finance rearmament with novel financial instruments known as Mefo bills, which were IOUs that the central bank rediscounted to pay manufacturers “off the books.”⁸⁰ Because allied inspection teams withdrew from Germany in 1927, hiding rearmament became as much about financial concealment as physical camouflage, and Hitler's use of public expenditures to spur the economy provided the perfect cover for expansion of its ground forces.

Krupps was not the only company hiding military programs behind a civilian façade. Lufthansa, the state-sponsored aviation company, played a critical role in hiding the development of the *Luftwaffe*. Dr. Robert Knauss, director of Lufthansa, wrote a memorandum entitled “The German Air Fleet” in 1933. In it, he proposed the development of a ‘risk’ air force that could provide adequate deterrence against preemptive strikes during German land and naval rearmament. Knauss felt that close cooperation between army aviation units and Lufthansa would produce a civilian aviation structure that Germany could quickly convert into a military air force

⁷⁸Whaley, *Covert German Rearmament, 1919-1939*, 44.

⁷⁹*Ibid.*, 50.

⁸⁰*Ibid.*

when directed.⁸¹ The use of Lufthansa as a cover for the development of military aviation technology worked exceptionally well, because it would not be immediately obvious to foreign observers how readily Germany could convert commercial aircraft for military use. Hermann Goering, Luftwaffe director, understood this and ensured that the *Luftwaffe* could readily transform commercial aircraft that German manufacturers designed to support re-establishment of a combat air force.⁸²

At the same time Germany was hiding most its rearmament programs, it used elaborate propaganda efforts to gain authorization for others. In June of 1933, the German Propaganda Ministry published false newspaper articles claiming that foreign warplanes had dropped communist leaflets over Berlin. The stunt was designed to portray German vulnerability to air attack and convince France and Britain to grant equal military air and land rights to Germany. On April 16, 1934, the Germans proposed modest air rearmament of short-range aircraft not to exceed 30 percent of the combined total of France and Great Britain.⁸³ Despite this limited request, the German Air Ministry was already progressing rapidly with the development of its strategic bomber force, and issued an order to complete the establishment of five bomber groups by October 1, 1936.⁸⁴

On March 16, 1935, Hitler publicly renounced the Treaty Versailles restrictions by reinstating universal conscription and declaring the creation of a 36 division, 550,000 man army. With this announcement, the nature of German strategic deception changed drastically. No longer was its deception program designed to hide German rearmament efforts. Now, it needed to inflate

⁸¹Deist, *The Wehrmacht and German Rearmament*, 55.

⁸²Mihalka, *German Strategic Deception in the 1930s*, 49–50.

⁸³Whaley, *Covert German Rearmament, 1919-1939*, 26.

⁸⁴Mihalka, *German Strategic Deception in the 1930s*, 53.

German capabilities and promote an image of strength in order to deter intervention by France or Poland as it sought limited military objectives and continued its land and naval rearmament.⁸⁵ At the same time, Hitler wanted to continue concealing the full development plans of the *Wehrmacht* and his aggressive strategic goals. This would maintain appeasement of Great Britain and reduce the likelihood of alarming it or other countries into active rearmament, thereby resulting in a military advantage for Germany. In support of both of these goals, Germany used a mix of lies, demonstrations, and propaganda to confuse the international community, and exploited that confusion to secure several territorial gains and concessions from the Allies.⁸⁶

On March 25, 1935, Hitler falsely claimed that Germany had reached parity of air forces with Great Britain. He followed this with a 400-plane airpower demonstration over Berlin.⁸⁷ That April, the German Secretary of State for Air, Erhard Milch, informed the British Air Attache in Berlin that the Germans had some 900 front-line aircraft, including naval aviation, a number that would have actually exceeded the British Royal Air Force's by 30 percent. Though the claim was false, Goering substantiated it to the British Attache in May 1935, at which time he also informed them of the German goal of 2000 aircraft by the end of that year.⁸⁸ The new deception approach stood in stark contrast to the previous. In 1934, Hitler told the British Air Attaché that Germany desired no offensive military aircraft and that the *Luftwaffe* would not exceed 50 percent of the size of the French air force. One year later, with the announcement of parity, he made an equally false claim on the other side of the spectrum.⁸⁹ Whether he exaggerated its effect or not, Hitler

⁸⁵Whaley, *Covert German Rearmament, 1919-1939*, 55.

⁸⁶Mihalka, *German Strategic Deception in the 1930s*, vi.

⁸⁷*Ibid.*, 56.

⁸⁸*Ibid.*, 57.

⁸⁹Whaley, *Covert German Rearmament, 1919-1939*, 57.

believed that the announcement of German-British air parity forced the British to treat Germany with respect, and was critical in securing the Anglo-German naval agreement in June 1935.⁹⁰

On March 7, 1936, Hitler gambled on the success of his deception campaign and directed the remilitarization of the Rhineland, which the Versailles Treaty designated as a buffer zone between Germany and France. Germany occupied the area with one functional infantry division. Publicly, Hitler threatened to send an additional six divisions if the French retaliated. However, in reality, he had sent his sole operational division across the Rhine, as the remaining divisions had been broken up to form the cadre of his newly announced 36-division army.⁹¹ The dramatic show of force worked – France estimated the German troop strength in the Rhineland at 265,000, in contrast to an actual 3,000.⁹² Supporting the occupation were three squadrons of fighter aircraft and three squadrons of dive-bombers – functional only in appearance. The fighter squadrons, armed with inoperative guns that were not synchronized with the propellers, changed paint schemes each time they relocated, giving the appearance of more squadrons than the *Luftwaffe* actually possessed.⁹³

Choreographed competitions, false press reports, and observed ground exercises served to further project an inflated image of the German armed force's power and size. Germany took its intimidation campaign to the Zurich Military Air Competition in July 1937. There, the *Luftwaffe* displayed several prototypes and specially built fighter, recon, and bomber aircraft that significantly outperformed its production aircraft.⁹⁴ The German press frequently touted new

⁹⁰Mihalka, *German Strategic Deception in the 1930s*, 58.

⁹¹Whaley, *Covert German Rearmament, 1919-1939*, 58.

⁹²Mihalka, *German Strategic Deception in the 1930s*, 60.

⁹³Whaley, *Covert German Rearmament, 1919-1939*, 59.

⁹⁴*Ibid.*, 60.

records of distance and speed achieved by German bombers – performance that production aircraft did not achieve. Massive amounts of aircraft participated in military exercises by conducting attack runs and counter-air missions, despite the fact that their weapons were not yet operational. In September 1937, Germany conducted a major maneuver exercise under British observation. Featuring 800 tanks and 400 aircraft, including strategic bombers, the exercise impressed British General Ironside, who opined that no European military would be able to defend against the German military.⁹⁵

Though the German exaggeration of strength had its intended effects on international perception, the Germans needed to manage that perception in order to prevent unwanted British rearmament. By 1936, the British press began to publish exaggerated reports of German air strength. Not wanting public opinion to influence British policymakers into massive rearmament, Hitler authorized General Milch to exchange information with the British Air Ministry to allay its fears. He did so in January 1937, when he provided the British with misleading force development plans that placed the German Air Force at rough parity with the projected British Royal Air Force strength of 1736.⁹⁶ These figures temporarily quelled British fear over German strength, and it was not until the Anschluss of 1938 that the British finally initiated a new rearmament program.⁹⁷

The Germans not only used deception to confuse their neighbors with respect to military size and capability, but also to hide its plans for aggression. The *Wehrmacht* disguised a training exercise designed to test Luftwaffe deployment times in preparation for war with Czechoslovakia as a defensive exercise between northern and southern Germany. The Luftwaffe created this

⁹⁵Mihalka, *German Strategic Deception in the 1930s*, 66.

⁹⁶*Ibid.*, 62.

⁹⁷*Ibid.*, 64.

perception by establishing mock radio network and using fictitious maps.⁹⁸ Additionally, at the same time he used false assertions of strength for deterrence and negotiating advantage, Hitler used his diplomatic agreements with Great Britain and France as "evidence" of his limited aims and adherence to lawful procedure.⁹⁹

The German deception effort was exceptionally effective. To the outside world, Germany was again a military powerhouse. Internally, however, Hitler and his military leaders were fraught with fear, knowing that if France or Britain decided to strike, the Wehrmacht would be unable to defend itself.¹⁰⁰ Regardless of the risk and fear involved, Germany capitalized on European confusion over the strength its armed forces several times before World War II. It used the exaggerated strength of an under-trained and ill-equipped *Wehrmacht* to easily capture or occupy Austria, Munich, and Prague between 1937 and 1939. The strategic deception continued to work even after the British declaration of war in September of 1939. By manipulating the perception of the *Luftwaffe's* strength, Germany deterred British military action against it for eight months. Eventually, it was Germany, not Britain or France that began offensive military action in Western Europe.¹⁰¹

Military Leadership Disposition

The *Wehrmacht's* rearmament programs, offensive doctrine, and Germany's elaborate strategic deception campaign allowed Hitler to build the physical military capacity to wage aggressive offensive war against his neighbors. To leverage that capacity to its fullest potential,

⁹⁸Mihalka, *German Strategic Deception in the 1930s*, 64–65.

⁹⁹*Ibid.*, 59.

¹⁰⁰*Ibid.*, 60.

¹⁰¹*Ibid.*, viii–ix.

Hitler needed military leadership that would execute his directives without question. Initially, the *Reichswehr* leadership supported Hitler's military-political policies. The Versailles Treaty limited the *Reichswehr*'s role to the maintenance of domestic order. Upon taking power, Hitler immediately renounced that role, a welcome change to military leadership that had long sought a return to its historic military mission of protecting the state. More importantly, Hitler promised to expand rearmament and return the *Reichswehr* to its rightful place of prominence in state affairs.¹⁰² However, Hitler began to assume a more aggressive and risky posture by 1936. Given the ambitious nature of his strategic objectives and the fact that the *Wehrmacht* was years from reaching its full rearmament objectives, it was natural for some military leaders to express concern. Hitler could not allow such concern to interfere with his goals.

Hitler may have decided as early as 1937 that he was taking the country to war. During the Hossbach Meeting on November 5, Hitler outlined to his three commanders-in-chief the scenarios under which Germany would begin its next war. The first was to wait until 1943 - 1945 when rearmament and military preparations would be complete; the second was to immediately take action against Czechoslovakia while France was distracted by internal problems; and the third was to attack France should it become involved in a war with another country.¹⁰³ Defense Minister von Blomberg, Army Commander-in-Chief Werner von Fritsch, and Foreign Minister Constantin von Neurath voiced objections to Hitler's apparent intent to wage war regardless of future political conditions.

By February 1938 Hitler and his inner circles found or fabricated enough evidence to remove each of them from their positions.¹⁰⁴ Hitler fired von Blomberg after finding that his wife

¹⁰²Deist, *The Wehrmacht and German Rearmament*, 21.

¹⁰³Layton, *The Third Reich 1933-45*, Chapter 7, Location 3736.

¹⁰⁴Steiner, *Hitler's Wehrmacht*, 33.

was a former prostitute, while Heinrich Himmler, commander of the SS, fabricated charges of homosexual conduct against von Fritsch, for which he was subsequently fired. Hitler then named himself minister of Defense and Supreme Commander of the *Wehrmacht* and appointed Wilhelm Kietel as his chief. Simultaneously, he appointed Walther von Brauchitsch as Army Commander-in-Chief, thereby consolidating his power over all military policy and action.¹⁰⁵

With regards to Admiral Raeder, Hitler had no such issues. Extremely aggressive in his pursuit of naval parity and his approach to the conduct of naval warfare, Raeder was one of Hitler's military leaders most willing to carry out offensive operations. It was under his watch that the German Navy sunk the British passenger vessel *Athenia* in September 1939, and he urged Hitler to take preemptive action against the possible British occupation of Norway in October 1939. It was also Raeder who, after identifying the importance of ocean transport to Britain's existence and war preparations, issued guidance to attack British shipping "with the greatest ruthlessness."¹⁰⁶ The German Navy thus began its practice of unrestricted submarine warfare, attacking unarmed ships and murdering survivors throughout the war.¹⁰⁷

Aggressive and obedient military leadership was the final piece of puzzle Hitler needed to ensure the *Wehrmacht* would carry out his strategic designs. He did not seek, nor did he tolerate dissenting points of view from his generals. Those who did not agree with his ambitious and belligerent strategy were replaced with those who either did or obeyed without question. In some areas, he inherited the right leaders, and in others, he had to find them. Either way, Hitler entered World War II with a subservient military force.

¹⁰⁵Steiner, *Hitler's Wehrmacht*, 34–36.

¹⁰⁶*Ibid.*, 57.

¹⁰⁷*Ibid.*

The Rise of the Nazi Party in Germany

In 1928, the German Republic seemed to at last have shaken its economic woes and the devastation it incurred following World War I. Productivity, retail sales, and unemployment were all at their best levels since before the war and indicated a level of general prosperity that reached most of its citizens. At that time, German citizens viewed the Nazi party more-or-less as a joke, its having only gathered a dozen of Parliament's 491 seats in the 1928 election.¹⁰⁸ Five years later, Chancellor Hitler and the resurgent Nazi party stood on the verge of consolidating its power and completing the Nazification of Germany.¹⁰⁹ What only a few years earlier seemed to be a vibrant democracy on the road to full integration and recovery from World War I was now in the hands of an aggressive, ambitious dictator who would lead it on an irreversible strategic breakout towards World War II. Although the appointment of Hitler as Chancellor of Germany on January 30, 1933 was a crucial moment in the rise of the Nazi Party, the democratic Weimar Republic was dead long before that day - the victim of a troubled domestic climate, deep resentment over Germany's reduced prominence in the international order, and the instability of the political system itself. Understanding how such a rapid, ideological transition in political leadership could occur has important implications for the possibility of Chinese strategic breakout.

The Interwar Domestic Climate

From the time of its establishment at the end of World War One, the Weimar Republic faced substantial domestic obstacles. The powerful, established social and business elite never fully supported the idea of a democratic Germany. To the contrary, they viewed the democratic republic as a weak form government and associated it with the humiliation of defeat in World

¹⁰⁸Shirer, *The Rise and Fall of the Third Reich*, 118.

¹⁰⁹*Ibid.*, 188.

War I and the resulting terms of the Treaty of Versailles. Rather than accept blame for the fall of Germany themselves, the political and military elite preferred to blame their military defeat on an internal Jewish and Communist conspiracy, their post-war domestic problems on the Weimar Republic.¹¹⁰ For the duration of the Republic's existence, conservatives sought ways to strengthen their power and return Germany to its imperial roots.¹¹¹ These efforts eroded the fragile foundation of the young democracy, and proved a difficult obstacle to the establishment of effective government.

Economic problems also contributed significantly to the negative domestic climate in which the Weimar democracy had to govern. The costs of World War One, post-war reconstruction and reparations, extensive social welfare programs and the global depression from 1929 - 1933 combined to wreak havoc on the German economy.¹¹² The French Army occupied the Ruhr after Germany fell behind on its reparation payments in 1923. To resolve the situation, the leaders of the Weimar Republic adopted inflationary policies that eroded German middle-class savings.¹¹³ German peasants were unable to support themselves because of the collapse of agricultural prices, while industrial workers suffered from skyrocketing unemployment.

Beginning in the 1930s, the Depression provided Hitler with the opportunity to capitalize on the despair of the people and gain their vote, and as well to convince political leaders that he could deliver Germany from its grim circumstances.¹¹⁴ Because much of Germany's success in the 1920s depended on American loans, the stock market crash of October 24, 1929 had

¹¹⁰Murray, "The World in Conflict," 314–315.

¹¹¹Layton, *The Third Reich 1933-45*, chap. 1, Location 143.

¹¹²*Ibid.*

¹¹³Murray, "The World in Conflict," 315.

¹¹⁴Shirer, *The Rise and Fall of the Third Reich*, 135.

devastating effect on its economy. The loans evaporated, and decreased global demand for German exports meant that it could not afford essential imports of food and materials to support its population and industries. Plants shut down, unemployment rose and small businesses closed – Germany was ripe for political change away from the Weimar Republic and vulnerable to Hitler's brainwashing rhetoric.¹¹⁵ The Great Depression severely weakened the trade unions, whose enormous power enabled them to crush a 1920 right-wing putsch against the republic by calling a general labor strike. Though unions were largely anti-Nazi, by 1933 the economic straits reduced their numbers and their influence to the point that many within the union leadership naively hoped instead to cooperate with the Nazi Party.¹¹⁶

The democratic government of the Weimar Republic never enjoyed widespread popular support. Though the Social Democratic Party and German Nationalist People's Party were committed to democracy, they failed to establish coalitions with smaller political parties, and therefore never secured majority political support.¹¹⁷ Several fractured parties acted strictly in support of their own interests, and failed to develop consensus solutions in the best interest of the Republic. Popular discontent with the ineffective government manifested itself in the Reichstag election of July 1932. Despite the fact that it garnered only 37 percent of the total vote, because of the lack of cooperation amongst smaller parties to join forces, the Nazi party became the largest and most powerful in the Reichstag.¹¹⁸ In mid-December, Schleicher cancelled Papen's wage cuts, tax increases, and agricultural quotas and confiscated 800,000 acres from bankrupt Junker estates to redistribute to 25,000 peasant families. The plan backfired when laborers refused to trust him

¹¹⁵Shirer, *The Rise and Fall of the Third Reich*, 136.

¹¹⁶Layton, *The Third Reich 1933-45*, chap. 1, Location 394.

¹¹⁷*Ibid.*, chap. 1, Location 143.

¹¹⁸*Ibid.*, chap. 1, Location 181.

for his word and the wealthy rose against him for backing unions and peasants with what they believed were communist policies.¹¹⁹

To consolidate power, Hitler recognized the necessity of gaining the support of two powerful entities - the German Army and powerful businessmen. Through speeches and widely circulated publications, Hitler appealed to the military leadership to reject the Social Democratic government of the republic, while simultaneously warning them of the dire fate that awaited them should they support the Communist Party. "You may then become the hangmen of the regime and political commissars, and if you do not behave your wife and child will be put behind locked doors. And if you still do not behave, you will be thrown out and perhaps stood up against a wall."¹²⁰

Hitler began to garner support from the financial and industrial leaders of Germany as well. By 1931, business leaders began to believe that the Nazis would come to power, and attempted to shape future conditions in their favor. They began pouring money into the party in hopes that when he did come to power, Hitler would be indebted to them and do their bidding. However, Hitler was also shaping the future in his favor, courting German private enterprise with rhetoric in support of the free market in order to secure their support, and therefore their pockets.¹²¹ The coal and steel moguls of Germany were some of Hitler's largest contributors, and provided him with the financial resources necessary to complete his ascension to power from 1930 - 1933. Powerful businessmen from all fields, however – including large banks and manufacturing firms -- provided financial support to the party.¹²²

¹¹⁹Shirer, *The Rise and Fall of the Third Reich*, 179–180.

¹²⁰Ibid., 139.

¹²¹Ibid., 143.

¹²²Ibid., 144.

German Discontent with the International Order

The European Allied Powers presented the Treaty of Versailles to Germany for signature on May 7, 1919. In addition to forcing Germany to cede all of its overseas imperial territories to the League of Nations - and continental territory to Poland, Denmark, Belgium, Czechoslovakia, and France - the treaty severely limited the size and structure of German armed forces and demanded that Germany accept full responsibility for starting the war. The harsh terms of the treaty had a devastating effect on Germany's domestic climate and its perception of the international order, and sparked resentment and anger that would help propel the Nazi Party to power.¹²³ Hitler capitalized on the collective German despair, campaigned relentlessly to the hungry, disenchanted people, and promised to restore Germany to greatness by refusing to pay war reparations and rejecting the Versailles Treaty.¹²⁴

At the end of World War One, Germany remained the most economically and politically powerful nation in Europe, a fact that further increased its fury over the humiliating provisions of the Treaty of Versailles. Under the terms of the treaty, Germany ceded territory to Poland, Denmark, and Belgium along with its overseas empire, paid large war reparations to Allied countries, and lost its navy.¹²⁵ Additionally, the treaty severely restricted the size and composition of its army, limiting it to 100,000 total soldiers and prohibiting tanks, aircraft, and artillery pieces larger than three inches in caliber.¹²⁶ These terms left Germany a much weaker military power relative to the other large nations in Western Europe.¹²⁷

¹²³“Treaty of Versailles, 1919.”

¹²⁴Shirer, *The Rise and Fall of the Third Reich*, 138.

¹²⁵Murray, “The World in Conflict,” 314.

¹²⁶Showalter, “Prussian-German Operational Art, 1740 - 1943,” 48.

¹²⁷Geyer, “German Strategy in the Age of Machine Warfare, 1914-1945,” 554.

Hitler seized on the German people and leadership's discontent with the international order by making populist appeals to their national and ethnic pride and fear of international designs against German power. He presented Germany with an ideology in which the German people were a superior race destined to establish the world's greatest civilization. Standing in its way were the other races - the "sub-human" Slavs, and more importantly, the Jews, who created the evils of capitalism and communism.¹²⁸ Although conservatives did not necessarily agree with firebrand ideology of Hitler, the movement inspired a sense of pride and nationalism not seen in the previous ten years. Furthermore, his renunciation of the constraints under which the Treaty of Versailles placed the nation and – more importantly – the German Army, resonated within the officer corps. At the trial of three *Reichswehr* officers accused of spreading Nazi propaganda, Hitler testified and insisted that he would restore the Army to its previous power rather than dissolve it.¹²⁹

The German Political System

On February 27, 1925, only a few months released from his prison sentence for attempting an armed coup against the German Republic in 1923, Hitler addressed a resurrected Nazi Party at a beer hall in Munich. In his speech, Hitler made clear his intentions to lead the Nazis to power in Germany. He declared the German government, as well as Marxists and Jews, to be enemies of the German people, and he made veiled threats to once again use force against the State to seize power. Bavaria, along with the rest of the German states, quickly forbade Hitler from speaking in public, but silencing him did not eliminate his influence or pursuit of power, it

¹²⁸Murray, "The World in Conflict," 320.

¹²⁹Shirer, *The Rise and Fall of the Third Reich*, 140–142.

simply forced him to change approaches.¹³⁰ Hitler, unlike other historical revolutionaries, now sought to achieve power not by force, but through election and the support of government officials in accordance with the constitution.¹³¹ The poor domestic climate and general dissatisfaction with Germany's reduced international influence contributed immensely to Hitler's rise, but it was the self-interest, intrigue, and general instability of and within the political system that allowed him to consolidate his power legally.

In 1930, Chancellor Hermann Mueller, head of the last democratic coalition government prior to the Third Reich, resigned from the Reichstag amid the economic turmoil. Kurt von Schleicher, head of the Army's Ministry Bureau, convinced President Hindenburg to appoint Heinrich Bruening as Chancellor, part of his scheme to re-make the republic, which he saw as weakened by the plethora of self-serving political parties, none of which could set aside their political interests to come to a consensus for the good of the Republic. He felt that the Republic needed a strong Chancellor to govern through the current crisis, and encouraged the President and Chancellor to bypass parliament. His two fatal mistakes were in politicizing the military and in miscalculating the type of government the voters wanted.¹³² Bruening was a well-intentioned, democratic patriot whose attempts to restore political and economic stability unwittingly set the conditions for Adolf Hitler's rise to power. After failed attempts to pass critical financial measures, Bruening and Hindenburg dissolved parliament in July 1930 and scheduled new elections on September 14. Hitler did not fail to seize the opportunity. To even Hitler's surprise, the Nazi Party seized 107 seats in Parliament and became its second largest party. It was now impossible for the Chancellor to work with a majority party in the Reichstag, and therefore nearly

¹³⁰Shirer, *The Rise and Fall of the Third Reich*, 119–120.

¹³¹*Ibid.*, 135.

¹³²*Ibid.*, 150–152.

impossible for him to run the Republic by a majority of Parliament.¹³³ Article 48, of the Weimar constitution, however, gave the president power to override the government and constitutional rights of the people in emergencies, and Hindenburg decided to use that power. The decision by Hindenburg and his chancellors to rule by emergency decree from 1930-on undermined the principles of democracy and provided fuel for discontent among all parties.¹³⁴ Continuing to act in self-interest instead of national interest, the leaders of every party jockeyed for power in a series of parliament dissolutions, plots of intrigue, and emergency elections that produced a rotating door of government, each seemingly more inept than the last.

Hitler attempted to secure power by running for president against the 85-year old Hindenburg in the 1932 election. However, by the end of the second election poll on April 10, Hindenburg seized a clear majority over Hitler, and the outlook for the Nazi party looked bleak.¹³⁵ The Reich government dealt another blow to Nazi aspirations on April 14, 1932, when it issued an order banning Hitler's S.A., by force if necessary.¹³⁶ It was at that time, however, that true intrigue began. Schleicher undertook a smear campaign to undermine the existing government while simultaneously establishing contacts with the S.A. and Nazis. His hope was to bring both under his control by incorporating the S.A. into the Army as a militia and bringing Hitler into the Reich as a government official. By scheming with Hitler to discredit Brüning and persuading Hindenburg of their incompetence, Schleicher forced his resignation and cleared the way for a new government, one that he intended to control as Chancellor.¹³⁷

¹³³Shirer, *The Rise and Fall of the Third Reich*, 137–138.

¹³⁴Layton, *The Third Reich 1933-45*, chap. 1, Location 176.

¹³⁵Shirer, *The Rise and Fall of the Third Reich*, 159.

¹³⁶*Ibid.*, 160.

¹³⁷*Ibid.*, 161–163.

After Bruening's resignation, a series of parliamentary dissolutions, elections, and back-stage maneuvers by multiple people attempting to consolidate power for their own interests threw the government into chaos. Hindenburg appointed Franz von Papen as Chancellor on June 1. Three days later he dissolved parliament and scheduled elections on July 31. He deposed the government of Prussia and banned political marches leading up to the election, irritating Hitler and Schleicher.¹³⁸ The election on July 31 gave the Nazis 37 percent of the seats in Parliament, making it the largest party.¹³⁹ Schleicher and Hitler then cooperated in an attempt to unseat von Papen by demanding from Hindenburg the appointment of Hitler as Chancellor, which Hindenburg denied. Because he could not secure majority support for his government, von Papen again dissolved parliament on September 12, and scheduled the fourth election of the year for November 6. In that election, the Nazis still captured a plurality of votes, but lost seats in parliament, and it appeared as though Hitler's quest for absolute power had stalled.¹⁴⁰

Schleicher, however, still sought power for himself, and forced Hindenburg to request von Papen's resignation by withdrawing the *Reichswehr's* support for the Chancellor. Hindenburg succumbed to Schleicher's pressure, and on December 2, appointed Schleicher as Chancellor. Schleicher attempted to split the Nazi party and gather broad support by wooing Gregor Strasser, Hitler's number-two man, into supporting his government, and by making overtures to labor unions.¹⁴¹ Schleicher's plans did not work, as he had made too many enemies

¹³⁸Shirer, *The Rise and Fall of the Third Reich*, 165.

¹³⁹Geoff Layton, *Germany: The Third Reich, 1933-45*, Access to History (London: Hodder & Stoughton, 1992), 30.

¹⁴⁰*Ibid.*, 37.

¹⁴¹*Ibid.*

in his plot for power. At the end of 1932, the government of the German Republic was a mess – a tangled web of intrigue and double-crossing that was inching Hitler closer to power.¹⁴²

As soon as Schleicher became Chancellor, Hitler and von Papen conspired to topple his government and replace it with their own, which was to feature Hitler as Chancellor and Papen and his supporters as ministers. Oskar von Hindenburg, the president's son, met privately with Hitler on January 22, 1933, and Hitler made a significant enough impression on him that he suddenly felt that the government needed to take in the Nazi Party.¹⁴³ On January 30, 1933, Hindenburg, under legal terms, appointed Hitler as Chancellor. At this point, though the Nazis held only three of eleven seats in the cabinet, the fate of the democratic Republic of Germany was sealed.¹⁴⁴ The conservatives who colluded with Hitler believed that, by outnumbering him in the cabinet, they could keep him in their pocket and use him to serve their goal of ending the Republic without the fear of unbridled Nazism. They were soon proven wrong.

Within days of taking office, Hitler convinced his cabinet, consisting mostly of nationalists, of the hopelessness of forming a majority government and requested the dissolution of the Reichstag. To this the President agreed and new elections were scheduled for March 5, 1933. With the full resources of the government and big business at its disposal, the Nazi Party conducted an electoral campaign of terror designed to intimidate anti-Nazis and consolidate power.¹⁴⁵ Hitler blamed a February 27 arson fire at the *Reichstag* on the Communist party and used it to convince Hindenburg to suspend individual freedoms, allowing the Nazis to arrest any

¹⁴²Shirer, *The Rise and Fall of the Third Reich*, 175.

¹⁴³Layton, *Germany*, 38.

¹⁴⁴Shirer, *The Rise and Fall of the Third Reich*, 178–184.

¹⁴⁵*Ibid.*, 189–191.

dissenters without question.¹⁴⁶ This drastically tilted the odds of the March 5 election in the Nazis' favor. The Nazis failed to capture a clear majority, at only 44 percent of the total vote, so Hitler still had work to do in order to gain the two-thirds majority he needed to authorize his dictatorship. This he would achieve under the cloak of legality when the Reichstag convened on March 23rd. Hitler introduced the "Enabling Act," which transferred the full power of the Reichstag over to the Chancellor and cabinet for four years. He ensured two-thirds approval by utilizing his newly acquired powers to prevent Communist Party members from entering the session, and after an uncharacteristically modest speech, the Reichstag willingly handed over its powers to Hitler by a vote of 444 to 94.¹⁴⁷

The reasons for the fall of democracy in Germany were many. Each party had its hand in promoting or allowing Hitler's rise to power. In the end, a combination of three factors created the perfect storm that would destroy the Republic. The depression, which resulted in millions of unemployed, fractured the majority support for the Social Democrats, who so faithfully supported to republic, and splintered the masses between the Democrats, Communists, and Nazis. Second, the leaders of the fractured majority of Germany failed to recognize the true danger of Hitler and temporarily set aside their differences to unite against the threat of Nazi dictatorship. Third, the German constitution, intended to prevent consolidation of power, facilitated a revolving door of government officials and parliamentary houses - both institutions able to dissolve or remove the other on a whim or through political maneuvering and backdoor deals. If the presidential cabinet did not enjoy majority support within the Reichstag, it could simply ask the president to dissolve parliament and hold new elections in hopes of achieving it. If the Reichstag did not approve of the

¹⁴⁶Layton, *The Third Reich 1933-45*, chap. 1, location 329.

¹⁴⁷*Ibid.*, chap. 1, location 345.

Chancellor or his cabinet, it could vote him out of office. The resulting instability prevented meaningful action in response to the economic crisis upon which the Nazis capitalized.

Case Study Conclusions

In hindsight, it is difficult to understand why the international community did not react more assertively to Hitler's provocative foreign policy and military aggression. Obviously, the populations of Great Britain and France were still weary from the experience of World War I, and policy makers probably assumed that Germany had no more of a stomach for war than did the Allied nations. However, with the benefit of an historical perspective, several factors emerged that allowed Germany to rearm and initiate World War II. Germany's domestic climate was in peril; with suffering from the Great Depression amplified by the debts it owed the victors of World War I. Combined with its isolation from the international community, Germany's domestic problems resulted in a disaffected population that was willing to support any party that offered hope for improvement. Hitler took advantage of these conditions and the weak political system of the Weimar Republic to seize and consolidate power against all odds. Once in power, he took advantage of international complacency and war weariness to rearm Germany without interference – first covertly; then overtly. The Chinese Communist Party is not the Nazi Party, but it is clearly building the military capacity required to dominate its neighbors. In analyzing the conditions that contributed to Germany's strategic aggression, the factors that emerge provide a useful framework against which to analyze modern China.

CASE STUDY: MODERN DAY CHINA

As Becker stated in his analysis of Soviet strategic breakout, determining the policy and strategy of potential adversaries of significant cultural difference is enigmatic, because "the attempt to develop a pattern of force capabilities in relation to strategic opportunities and enemy intentions is little more than an image of [American] rationalization imposed on a background of

single-dimension malevolence. Under these conditions, threat analysis may succeed only in making actual behavior continually surprising."¹⁴⁸ In other words, attempting to decipher China's strategic ambitions is difficult, because any interpretation of their activities by western analysts will be tainted by Western cultural biases and logic. For policy makers and military planners, it may therefore be more helpful to analyze the current conditions in China and monitor them in order to identify changes that could make strategic aggression more likely. As identified in the German case study, military expansion, deception, doctrine, and subservient military leadership produced the military capacity for strategic aggression. A poor domestic climate, international humiliation, and political instability set conditions for the rapid, aggressive leadership transition to the Nazi dictatorship that marched Germany into war. This case study will assess the current state of China in each of these areas and identify those in which significant negative changes could increase the likelihood of strategic aggression. Although China is notoriously secretive about its government and military processes, modern information technology and globalization provides enough information to allow a general assessment of the military, domestic, and political landscape of China. Such an assessment shows that China is clearly developing the physical military capacity to wage strategic offensive warfare, it has some aggressive senior military leaders but they remain subservient to the Chinese Communist Party, and its cyber and espionage operations indicate a significant level of secrecy and deception. These factors create the potential for large-scale offensive military action. In conjunction with that potential, a significant negative change in China's military doctrine, domestic climate, perception of international order, or Communist Party stability would provide warning of an increased likelihood of political and strategic aggression.

¹⁴⁸Abraham S. Becker, *Strategic Breakout as a Soviet Policy Option* (Santa Monica, CA: Rand, March 1977), 10.

China's Potential for Military Aggression

The year 1989 marked the beginning of a sustained period of substantial military reform and investment for the People's Republic of China. The Tiananmen Square incident – during which the PLA used lethal force to quell pro-democracy demonstrations – taught the Chinese Communist Party two important lessons. First, several officers of the PLA hesitated to use military force against demonstrators when directed. This lack of complete obedience signaled a need to reaffirm the PLA's loyalty to the Party.¹⁴⁹ Second, the United States imposed several military and trade sanctions against China in response to the incident. China depended heavily on foreign weapons and technology to arm the PLA, and the sanctions brought the realization that it needed to be able to indigenously develop and produce military platforms to reduce its vulnerability to such action. The sanctions also created in the United States a possible future enemy, and the technological superiority that it displayed in its victory over Iraq in 1991 exposed a large gap in military capabilities of the two countries.¹⁵⁰ Previously, military modernization ranked lowest in priority of Deng's "four modernizations." After the Gulf War, it became a top priority and only gained urgency after the Taiwan Strait crisis of 1995 and 1996, during which the U.S. was able to position multiple aircraft carrier groups in the Taiwan Strait and effectively deter Chinese aggression.¹⁵¹ Those crises convinced China that it would need to deal with the U.S. military in any campaign to regain the island, thus reinforcing the necessity of modernization.¹⁵²

¹⁴⁹June Teufel Dreyer, "Recent Development in the Chinese Military," in *A Military History of China*, ed. David Andrew Graff and Robin D. S Higham (Lexington: University Press of Kentucky, 2012), 287.

¹⁵⁰Ezra F Vogel, *Deng Xiaoping and the Transformation of China* (Cambridge, Mass.: Belknap Press of Harvard University Press, 2011), 551.

¹⁵¹Teufel Dreyer, "Recent Development in the Chinese Military," 286–287.

¹⁵²"Jane's Sentinel Security Assessment - China and Northeast Asia", August 8, 2012, 263,

The need to reform the PLA into a politically reliable and modern military force resulted in the CCP instituting double-digit PLA budget increases that continue today. Supported by rapid and sustained economic growth, China's military reform and modernization program resulted in the development and procurement of several modern weapons systems that provide it with formidable offensive and defensive capabilities; produced substantial changes to military doctrine; and reassured continued subservience of PLA leadership to the CCP.¹⁵³

Chinese Military Modernization and Development

China's rapid military expansion has produced dramatic qualitative and quantitative weapons system improvements and acquisitions in recent years. Between 1988 and 2010, China increased its disclosed defense spending from 21.53 billion yuan to 519.1 billion yuan – approving double-digit budget increases in every year except 2003.¹⁵⁴ A combination of intense research and development, foreign purchases, espionage, and reverse engineering has yielded across-the-board advancements in military capabilities, a handful of which have raised concerns in foreign countries because of their strategic consequences. Active programs in the development of aircraft carriers, submarines, anti-ship ballistic missiles, and stealth aircraft along with a robust cyber attack efforts have the potential to alter the global military strategic balance.¹⁵⁵ It is not simply the shifting balance of power that alarms the international community, but the possibility of offensive action that the nature of these systems implies.

http://sentinel.janes.com/subscribe/sentinel/country_report_doc.jsp?Prod_Name=CNAS&Sent_Country=China (accessed August 8, 2012).

¹⁵³Teufel Dreyer, “Recent Development in the Chinese Military,” 288.

¹⁵⁴*Ibid.*, 296.

¹⁵⁵*Ibid.*, 297–298.

On September 25, 2012, China officially placed its first aircraft carrier, the Liaoning, into service. At that time, experts doubted the significance of its launch, claiming that its only use was as a training vessel because China did not possess the technology to successfully land aircraft on its deck.¹⁵⁶ China quickly debunked that claim when, on November 25, 2012, its Defense Ministry announced that the PLA Navy successfully landed a Chinese-made J-15 fighter/bomber aircraft on the Liaoning during exercises.¹⁵⁷ In addition to the Liaoning, which is of Soviet origin, reports indicate that China plans to indigenously design and produce two conventional and two nuclear-powered aircraft carriers, with construction possibly underway on one of the carriers.¹⁵⁸ Military analysts are confident that China has much work to finish before it can claim to possess an operational carrier-based air power capability. In addition to developing doctrine and procedures to employ a carrier group, China needs to train enough pilots and technicians to employ a variety of aircraft on the carrier and practice operations under varying sea conditions alongside other vessels.¹⁵⁹ Notwithstanding the nascence of its capabilities, China's rapid development of carrier-based aviation clearly indicates a desired ability to project substantial military power in the near future. The U.S. Department of Defense estimates that China could launch its first indigenously produced carrier by 2015, with some sources estimating as early as 2014, and that it could have multiple carriers in service by 2020.^{160, 161} Continued progress to this end will have implications on both international and regional balances of power.

¹⁵⁶Perlez, "China Shows Off an Aircraft Carrier, but Experts Are Skeptical."

¹⁵⁷"China Lands Jet on first Carrier," *BBC*, November 25, 2012, sec. China, <http://www.bbc.co.uk/news/world-asia-china-20483716> (accessed January 1, 2013).

¹⁵⁸"Jane's Sentinel Security Assessment - China and Northeast Asia," 293.

¹⁵⁹"China Lands Jet on first Carrier."

¹⁶⁰Office of the Secretary of Defense, *Military and Security Developments Involving the People's Republic of China 2012*, 22.

China's submarine fleet reflects the priority it has placed on turning the PLA Navy into a formidable maritime power and strategic force. Benefitting from sustained investment over the past 30 years, the PLA Navy now operates the largest submarine force in Asia, boasting over 50 modern or near-modern submarines.¹⁶² In addition to its conventionally powered patrol and attack submarines, China now has multiple first and second-generation nuclear powered vessels in service, with development of third-generation vessels underway. Between 2004 and 2009, China commissioned into service two second-generation SHANG-class nuclear-powered attack submarines and two JIN-class nuclear-powered ballistic missile submarines. The attack vessels are capable of launching current and future long-range anti-ship cruise missiles.¹⁶³ China is developing the ballistic missile submarines in conjunction with the JL-2 submarine-launched ballistic missile. With an estimated range of 6,000 nautical miles, the JL-2 is capable of delivering a warhead to the continental United States from the Taiwan-Luzon area, and provides China with its first "reliable nuclear second-strike capability."¹⁶⁴

On January 11, 2011, while U.S. Secretary of Defense Robert Gates was visiting China, the PLA Air Force conducted the first test flight of its fifth-generation J20 stealth fighter prototype.¹⁶⁵ Whether or not China coordinated the test flight to send a message to the United States, it portended China's intention to quickly field a stealth fighter that could compete with

¹⁶¹"Jane's Sentinel Security Assessment - China and Northeast Asia," 293.

¹⁶²David Andrew Graff and Robin D. S Higham, *A Military History of China* (Lexington: University Press of Kentucky, 2012), 297.

¹⁶³Office of the Secretary of Defense, *Military and Security Developments Involving the People's Republic of China 2012*, 23.

¹⁶⁴"Jane's Sentinel Security Assessment - China and Northeast Asia," 291–292.

¹⁶⁵Andrew Scobell, *The J-20 Episode and Civil-Military Relations in China* (Santa Monica, CA: RAND Corp., 2011).

America's F-22 and Russia's T-50 fighters, and invalidated any doubts about China's ability to research, develop and manufacture modern military aircraft in a timely manner. The J-20 is China's first attempt to build a fifth-generation stealth aircraft, and it is similar in design to the F-22. Its size and ground clearance indicate that the J-20 will be capable of carrying large weapons loads over long ranges.¹⁶⁶ Sources reported to *IHS Jane's* in May 2012 that China possessed four complete J-20 aircraft, two of which had successfully completed test flights.¹⁶⁷

Russian aerospace experts are skeptical about the possibility of the Chinese indigenously developing the technology seen on the J-20. Although it is not a direct duplicate of Russian aircraft, as the Chinese J-11 is of the Russian Su-27, the J-20 contains technology from several different aircraft, including the American F-22 and the Russian Su-47. Others doubt that the airframe contains any stealthy material. Regardless of China's ability to develop its own fifth generation technology, it has clearly mastered and applied fourth generation technology acquired from Russia and is eagerly working to achieve technological independence. Producing aircraft that will match American and Russian performance from indigenously developed technology is a cornerstone of China's modernization plan and a large focus of its 2011 – 2015 Five Year Plan. Sources from China, Russia, and the Ukraine have reported to *Jane's* that China is exploring the possibility of developing a lightweight stealth fighter along the lines of the Lockheed F-35, and already has active programs to develop the high-thrust single engine that such a design would require. Whether or not China is currently capable of indigenously developing such aircraft, it is clearly moving in that direction, and at its current rate of development, it will not be long before it is. The PLA Air Force deputy commander, Lieutenant General Hei Weirong, told Chinese state

¹⁶⁶Teufel Dreyer, "Recent Development in the Chinese Military," 298.

¹⁶⁷"Jane's Sentinel Security Assessment - China and Northeast Asia," 280.

television program that the J-20 would be in operational use between 2017 and 2019, and Washington recently revised its estimated service date from no-earlier-than 2020 to 2018.¹⁶⁸

Perhaps most concerning to China's coastal neighbors and the United States Navy is China's rapid development of revolutionary anti-ship missiles, including land-based anti-ship ballistic missiles, as part of its anti-access / area denial strategy.¹⁶⁹ China realized the need for such a weapon when it had no effective deterrent against American carrier strike groups during the Taiwan Strait crises of 1995 and 1996. Developed from the DF-21 medium-range ballistic missile, the DF-21D anti-ship ballistic missile may be the world's first missile able to strike a moving ship from a ground-based mobile system, and its warhead speed makes it unlikely that U.S. Navy ship-based air defenses could effectively intercept it. Utilizing satellite and radar targeting guidance and possessing a suspected range of 1,500 - 2,000 kilometers, the DF-21D would force carrier strike groups to position themselves outside of F/A-18 strike range to avoid engagement, thereby inhibiting effective American defense of China's neighbors.¹⁷⁰ The U.S. Department of Defense estimates that China will have an operational inventory of 80 DF-21D missiles by 2015. These missiles will be in addition to a number of shorter-range anti-ship missiles China is developing for delivery by submarine, naval destroyer, and ground artillery systems.¹⁷¹

A final significant Chinese development program has been in the cyber warfare arena. In the past decade, several events have revealed the depth and breadth of China's cyber warfare

¹⁶⁸“Jane's Sentinel Security Assessment - China and Northeast Asia,” 281.

¹⁶⁹Teufel Dreyer, “Recent Development in the Chinese Military,” 298.

¹⁷⁰“Jane's Sentinel Security Assessment - China and Northeast Asia,” 300.

¹⁷¹Office of the Secretary of Defense, *Military and Security Developments Involving the People's Republic of China 2012*, 22.

efforts. In 2003, Chinese hackers may have targeted US power grids, causing electrical outages in several states.¹⁷² A short time later, a Chinese scholarly journal detailed how hackers could shut down the American power grid by a cyber attack.¹⁷³ In 2007, China tested a direct-ascent anti-satellite missile, successfully destroying one of its own and demonstrating its ability to attack foreign satellites.¹⁷⁴ In 2008, the US Federal Bureau of Investigation reported that the US government purchased Chinese-made imitation Cisco computer routers for use on classified networks that may have provided access to hackers.¹⁷⁵ Perhaps even more concerning is the sheer number of cyber intrusions that originate from China for the purposes of intellectual theft and intelligence gathering. In 2011, a number of attacks against US Department of Defense, government, and private networks traced back to China. Among the private networks attacked were many belonging to defense industry firms. However, the attacks are not limited to the United States. A Canadian investigation revealed that Chinese electronic spying operations penetrated 103 countries, attacking government, private, and non-governmental organization networks to either steal or corrupt data.¹⁷⁶ Most recently, American cyber-security firm Mandiant released a report that implicated China in hacking attacks that resulted in the theft of intellectual property from over 100 mostly American companies, including defense contractors and utility companies.¹⁷⁷ Perhaps most concerning is that Mandiant's investigation traced the attacks back to

¹⁷²“Jane’s Sentinel Security Assessment - China and Northeast Asia,” 398.

¹⁷³Teufel Dreyer, “Recent Development in the Chinese Military,” 298.

¹⁷⁴Office of the Secretary of Defense, *Military and Security Developments Involving the People’s Republic of China* 2012, 9.

¹⁷⁵“Jane’s Sentinel Security Assessment - China and Northeast Asia,” 398.

¹⁷⁶Teufel Dreyer, “Recent Development in the Chinese Military,” 298.

¹⁷⁷“Getting Ugly,” *The Economist*, February 23, 2013, <http://www.economist.com/news/leaders/21572200-if-china-wants-respect-abroad-it-must-rein->

PLA unit 61398, an elite unit of Chinese military hackers. This report represented the first presentation of “hard evidence” linking the government of China directly to hacking attacks.¹⁷⁸

These cyber programs are concerning for a number of reasons. In addition to the obvious threat of a cyber attack on US defense, commercial, and infrastructure networks, the theft of sensitive classified material and intellectual property could cause the United States to lose some of its technological advantage in both defense and commercial realms. Furthermore, the potential to disrupt satellite-based navigation and communication through physical destruction poses a serious threat to American military operations. When viewed in combination with China’s other weapon system programs and rapidly expanding expeditionary capabilities, the potential for aggressive offensive action certainly exists and provides reason for concern.

Chinese Military Training and Doctrine

Following the collapse of the Soviet Union and the devastating military capability that the US military displayed during the Gulf War, China began to revise its military doctrine from ground-based defense of the mainland to winning local wars against a technologically superior enemy under conditions of “informatization.”¹⁷⁹ This shift reflected China’s belief that the long held doctrine of the “people’s war,” designed to defend China from invasion by its contiguous neighbors, was no longer relevant in the face of more significant maritime threats from Taiwan, Japan, and the United States.¹⁸⁰ The US Navy reinforced this belief by sending two carrier groups

its-hackers-getting-ugly (accessed March 3, 2013).

¹⁷⁸“Smoking Gun,” *The Economist*, February 23, 2013, <http://www.economist.com/news/china/21572228-evidence-mounting-chinas-government-sponsoring-cybertheft-western-corporate> (accessed March 3, 2013).

¹⁷⁹Teufel Dreyer, “Recent Development in the Chinese Military,” 291.

¹⁸⁰Michael D Swaine and Ashley J Tellis, *Interpreting China’s Grand Strategy* (Santa Monica, CA: Rand, 2000), 124.

to the Western Pacific in response to the Taiwan Strait crises in 1995 and 1996, indicating that any action against Taiwan would also include the United States. Against such adversaries, “limited wars under high-tech conditions” require advanced weapons platforms and adequate doctrine to employ them.¹⁸¹ Thus, China weighted its modernization efforts heavily towards naval and air capabilities and revamped its military doctrine in order to decisively defeat regional rivals and prevent intervention by their potential defenders (mainly the United States).

The PLA developed an active defense doctrine to deny potential adversaries operational access to the East and South China Seas and prevent their ability to project air and maritime power to within striking distance of Mainland China.¹⁸² The Chinese doctrine aims to defeat a technologically superior enemy through “counter-intervention operations” by using what the U.S. Department of Defense labels “anti-access/area-denial” systems.¹⁸³ Adhering to three principles of “nonlinear, noncontact, and asymmetric operations,” China seeks to avoid contact with adversary forces by employing multiple weapons platforms in unpredictable fashion, attacking at the greatest depth possible, and maximizing the use asymmetric operations such as cyber and space attacks.¹⁸⁴ It is in support of this doctrine that China developed most of its modern naval, air, and cyber programs. At this time, it is clear by the defensive focus of China’s doctrine and most of its weapons development programs that China intends to avoid direct conflict with the United States, while at the same time deterring American intervention should it become engaged in regional conflict. As this paper explains below, there are a number of regional disputes that

¹⁸¹Michael D Swaine and Ashley J Tellis, *Interpreting China’s Grand Strategy*, 124.

¹⁸²Teufel Dreyer, “Recent Development in the Chinese Military,” 291.

¹⁸³Office of the Secretary of Defense, *Military and Security Developments Involving the People’s Republic of China 2012*, iv.

¹⁸⁴Teufel Dreyer, “Recent Development in the Chinese Military,” 291.

could produce a “local” war between China and a U.S. ally. Until now, the economic and military costs of such scenarios have allowed cooler heads to prevail in order to avoid conflict. A shift in the focus of China’s military doctrine to the offensive may indicate that more hawkish opinions are gaining influence in the PLA.

China’s Secrecy: Hiding its Capabilities and Biding its Time?

China's strategy is intentionally difficult to discern. As a one-party authoritarian regime, the CCP is under no pressure domestically to reveal its plans, ambitions, or intentions, and is even less inclined to do so with foreign powers. Following the advice of Deng Xiaoping in the national strategy he circulated in 1991, China may deliberately hide its capabilities and bide its time.¹⁸⁵ However, there are other reasons that China's long-term objectives are hard to interpret. Because of its culture, Chinese strategy seeks to exploit current conditions to its benefit and let those advantages determine the outcome, rather than the Western approach of determining an objective and designing a strategy to get there. Therefore, its future direction is dependent on future conditions.

China's top leaders today are vastly more open in policy and opinion than were their counterparts at the start of PRC, though they still promote the Party's agenda with a healthy dose of propaganda and slogans. At the lower levels, think tanks, academic institutions, and published journals promote a wide variety of views on national defense and international relations. The Chinese government itself funds much of this work, and many of the contributors participate in government policy debates. While the open source publications that result from these efforts are often a good source of information, widely distributed English publications could also be intended to deceive international readers. They tend to represent an academic or benign

¹⁸⁵ Friedberg, *A Contest for Supremacy*, 143.

perspective, and it is possible that much more aggressive policies are being suggested within the higher echelons of military and political institutions in China.¹⁸⁶ Compared to other developed nations, China's disclosure and reporting in key areas, such as defense budgets and foreign policy, are quite opaque. Because of this gap between publicly available discourse and secretive upper-level strategy, and interpretation of Chinese intentions "involve [inferential leaps and] acts of imagination, but that does not mean they should be permitted to become works of pure fiction. [Analysts must] be clear about where the facts inevitably leave off and speculation necessarily begins."¹⁸⁷

Though the government lays out very specific targets for economic growth, its plans for defense spending and force posture are not so lucid. The government publishes defense white papers, which outline vague expansion and development plans and roughly coincide with its economic goals of full development by 2050, including the 2008 white paper that foresaw completion of military modernization and ability to win "local wars in conditions of informationization" by mid-21st century.¹⁸⁸ The uncertainty as to China's intentions for its future military capabilities may also stem from within. Internal deliberations within the Chinese government are not known, but there are several studies and articles written within China that argue for increased military development, suggesting that a debate is indeed ongoing as to how large and to what end China's military should be developed.¹⁸⁹

Meanwhile, maintaining a low profile during its rise allows China to defer questions about its ultimate intentions. In the meantime, it appears that China is countering the perceived

¹⁸⁶Friedberg, *A Contest for Supremacy*, 122.

¹⁸⁷*Ibid.*, 123.

¹⁸⁸*Ibid.*, 150–151.

¹⁸⁹*Ibid.*, 151.

U.S. dual strategy of "conengagement" with a two-pronged strategy of its own: continue economic engagement for the benefit of the country while developing military capacity to counter U.S. efforts at containment in its region.¹⁹⁰ However, as China's military might matures and becomes more obvious, and its economic position more dominant, the perception of a weak or defensive China will disappear, and with it the option of biding its time and keeping a low profile. The question of what China will do at that point, with its fully developed military capacity, remains unanswered.

Leadership Disposition of the People's Liberation Army

When Deng Xiaoping ordered the PLA to use force to suppress the Tiananmen Square demonstrations in 1989, several military officers openly hesitated to use the army against the people. Though Deng was able, through influence he earned by military experience, to convince military leaders to follow his orders, he was not sure that his successors would be able to do the same under the present system. He determined that China needed changes in its civil-military structure to ensure effective party control of the PLA. Simultaneously, the harsh trade and military sanctions that America imposed on China in reaction to the Tiananmen Square massacre created in the United States a putative enemy, against which the CCP was able to unite the PLA.¹⁹¹

Following the Tiananmen Square incident, Deng Xiaoping made several changes in the civilian and military leadership structure to ensure PLA submission to political leadership. He required all military men to take an oath of loyalty to the party, not the state, to reiterate the fact

¹⁹⁰Friedberg, *A Contest for Supremacy*, 154–155.

¹⁹¹June Teufel Dreyer, "Recent Development in the Chinese Military," in *A Military History of China*, ed. David Andrew Graff and Robin D. S Higham (Lexington: University Press of Kentucky, 2012), 287.

that army served the party. He removed dual-position leaders (military officers who served in political positions) from the military hierarchy to prevent military interference in political affairs. Beginning with Jiang Zemin in 1992, the Chairman of the CCP also assumed duties as Chairman of the Central Military Commission, thus ensuring effective Party control of the PLA. The party briefly compromised this unity of command in 2002, when Jiang maintained his position as head of the Central Military Commission after Hu Jintao succeeded him as Chairman and President. However, within two years Jiang relinquished his position on the Military Commission to Hu and ended what many viewed as a conflict of power.¹⁹² President Hu Jintao reinforced this precedent in 2012 when he agreed to relinquish his position as Chairman of the Central Military Commission to Xi Jinping at the same time he stepped down as Chairman of the Party.¹⁹³

The relative power of the PLA in Chinese politics has declined significantly in the past decade. Senior military officers fill only two seats in the Politburo, and none in the more powerful standing committee or Secretariat. The CCP Central Military Commission and the PRC Central Military Commission, which are essentially identical organizations with different names, decide military policy. The Central Military Commission reports to the Politburo and Standing Committee, not the state council, so the CCP and not the PRC controls the PLA. The president of the PRC serves as chairman of the CMC, making him Commander-in-Chief of the PLA, which is China's unified military force. The CMC has eleven members and only two of them - the chairman and minister of defense - are civilians. The other members are the two senior military leaders of the PLA (vice chairs), the heads of the four PLA departments (staff HQs, political, logistics, and armament), and the chiefs of the three other services (Air Force, Navy, and II

¹⁹²June Teufel Dreyer, "Recent Development in the Chinese Military," 289.

¹⁹³"Shadow of Former President Looms over China's new Leaders," *CNN*, n.d., <http://www.cnn.com/2012/11/15/world/asia/china-leadership-reaction-cheng-li/index.html> (accessed January 7, 2013).

Artillery Corps).¹⁹⁴ On the surface, this may seem to create a division between the PLA and party and encourage military autonomy. However, the organizational structure also allows the military leadership to unify its position before presenting it to civilian leadership, and there are direct communication links between the party and military at the operational level. These mechanisms ensure both party control of the PLA and party consideration of military input in policy and strategy formulation, thereby facilitating unity of effort and reducing the chance of military autonomy.¹⁹⁵

China's Propensity for Political Aggression

That China is building military capabilities that will enable it to conduct strategic offensive military action within its region is clear. What is not clear is the capacity in which it intends to use those forces. China's current leadership publicly promotes a goal of peaceful development, a policy that tempers the threat of strategic aggression as long as it stands. For the chances of strategic aggression to increase, a more aggressive political ideology would need to take hold within China, and that is more likely to occur in conditions of deteriorating domestic climate, international relations, and political stability.

Over the past three decades, the CCP led China on a path of reform and development that dramatically increased its per-capita standard of living, improved its relative position in the international order, and maintained political stability. China's rapid economic growth and modernization began when former PRC leader Deng Xiaoping assumed power in 1978 and continues with the current party leadership. From 1980 to 2010, China's gross domestic product

¹⁹⁴Cheng Li, "China's Communist Party State: The Structure and Dynamics of Power," in *Politics in China : an Introduction*, ed by. William A Joseph (Oxford; New York: Oxford University Press, 2010), 173.

¹⁹⁵Teufel Dreyer, "Recent Development in the Chinese Military," 289.

per-capita, in current U.S. dollars, rose from \$193 to \$4,433, and it is now the world's second largest economy.¹⁹⁶ To fuel such rapid development, China opened itself to the world politically and economically, joining international institutions such as the World Trade Organization and United Nations Security Council. Consistent with China's increased participation in global politics, trade, and finance, the current CCP charter established an official goal of a "harmonious world."¹⁹⁷ Still, looming domestic issues, the desire of some Chinese strategists to adopt a more aggressive approach to international relations, and intra-party conflict could threaten the current stability of the political climate and open the door for aggressive leadership to secure power.

Domestic Climate

In 1978, China was a country in economic peril. Its agriculture system was disastrous and unable to sustain its population. State owned enterprises were failing and private enterprise was nonexistent. Deng Xiaoping recognized that the continued stability of China, and of course the Chinese Communist Party, depended upon its viability in the international world and its ability to grow and sustain itself. Upon taking power, Deng undertook several initiatives to open China's economy, facilitate growth, and modernize the country to improve the quality of life for all of its citizens. He gradually allowed greater individual freedom and private domestic business, opened China's economy to the outside world, and developed a robust education system to "emancipate minds" and develop creativity. Deng established economic goals of "modest wealth" by 2010 and

¹⁹⁶“World Bank Economic Data,” *The World Bank Group*, March 7, 2013, http://databank.worldbank.org/ddp/html-jsp/QuickViewReport.jsp?RowAxis=WDI_Ctry~&ColAxis=WDI_Time~&PageAxis=WDI_Series~&PageAxisCaption=Series~&RowAxisCaption=Country~&ColAxisCaption=Time~&NEW_REPORT_SCALE=1&NEW_REPORT_PRECISION=0&newReport=yes&IS_REPORT_IN_RE FRESH_MODE=true&IS_CODE_REQUIRED=0&COMMA_SEP=true (accessed March 7, 2013).

¹⁹⁷Henry Kissinger, *On China* (New York: Penguin Press, 2011), 490.

the completion of modernization by 2050, while maintaining the larger goal of the CCP to eradicate poverty fight backwardness. Unlike the previous generation of leadership, under which intellectuals and professionals were subordinated to the proletariat, Deng recognized their importance in furthering Chinese development, and held them in equal esteem to workers.¹⁹⁸

The current CCP charter, much like Deng's original economic goal, continues to focus on sustaining the achieved "modest wealth" and expanding it to all of the Chinese people. According to former president Hu, "economic development is still the central task."¹⁹⁹ Hu Jintao and Wen Jiabao, as the fourth generation of CCP leadership, represented the first Chinese heads of state that did not have personal experience in the communist revolution, and the first to take their positions when China was unquestionably emerging as a great power. This brought a different perspective to their management of the country, and instead of ideology driving policy, growth and prosperity drove it, albeit while adhering to communist ideological principles and ensuring the survival of the CCP.²⁰⁰ Their initiatives included reducing government intervention in microeconomic operations and enhancing China's capacity for independent innovation.

President Hu also expanded China's development strategy from one based solely on economic growth to one that incorporated quality of life improvement, cultural development and national pride. Instead of simply expanding economically through manufacturing and foreign investment, Hu recognized the need to improve social programs, nurture Chinese culture, and initiate citizen participation in the direction of the nation. Under Hu's leadership, the percentage

¹⁹⁸ John Naisbitt and Doris Naisbitt, *China's Megatrends : The Eight Pillars of a New Society* (New York: Harper Business, 2010), 67–71.

¹⁹⁹ Ibid., 71–72.

²⁰⁰ Kissinger, *On China*, 289.

of citizens receiving state-sponsored health care increased from 15 to 95.²⁰¹ Additionally, the CCP eliminated taxes and fees on rural farmers, tuition payments at state-run schools, created a small pension program for rural residents, and invested a reported 800 billion dollars in affordable urban housing.²⁰²

Unlike Mao, who sought to subdue Chinese culture and historical propensities, Hu and Wen embraced Confucian influence as evidenced by recent cultural initiatives. In 2004, China established the Confucius Institute in major cities across the world to promote Chinese language and culture. Partnering with existing educational institutions across the globe, from primary schools through universities, China established 322 Confucius Institutes in 96 countries.²⁰³ China demonstrated its cultural pride to the world during the opening ceremony of the 2008 Olympics by featuring Confucian scholars, and it also erected a statue of Confucius in Tiananmen Square, the same site at which the PLA killed protesters in 1989.²⁰⁴ Though small steps, these actions represent a shift in party thinking, away from strict communist ideology and towards cultural appreciation.

The CCP also recognized the need for China to have a limited mechanism to enable citizens to voice their opinions to policymakers. As a result, it developed initiatives to channel the growing enthusiasm of Chinese citizens for participation in public affairs by expanding orderly participation in politics at each level and field.²⁰⁵ Entering the twenty-first century, China saw the

²⁰¹“The Man who must Change China,” *The Economist*, October 27, 2012, 9.

²⁰²“Vaunting the Best, Fearing the Worst,” *The Economist*, October 27, 2013, 22.

²⁰³“Confucius Institute Headquarters,” *Confucius Institute Online*, May 31, 2011, http://english.chinese.cn/confuciusinstitute/article/2011-05/31/content_339769.htm.

²⁰⁴Kissinger, *On China*, 490–491.

²⁰⁵Naisbitt and Naisbitt, *China’s Megatrends*, 84.

first 20 years as a period of strategic opportunity, in which it could advance by "leaps and bounds." Both Hu Jintao and Wen Jiabao stressed the importance of not wasting the opportunity for development, as China had previously done during the catastrophes of the Great Leap Forward and Cultural Revolutions.^{206, 207}

When Xi Jinping was named as Hu Jintao's successor in October 2012, China's economy was quadruple its size a decade earlier and the country as a whole was in a vastly better position.²⁰⁸ A Pew Research Center poll in 2011 reported that two thirds of the Chinese population felt their lives were better now than five years prior, and 74 percent thought the future would be better.²⁰⁹ Thus far, China's rapid economic growth and resultant improvement in individual wealth was enough to keep the population happy. Looking forward, however, there are a number of significant domestic issues on the horizon that the new government must address to keep the support of its population. A slowing economy, multiple social and demographic problems, and general mistrust of the CCP are starting to surface and could pose major obstacles to domestic stability in the future.

For most of the past two decades, China has sustained double-digit economic growth. However, beginning with the global economic crisis in 2008, China's annual rate of growth slowed to single-digits for every year except 2010, with 2012 seeing 7.8 percent growth.^{210, 211}

²⁰⁶Kissinger, *On China*, 498.

²⁰⁷Dennis Tao Yang, "China's Agricultural Crisis and Famine of 1959-1961: A Survey and Comparison to Soviet Famines," *Comparative Economic Studies* 50, no. 1 (April 2008): 1.

²⁰⁸"The Man who must Change China," 9.

²⁰⁹Eric X. Li, "The Life of the Party," *Foreign Affairs*, February 2013, 41.

²¹⁰"World Bank GDP Data," *The World Bank Group*, March 7, 2013, <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG/countries> (accessed March 7, 2013).

²¹¹"Gross Domestic Product, 1-4 Quarters 2012," *National Bureau of Statistics of China*,

The reasons for slowing economic growth are too many for the scope of this paper, but significant factors include the rising cost of coastal manufacturing labor, appreciation of the Chinese Yuan reducing trade, and an overall reduction in the growth rates of global demand for Chinese goods. Additionally, state-owned banks monopolize business financing, giving preference to inefficient state-owned enterprises, thereby crowding out private enterprise and stifling growth. Though prediction of global economic cycles is difficult, most economists agree that the days of double-digit growth in China are over.²¹² The effects of such a slowdown could be harmful. China has invested massively in fixed capital and housing in anticipation of manufacturing, trade, and urban population growth, which has created a real estate and capital bubble. If growth fails to materialize as expected, excess capacity could cause the bubble to burst, resulting in bank failures, decelerating growth, and high unemployment.²¹³

Social and demographic challenges also loom large in China. Because of its manufacturing and trade focus, China's coastal areas are growing far faster than its inland cities and rural areas, creating a vast socio-economic disparity and growing inequality between urban and rural citizens. The disparity between rural poor and urban wealth has always been present and manageable because of geographic separation. However, economic growth and the resulting urban migration created large inner-city populations living in poverty, making the income gap strikingly clear and obvious to the poor urban workforce.²¹⁴ The most obvious way for China to

March 9, 2012,
http://www.stats.gov.cn/english/statisticaldata/Quarterlydata/t20130123_402868398.htm
(accessed March 9, 2012).

²¹²“Vaunting the Best, Fearing the Worst,” 24.

²¹³Friedberg, *A Contest for Supremacy*, 33–34.

²¹⁴Stefan A Halper, *The Beijing Consensus: How China's Authoritarian Model will Dominate the Twenty-First Century* (New York: Basic Books, 2010), 138.

pacify its increasingly restless urban poor is through continued growth, which, as already explained, will be difficult to maintain. China's aging population adds to the challenge of continuing quality of life improvement. Its one-child policy has created a demographic profile in which a shrinking labor force will soon need to support an increasing population of aging dependents.²¹⁵

Another major source of domestic discontent is the CCP itself. Widespread corruption and political elitism have eroded popular trust in the Chinese government. In April 2012, the CCP suspended Bo Xilai, the former governor of Chongqing province, from the Politburo amid widespread allegations of corruption and his wife's alleged murder of a British citizen after a financial falling-out.²¹⁶ Bo reportedly attained massive wealth through corrupt activities and intimidation, including the torture and jailing of citizens without due process.²¹⁷ While it may seem to be a positive sign that the CCP was willing to publicly charge one of its elite, the impetus for doing so was not solely ethical. Pressure from the British government to solve the murder of one of its citizens and the seeking of asylum by Bo's former security chief at a U.S. Consulate practically forced the CCP to act.²¹⁸ More often than not, corruption goes unchecked, not because the CCP does not care, but because lacks of transparency and political freedom make it easy to hide. Chinese politicians are not accountable to the court system, and web sites that attempt to

²¹⁵Philip Schellenkens and Xiaoli Wan, *China Quarterly Update: Sustaining Growth* (World Bank, April 2012), 4.

²¹⁶Christopher K. Johnson, "Beijing's Cracked Consensus," *Foreign Affairs*, April 18, 2012, <http://www.foreignaffairs.com/articles/137413/christopher-k-johnson/beijings-cracked-consensus?page=show> (accessed August 19, 2012).

²¹⁷Yasheng Huang, "Democratize or Die: Why China's Communists Face Reform or Revolution," *Foreign Affairs* 92, no. 1 (February 2013): 49.

²¹⁸Johnson, "Beijing's Cracked Consensus."

expose corruption are quickly shut down.²¹⁹ China's central bank briefly reported that Chinese officials embezzled \$120 billion out of China since 1990. Recently, a politician was photographed wearing a watch worth more than his annual salary.²²⁰ Such blatant corruption has resulted in an increasing lack of trust in party officials. When polled, the most respected party members among the population tend to be former reformers such as Deng Xiaoping. Hu Jintao and Xi Jinping, recognizing the problem, have both made the elimination of corruption a party priority.²²¹ If it is not successful, support for the party could continue to dwindle.

China's Role in – and Satisfaction with – the International Order

According to Chinese history, China has long been a great power. For two thousand years, China was the world's leading economy and most advanced society in Asia. After leading Asian civilization for centuries, China experienced a "Century of Humiliation" at the hands of Western civilization and the Japanese in the nineteenth and twentieth centuries. Beginning with the Opium Wars against Britain in 1842, continuing with Japanese expansion and invasion of the Chinese mainland in the 1930s, and culminating with American intervention and protection of Chiang Kai Shek's nationalist forces in the civil war of the 1940s, the "Century of Humiliation" is seen as a brief period of weakness in a long history of greatness.²²² Therefore, China does not see itself as rising to regional dominance, but "returning" to it. China's fall from preeminence was an anomaly that it now seeks to correct.²²³ China's rise from the "Century of Humiliation" began

²¹⁹"The Man who must Change China," 9.

²²⁰Huang, "Democratize or Die," 52.

²²¹"Grandpa Wen Bows Out," *The Economist*, n.d., <http://www.economist.com/blogs/analects/2013/03/chinas-parliament> (accessed March 9, 2013).

²²²Halper, *The Beijing Consensus*, 153–154.

²²³Friedberg, *A Contest for Supremacy*, 157–158.

in 1978 with Deng Xiaoping's economic reforms and gained momentum with expanded reforms in the early 1990s. The growth has continued unabated until today, with China experiencing double-digit economic growth for two decades until 2008.

China's growth and size has earned it respect on the international stage. Although in some senses China is still a developing country, by relative measures of its aggregate strength, it is already a "great power." The size of its population, location and extent of territory, share of the global economy, and size of its military qualify it as such without question. It is one of a few countries with strategic interests in every part of the world, and is widely considered the only nation with the ability to supplant the United States as the premier global power.²²⁴ It is one of the five permanent members of the UN Security Council and is that body's largest contributor of troops to UN peacekeeping missions.²²⁵ Admitted to the World Trade Organization in 2001, China is now the world's largest manufacturer and second largest economy. China's position of relative power at the turn of this century provided the President and Premier, for the first time, the opportunity to base their foreign policy not on a future goal or desired position, but on China's current strength.

The CCP has embraced an official goal of a "harmonious world." Their foreign policy seeks to avoid drastic moves, maintain good relations with the United States, and secure access to raw materials to support growth and development.²²⁶ In the mid-2000s, China convened a series of lectures and study sessions between leading academics and top political leadership on the rise and fall of great powers. Aimed at determining how historical powers came to be, why they

²²⁴Nathan and Scobell, "How China Sees America," 32.

²²⁵"China's Military Rise: The Dragon's New Teeth," *The Economist*, April 7, 2012, <http://www.economist.com/node/21552193> (accessed October 10, 2012).

²²⁶Kissinger, *On China*, 490.

engaged in frequent conflict, the causes of their failures, and how an emerging power might rise to prominence without engaging in military conflict with existing powers.²²⁷ In 2005, Zheng Bijian, then chairman of the China Reform Forum and an influential policy figure, published "China's 'Peaceful Rise' to Great Power Status" in *Foreign Affairs*, an article designed to explain China's long-term goals and alleviate concerns over its military expansion. In it, Zheng explained that China's rise would not follow the violent paths of Japan and Germany that led to World War II. Instead, China would use peaceful, incremental development to establish a new international order based on economic globalization and "democratization of international relations."²²⁸

However, China's view of the international order is not a singular vision of harmony. China currently assesses the dominant global trends to be "globalization", "military interventionism", and "hegemonism and power politics," which provide reason for both optimism and skepticism in the eyes of China's policy makers.²²⁹ China's emergence (or reemergence) as a global economic power and its participation in international institutions have made it an integral part of the global community. However, regional disputes and fundamental ideological differences with the West, particularly with the United States, are major sources of frustration for China and could spur aggressive political leadership if they come to dominate strategic opinion.

China's International Integration

China is indispensable to the world economy, and reciprocally, it is dependent on it for continued growth and sustainment. When Deng Xiaoping became the leader of the PRC in 1978,

²²⁷Kissinger, *On China*, 498.

²²⁸Zheng Bijian, "China's 'Peaceful Rise' to Great-Power Status," *Foreign Affairs*, September 1, 2005, <http://www.foreignaffairs.com/articles/61015/zheng-bijian/chinas-peaceful-rise-to-great-power-status?page=show> (accessed November 18, 2012).

²²⁹Friedberg, *A Contest for Supremacy*, 126–127.

he re-focused Chinese strategy from politics and ideology to economic growth and education, and the results are evident.²³⁰ By 2008, China's foreign trade totaled over \$2.5 trillion, and it is expected to surpass the United States as the world's largest economy by 2050.²³¹ In addition to producing a huge trade surplus, China's manufacturing and economic expansion has had the reciprocal effect of fueling demand for energy and raw materials, including oil, gas, wood, steel and copper, many of which it must import.²³² Therefore, China is dependent on foreign markets not only to fuel demand for its exports, but to import the materials it needs to sustain growth and production. To support its development goals, China has fully integrated itself into global trade and finance, and increased both domestic and international foreign direct investment.

China's export-dependent growth strategy requires international trade, not only with developed markets for the sale of finished goods, but with developing markets for the purchase of raw materials. Because of this, China has substantially increased its investment in emerging markets. According to the World Trade Organization, trade between China and Latin America increased from \$8.3 billion in 1999 to \$102 billion in 2007.²³³ It is in Africa, however, that China is making its largest push. China recently displaced the United States as Africa's largest economic partner, with over \$100 billion in annual trade in 2011.²³⁴ China's economic trade with Africa is expanding rapidly, partially because it applies no governance or human rights conditions on the nations with which it trades. These developing markets are an important source of

²³⁰Naisbitt and Naisbitt, *China's Megatrends*, 233.

²³¹Friedberg, *A Contest for Supremacy*, 35.

²³²Naisbitt and Naisbitt, *China's Megatrends*, 155.

²³³*Ibid.*, 159.

²³⁴Solange Guo Chatelard, "Viewpoint: Africa Must do More to Profit from China," *BBC*, May 22, 2012, sec. Africa, <http://www.bbc.co.uk/news/world-africa-18143515> (accessed October 11, 2012).

materials for Chinese manufacturing and development, but they have not reduced China's need for trade with developed markets. Over the past three decades, China and the United States have become economically interdependent. The American policy of engagement over the past four-plus decades played a large role in China's GDP growth. Likewise, China's rapid growth and trade surpluses have allowed it to finance large amounts of U.S. debt. China is the single largest foreign holder of U.S. public debt and is America's second-largest trading partner behind only Canada.^{235,236} In 2011, goods and services trade between China and the United States totaled \$536 billion, with China maintaining a \$282 billion surplus over America.²³⁷ The American consumer is critical to China's export-reliant economic growth strategy, just as Americans have come to rely on cheap Chinese manufactured goods and credit.

In addition to trade, foreign direct investment also plays a critical role in Chinese development. At the end of 2007, over 450 multinational companies had invested in China, and there were over 519,000 foreign-funded enterprises operating in the country. In March 2009, China decentralized approval of foreign direct investment projects up to \$100 million to the provincial level. This is yet another step towards a more open market-style economy and will increase China's integration in the global economy.²³⁸ Perhaps China's most substantial foray into foreign direct investment is in Africa. At the 2006 China-African Cooperation Forum, Chinese president Hu Jintao presented China's African policy, which consisted of eight elements:

²³⁵US Census Bureau Foreign Trade Division, "Foreign Trade: Data", n.d., <http://www.census.gov/foreign-trade/top/dst/current/balance.html> (accessed October 10, 2012).

²³⁶U.S. Treasury, *Major Foreign Holders of Treasury Securities*, n.d., <http://www.treasury.gov/resource-center/data-chart-center/tic/Documents/mfh.txt> (accessed October 10, 2012).

²³⁷"China," *Office of the United States Trade Representative*, 2012, <http://www.ustr.gov/countries-regions/china>.

²³⁸Naisbitt and Naisbitt, *China's Megatrends*, 155.

Assistance to Africa; preferential credit; building the African Union headquarters; canceling of debts; opening of Chinese markets to Africa; establishment of economic zones; and training for African professionals. Stemming mainly from its need for natural resources, China's investment in Africa increased from \$450 million in 2001 to \$7 billion in 2007. In exchange for lucrative contracts to harvest raw materials, China makes significant investments in African infrastructure, including streets, canals, power plants, and railroads.²³⁹

The global financial crisis of 2008 made clear both China's integration with and importance to the global economy. The United States and Europe looked to China for capital to avoid a financial meltdown and urged it to increase domestic consumption to bolster western economies. China responded favorably to both requests.²⁴⁰ China also cooperated with its neighbors to prevent the crisis from shaking the region. On December 13, 2008, China, Japan, and South Korea held their first trilateral summit to discuss the global economic crisis. During the meeting, China executed its first-ever currency swap with a foreign central bank when it agreed to \$26.3 billion in swaps with South Korea's central bank. This summit, which is now an annual event, signaled the willingness of China to set aside historical and current diplomatic disputes for the benefit of the global economy.²⁴¹

China's participation in international institutions also demonstrates its interest in constructively participating in international relations. Since the early 1990s, China has been an active player in international relations, eagerly participating in multilateral institutions such as the Group of Twenty Finance Ministers and Central Bank Governors (G20), the Asia-Pacific Economic Cooperation group (APEC), and the Association of Southeast Asian Nations

²³⁹Naisbitt and Naisbitt, *China's Megatrends*, 161–163.

²⁴⁰Kissinger, *On China*, 501.

²⁴¹Naisbitt and Naisbitt, *China's Megatrends*, 160.

(ASEAN). Additionally, as a permanent member of the United Nations Security Council, China can greatly influence international security affairs through its veto power over Security Council resolutions. Optimists hope that China's more prominent role in international relations and multilateral institutions, combined with global economic interests, will result in a desire to maintain stability and continuity of the current global order. As Chinese politicians and diplomats continue to participate in international organizations, summits, and security cooperation, it is hoped, they will gradually be influenced by and accept the norms and practices of their more liberal counterparts.²⁴² Such hopes reflect the belief that the "free" world will ultimately be able to integrate China into the accepted practices, including transition to liberal democracy, fair trade, and military transparency and non-aggression.

The realist counter-argument is that international institutions and relations, although they can increase communication and provide a venue for resolving differences, provide no guarantee of peace nor do they dampen tensions between nations. In fact, nations often use these forums as an opportunity to express grievances and draw others into the struggle, much in the same fashion as the U.S. and Soviet Union used the United Nations during the Cold War. The current struggles of western nations to convince China and Russia to approve UN resolutions against Syria and Iran highlights the fact that such institutions can often produce very public disagreements.

Another argument is that China participates in international institutions to preclude condemnation or containment attempts by them, and to draw a distinction between its multilateral cooperation and perceived unilateral action and bilateral military alliances of the United States.²⁴³ As China grows more powerful and its use for such institutions wanes, it may very well ignore them as it seeks to alter the international order to its interests. In this argument, embraced by Aaron

²⁴²Johnston, *Social states*, 206–208.

²⁴³Friedberg, *A Contest for Supremacy*, 53.

Friedberg, the idea that China's elites will become "socialized" and accept Western modes of thinking is delusory. China possesses a "tradition of statecraft that has been in the making for thousands of years."²⁴⁴ To think that they will abandon their deeply rooted principles in favor of foreign ones is pompous and overly optimistic. This argument gains some traction when China's participation in regional and global institutions is balanced against ongoing regional disputes with its neighbors and ideological differences with the United States and other Western nations.

China's Regional Tensions

China's regional relations with many of its neighbors are tense at best. Though China publicly proclaims a policy of "peaceful development" and states that it is committed to strong diplomatic and economic relations with its neighbors, events in the region often point to the contrary. In addition to long-standing disputes with countries like India along its contiguous borders, a number of territorial and maritime disputes have flared in recent years and are threatening regional stability. In one of the most publicized disputes, a flare in Sino-Japanese tensions resulted from the Japanese government's decision to purchase the disputed Senkaku Islands (Diaoyu Islands in Chinese) from a private owner in September 2012. The purchase, though designed to keep the islands out of the hands of anti-Chinese governor of Tokyo, sparked nationwide protests in China and an angry response from its government.²⁴⁵

More far-reaching, and with the greatest potential effect on international commerce, are China's continuous maritime disputes with its neighbors in the South and East China Seas. China's claim over many of the region's islands has resulted in it viewing most of the South

²⁴⁴Friedberg, *A Contest for Supremacy*, 54.

²⁴⁵"China and Japan: Could Asia Really Go to War over These?," *The Economist*, September 22, 2012, <http://www.economist.com/node/21563316?spc=scode&spv=xm&ah=9d7f7ab945510a56fa6d37c30b6f1709> (accessed October 11, 2012).

China Sea as a Chinese exclusive economic zone. In the 18-month period from October 2010 to April 2012, Chinese vessels confronted ships from Japan, Vietnam, South Korea, and the Philippines over commercial rights in resource-rich waters surrounding contested islands. The *Global Times*, China's state-run newspaper, ran an editorial that warned its neighbors: "If these countries don't want to change their ways with China, they will need to prepare for the sounds of cannons. We need to be ready for that, as it may be the only way for the disputes in the sea to be resolved."²⁴⁶ China refuses to acknowledge generally accepted international maritime rules and stubbornly avoids attempts at multi-lateral solutions, instead preferring bi-lateral negotiations, which allow it to better leverage its military advantage.

Chief among China's regional rivals, however, is Taiwan, the quasi-independent province that functions as an independent democratic state, but over which China still claims rule. Chiang Kai-shek and his defeated Nationalist Party government withdrew to Taiwan at the end of its war with Mao Zedong's CCP in 1949. Since that time, Taiwan and Mainland China have maintained a tense cease-fire, under which China claims Taiwan as one of its rightful provinces, and Taiwan operates autonomously, selecting its first democratically elected president in 1996. Despite the facts that Taiwan and China maintain important economic ties, and Mainland China has not exercised direct rule over Taiwan since the PRC's founding, China insists on claiming Taiwan as its territory and will not accept Taiwanese independence. China continues to place top priority to reunification with Taiwan, and since 2002, its military strategy has focused on cross-strait operations to that end. The current, democratically elected leadership in Taipei has restrained itself from openly seeking independence, which has eased Beijing's urgency in reunification, but there is no political agreement to prevent future escalation.²⁴⁷ The Taiwan Anti-Secession Law,

²⁴⁶"China's Military Rise."

²⁴⁷Wang Jisi, "China's Search for a Grand Strategy," *Foreign Affairs*, March 1, 2011,

which China passed in 2005, highlights its policy towards Taiwan. Under the law, China is required to use military force if Taiwan officially declares independence from the PRC or if the CCP determines that there is no longer a possibility of peaceful reunification with Taiwan.²⁴⁸ Regardless of their economic interdependence, China and Taiwan are unlikely to come to a formal agreement on independence or reunification. China always has and always will view Taiwan as Chinese sovereign territory, and is unwilling to endorse any agreement that does not acknowledge it as such.

For now, each of these disputes has been limited to small run-ins and tough talk. The reality is that none of the belligerents want nor could they afford conflict. China is Japan's biggest trading partner, and Taiwan operates thousands of factories on Mainland China.²⁴⁹ A conflict would disrupt trade, political relations, and China's economic growth. Furthermore, most of China's regional rivals have one thing in common – they are allies of the United States, which has maritime dominance in the Western Pacific and defense agreements with several nations. A conflict with Japan, South Korea, or Taiwan could quickly escalate into a global war with devastating consequences. However, if the aforementioned potential domestic problems manifest themselves, pressure to maintain growth could place a higher premium on the limited resources – e.g. energy – in the China Seas, making China more willing to use force to solve disputes. The virulent nationalism of the Chinese population, which the CCP currently works to temper, could be directed at regional rivals to deflect attention from the CCP's inability to respond to increasing

http://www.foreignaffairs.com/articles/67470/wang-jisi/chinas-search-for-a-grand-strategy?name=corey.landry%40ymail.com&form_build_id=form-413a3e985de0400d69adf8108835cf69&form_id=fa_user_login_form&op=Login (accessed August 14, 2012).

²⁴⁸“China's Military Rise.”

²⁴⁹“China and Japan.”

domestic issues. American support for China's regional rivals continues to be a point of friction for the two countries, and is a microcosm of the conflicting sides of Sino-American relations – economic interdependence and ideological confrontation.

Sino-U.S. Tensions

China's most important and complex international relationship may be with the United States, and a number of interrelated factors shape each country's strategic approach towards the other. After the collapse of the Soviet Union, the Chinese-American relationship shifted from one based on mutual security interests to one based on trade, resulting in the current level of interdependence. At the same time, differences over political and human rights created underlying ideological tension and mutual suspicion. Thus, by the time Hu Jintao assumed power in 2002, the U.S. and China had developed a relationship, in practice if not in conviction, of "cooperative coexistence." Each nation realized that the other was too large to defeat, too unique to change, and too critical to isolate. They no longer had a common enemy, but neither did they have a common purpose.²⁵⁰ Several factors in the Sino-U.S. relationship are in tension, and significant changes in any of them could negatively affect Chinese perception of the international order and lead to the rise of more assertive political leadership and aggressive strategy. To identify those factors, it is important to understand Chinese perception of itself, America, and their relationship.

China views itself as pacifistic, defensive, and ethical in nature, while it sees America as militaristic, offensive, and greedy. China's economic beliefs are influenced by Marxism, which presumes that capitalist nations attempt to take advantage of all others; therefore it is suspicious of American economic intentions. Furthermore, the United States insists on promoting democracy and human rights in China, and has a host of government programs designed to influence Chinese

²⁵⁰Kissinger, *On China*, 487.

domestic policy. China also believes that America's realist approach to international relations dictate that it will be intolerant of a powerful China, and will do everything in its power to control its security interests and thwart China's rise.²⁵¹ Because of America's greed, democratic ideology, and desire to maintain global hegemony, China sees the United States as a practitioner of power politics, an obstacle to international stability and order, and a greater threat to Chinese sovereignty than are any of their regional rivals.²⁵² Any exacerbation of economic, ideological, or security tensions between China and the United States could negatively affect Chinese perceptions of the international order and provide an opportunity for aggressive leadership to take power.

Because of the importance of their economic ties, Sino-American relations improved under the second Bush administration. Like Hu, Bush was the first leader of his country who did not actively participate in the tumultuous experience of his country in the 1960s – the Vietnam War. Therefore, Bush took a more pragmatic approach to his dealings with China, understanding the necessity of cooperation and partnership while accepting the incompatibility of each nation's political and ideological systems. In 2006, China and the U.S. established the Strategic and Economic Dialogue, an annual forum during which the two nations work towards bilateral economic and political policies and agreements to foster cooperation on strategic issues. According to Shen Dingli, director of the Center for American Studies at the Shanghai-based Fudan University, "Beijing and Washington have both realized that dialogue and cooperation are the only way to peace and a win-win result. Strategic dialogue mechanisms promoted by the leaders of the two countries will be further strengthened."²⁵³

²⁵¹Nathan and Scobell, "How China Sees America," 35–36.

²⁵²Friedberg, *A Contest for Supremacy*, 133.

²⁵³Naisbitt and Naisbitt, *China's Megatrends*, 156.

However, though economic cooperation and interdependence between two nations are often seen as deterrents to conflict, historical experience demonstrates that they are seldom sufficient to that end. In fact, economic interdependence can become a point of friction. An excellent historical case of this is Anglo-German relations prior to World War I, a case in which heavy economic interdependence also fueled animosity that contributed to the start of conflict between the two nations. Likewise, the United States and China, though dependent on each other economically, have many points of conflict. These include the 2008 economic crisis, largely viewed by the Chinese as America's fault, and the substantial American trade deficit with China, which U.S. politicians pin on unfair Chinese trade practices and currency manipulation.²⁵⁴ The U.S. accuses China of currency manipulation, keeping American products overpriced on the international market and costing U.S. jobs, a position that reflects its view of the issue through a global economic growth lens. In contrast, China sees currency valuation as a domestic tool to ensure domestic employment and political stability, reflecting its view of the issue through an international and domestic political lens.²⁵⁵ Disputes over trade, exchange rates, investment flows, and access to resources could escalate from competition to conflict²⁵⁶

One factor that makes America perennially hostile, in China's view, is its insistence on spreading its democratic political ideology. It brought the USSR to its knees during the Cold War, and immediately turned its efforts to the same end towards China. China feels that the United States, along with its democratic allies, is attempting to subvert the CCP and bring about its demise through "under the guise of economic, cultural, and educational engagement." Culturally and politically, it intrudes in China's internal affairs through pop culture and political opinions on

²⁵⁴Friedberg, *A Contest for Supremacy*, 46.

²⁵⁵Kissinger, *On China*, 494–495.

²⁵⁶Friedberg, *A Contest for Supremacy*, 49.

governance and human rights. America, it seems, judges the actions of all nations as right or wrong through its own values, and it uses those values to determine strategic allies and foes. As a result, its policy towards China changes little between administrations. Given these tendencies, unless China stops growing or becomes a liberal democracy, the American threat will loom, both from outside and within China.²⁵⁷

The United States continues to push China towards liberalization, democratization, and increasing human rights. The vocal opposition of American interest groups to Chinese environmental, political, and population control policies; to inexpensive labor; and to piracy and counterfeiting create American fears of a "Chinese threat" - fears that the Chinese themselves view as a threat.²⁵⁸ Some Chinese analysts view the United States as a revisionist power that uses human rights and democracy as a pretext to limit the growth of China, shape the world in its favor, and maintain global hegemony.²⁵⁹ China is also concerned about American support for democratic revolutions such as that in Georgia. In China's eyes, America supports people's revolutions as long as they are in line with its agenda of spreading democracy. The continued American effort to prevent Chinese reunification with Taiwan supports this perception and is a major point of contention for the China.²⁶⁰

China's perception of American greed and ideological ambitions are the source of its security concerns. In the international community, China views its security and corresponding threats in the context of four concentric rings. The first ring is its own border, within which it must thwart external influences from private investors, students, advisers, and tourists

²⁵⁷Friedberg, *A Contest for Supremacy*, 135–136.

²⁵⁸Nathan and Scobell, "How China Sees America," 43.

²⁵⁹*Ibid.*, 39.

²⁶⁰*Ibid.*, 41.

who believe China should change its government and way of doing business. The second ring consists of its contiguous neighbors, with several of which it has had recent wars. The third is the surrounding geopolitical areas of the rest of Asia and the Pacific region, with which China has complex regional diplomatic relations. The fourth, final, and newest ring consists of the multiple countries with which China has strategic interests outside of its region.²⁶¹ The United States is present in each of these four security rings. From China's perspective, the threat America poses is not the result of a single political administration, but is because of its unique position as the single dominant power following the collapse of the Soviet Union. The United States as would any other nation in its position, is trying to hold onto its political, economic, and military advantage by any means possible, to include blocking emerging powers from threatening it.²⁶²

In the 1960s, the USSR posed a common threat that forced the United States and China into cooperation. By 1990, as a result of the Tiananmen Square incident, the fall of the Berlin Wall, and the waning Soviet threat, America called into question its policy of alignment with China, and began to balance its strategy between containment and engagement.²⁶³ This policy began with President George H.W. Bush and continues today. While the United States engages China diplomatically and economically, it simultaneously seeks to contain - or at least counter-balance - China's military growth and influence by strengthening its presence in East Asia and bolstering ties with allies in the region. After the Cold War, the potential of smaller threats to unite the two nations did not materialize. Terrorism, nuclear proliferation, and the environment, while of concern to both countries, were not enough to overcome the philosophical divergence

²⁶¹Nathan and Scobell, "How China Sees America," 33–34.

²⁶²Friedberg, *A Contest for Supremacy*, 133–134.

²⁶³*Ibid.*, 89.

and mutual mistrust that prevented deeper cooperation.²⁶⁴ In fact, these issues themselves often produce friction, as in western attempts to thwart Iran's nuclear program in the face of Chinese opposition to harsh economic sanctions and UN resolutions. The events of September 11, 2001 initially improved relations because the wars in Iraq and Afghanistan clearly diverted U.S. military resources and effort away from East Asia toward the Middle East and Southwest Asia - a diversion that China welcomed. China, influenced by its own concern over terrorism, offered diplomatic and intelligence support to American anti-terror efforts. However, divergent approaches to dealing with the issue were clearly evident, with China willing to accept regimes changing and realignments of power without moral judgment, so long as they did not hinder its security or development interests.²⁶⁵ However, as America reduced its military operations in the Middle East and Afghanistan in 2012, President Barack Obama issued strategic guidance to the Department of Defense that shifted strategic focus back to the Asia-Pacific region.²⁶⁶ The combination of American military re-posturing and the emergence of air-sea battle operating concept has again made China wary of American military presence in its region.

The American threat to China manifests itself most clearly in what it perceives, not without reason, as a military encirclement of China. Although the United States has done much to promote the growth of China and maintain stability in the region, it also maintains a heavily deployed military force around China and defense agreements with many of its neighbors.²⁶⁷ United States Pacific Command (PACOM), America's largest non-wartime geographic command, has 325,000 personnel, 180 ships, and 1,900 aircraft at its disposal. To the west,

²⁶⁴Friedberg, *A Contest for Supremacy*, 55.

²⁶⁵Kissinger, *On China*, 491–493.

²⁶⁶Panetta, “Statement on Defense Strategic Guidance.”

²⁶⁷Nathan and Scobell, “How China Sees America,” 35.

Central Command (CENTCOM) established an air base in Kyrgyzstan and stationed up to 60,000 troops in Afghanistan.²⁶⁸ The United States strengthened its alliance with Japan by expanding the range of conflicts in which Japan and the U.S. would cooperate, including insinuations about protecting Taiwan, and by cooperating in the development of a theater missile defense network. The global war on terror opened doors for increased cooperation with Australia, the Philippines, and Thailand, the latter two of which had been in decline post Cold-War. Additionally, despite the lack of formal diplomatic relations, the United States continues to provide arms and advice for the defense of Taiwan.²⁶⁹ The American force posture and its bilateral agreements, combined with the U.S. nuclear arsenal and theater ballistic missile defense systems support, the Chinese perception of American attempts to contain Chinese military growth.

Bolstering Chinese suspicion of American intentions are the emerging military operational concepts that it is promoting. To counter potential enemy A2/AD capabilities, the U.S. Department of Defense developed the “air-sea battle” concept in 2009. Air-sea battle is an operating concept that seeks to disrupt potential adversaries’ A2/AD systems to establish air, sea, and space superiority and ensure that “all components of U.S. and allied forces can be brought to bear as deemed necessary.”²⁷⁰ Though the United States insists that it is not directing air-sea battle at a specific enemy, many view it as a way to challenge the A2/AD efforts of China and reaffirm its commitment to the defense of regional allies.²⁷¹ In 2005, in response to China’s

²⁶⁸Nathan and Scobell, “How China Sees America,” 37–38.

²⁶⁹Friedberg, *A Contest for Supremacy*, 101–107.

²⁷⁰Philip Dupree and Jordan Thomas, “Air-Sea Battle: Clearing the Fog,” *Armed Forces Journal*, no. May 2012 (n.d.), <http://www.armedforcesjournal.com/2012/05/10318204> (accessed October 10, 2012).

²⁷¹Michael O’Hanlon and James Steinberg, “Going Beyond ‘Air-Sea Battle,’” *The Washington Post*, August 24, 2012, sec. Opinions, <http://www.washingtonpost.com/opinions/beyond-air-sea-battle-a-military-concept-that->

proclamation of a "peaceful rise" strategy, then U.S. Deputy Secretary of State Robert Zoellick welcomed China as a privileged member of the international system and encouraged it to be a "responsible stakeholder" by taking on increased responsibilities in international affairs commensurate with its rising capacity for action.²⁷² However, American military posturing and doctrine seems to run counter to its public embrace of China's rise. From their perspective, the Chinese are unsure whether the United States seeks to increase cooperation or stunt China's growth in the end.²⁷³

Both the new US Department of Defense strategy and the air-sea battle concept prompted a decidedly negative response from Chinese officials. Following the announcement of American strategic rebalancing to Asia, Chinese leadership fears a new cold war. Fan Gaoyue, a senior colonel in the People's Liberation Army, commented that the Pentagon's air-sea battle concept signaled a "change of battlefield from the Middle East and Central Asia to the Western Pacific."²⁷⁴ Speaking at a recent People's Liberation Army Naval conference, Chinese president Hu Jintao urged the military to "speed up naval transformation, deepen and widen the efforts to prepare for future military struggle and solidly push for modernization."²⁷⁵ China fears that America's actions are imperialistic, self-serving, invasive, and ultimately aimed at curbing

challenges-policy makers/2012/08/23/8fd4f8fa-ed31-11e1-9ddc-340d5efb1e9c_story.html (accessed October 10, 2012).

²⁷²Kissinger, *On China*, 499.

²⁷³Nathan and Scobell, "How China Sees America," 33.

²⁷⁴Geoff Dyer, Richard McGregor in Washington, and David Pilling in Honolulu, "US shifts policy focus to Asia-Pacific," *Financial Times*, November 15, 2011, <http://www.ft.com/cms/s/0/a930e392-0fa9-11e1-a468-00144feabdc0.html#axzz28AkS7n7m> (accessed October 2, 2012).

²⁷⁵Lanxin Xiang, "China and the 'Pivot'," *Survival: Global Politics and Strategy* 54, no. 5 (November 2012): 114.

Chinese growth and forcing regime change to a western-style democracy in support of U.S. interests.²⁷⁶

Until recently economic growth and pacification dominated China's foreign policy decisions, and China was content to allow the United States to maintain its hegemony. However, 2008 bore witness to several events that led some Chinese strategists to urge more rapid development and increased global influence. The global financial crisis of 2008 showed U.S. economic vulnerability and reinforced views of the American relative decline. The United States' difficulty in achieving stability and establishing legitimate governments in Iraq and Afghanistan damaged its international image and called into question the true extent of its power and influence. In an almost symbolic coincidence of timing, the spectacular opening ceremony of the 2008 Olympic Games in Beijing announced China's arrival as a true developed power. To many, this indicated that a shift in the international order was already underway and a reassessment of China's patient strategy may be necessary.²⁷⁷ The result was that many of China's strategists saw either a hastening of the trend towards a multipolar world or, with the rapid rise of China, the emergence of a new bipolar world order in which America and China would be equally powerful in different areas.²⁷⁸ While most have continued to support the deliberate approach of "peaceful rise," others have pushed policymakers to take advantage of the circumstances through more aggressive development and assertion of power.²⁷⁹

Nationalistic analysts have recently published essays and books highlighting not only the west's decline, but also its refusal to acknowledge that decline or China's strength. They urged

²⁷⁶Nathan and Scobell, "How China Sees America," 39.

²⁷⁷Kissinger, *On China*, 501.

²⁷⁸Friedberg, *A Contest for Supremacy*, 129–132.

²⁷⁹Kissinger, *On China*, 504.

China to "abandon gradualism" and press harder towards superpower status. Books such as *China is Unhappy: The Great Era, the Grand Goal, and Our Internal Anxieties and External Challenges* (2009) and *China Dream: Great Power Thinking and Strategic Posture in the Post-American Era* (2010) showcase these opinions. Both of these books view the United States as a fundamental adversary that will not allow China's rise within the "unjust and irrational" international system.²⁸⁰ Both also state that China should rise to displace the United States as the world's number one power, and in order to do that, a new generation of leaders must press for rapid military as well as economic development. Some senior military and security personnel have suggested that China can beat the United States in a conflict and that it should take a more confrontational stance, a view that is publicly muted to avoid instigating conflict.²⁸¹ Although many in China have criticized them as too aggressive and not reflective of national opinion, they did make it past government censorship and become best sellers, indicating tacit government acceptance and at least a significant level of public interest, if not support.

Not all opinion in China sees America as a threat. Some Chinese analysts are noting a shift in balance of the U.S. strategy towards China in favor of engagement over containment. Cooperation, rather than competition, now seems to be the more dominant factor in Sino-U.S. relations. The principal reasons for this shift are the rapid growth of China and the economic interdependence of the two countries. As China's power grows, the prospect of armed conflict does not appeal to leaders of either country. Furthermore, with China financing a great deal of American debt, it is in a position to sharply retaliate against any attempted U.S. boycotts, sanctions, or other economic punishment against China.²⁸² Others argue that because of the

²⁸⁰Kissinger, *On China*, 505–506.

²⁸¹Nathan and Scobell, "How China Sees America," 37.

²⁸²Friedberg, *A Contest for Supremacy*, 140.

geographic separation of the United States and China, their security interests are not necessarily incompatible, and therefore there is no likely reason for armed conflict. However, a greater number of strategists view America with suspicion.²⁸³

If characterized by increasing distrust, suspicion, and military competition, Sino-American relations will deteriorate. Because of the obvious economic significance of East Asia, any regional divide could quickly spread to other parts of the world and disrupt global relations. Conversely, a positive Sino-U.S. relationship brings with it tremendous promise for global economic growth, crisis response, and security cooperation.²⁸⁴ Hawkish rhetoric from both sides reinforces mutual suspicions of the others' actions. The United States insists that its presence in East Asia is solely for the protection of allies and security of vital economic trade routes, and China claims a "peaceful rise" strategy that focuses on defense of its mainland, economic growth, and poses no threat to its neighbors. While the two nations have historically allowed their common economic interests to override their ideological differences and mutual suspicion, the underlying tension still exists. With Chinese nationalism on the rise and the United States rebalancing forces to East Asia, the potential exists for tensions to increase. If China feels that the threat the United States poses to Chinese growth outweighs the economic benefit of cooperation, it could become disaffected by the existing international order. Such an atmosphere in China would make it easier for an assertive, nationalist leadership body to emerge in China, thus increasing the likelihood of aggression.

²⁸³Nathan and Scobell, "How China Sees America," 37.

²⁸⁴Friedberg, *A Contest for Supremacy*, 36.

The Chinese Political System: Preserving the Stability and Power of the Party

Mao Zedong and the Chinese Communist Party (CCP) officially founded the People's Republic of China (PRC) in 1949, and the CCP has been the ruling party since. The CCP is the largest and second-longest continuously ruling political party in the world, behind only North Korea's Korean Worker's Party.²⁸⁵ Since its foundation, the only points of legitimate political friction in the People's Republic have been internal to the CCP. The CCP is the monopoly party in China and has absolutely no interest in sharing power, but it is by no means homogenous nor impervious to change or reform. Internally, the Party has undergone substantial reform since its inception. After recognizing the inefficiency and complacency that lifetime appointments brought to the CCP, Deng Xiaoping implemented term limits for senior political and military officials and routinized internal power transition between 1980 and 1992.²⁸⁶ Furthermore, political leadership has become far more educated and diverse in recent years. Its 76 million-plus members hold different ideologies and come from backgrounds as varied as the population itself, and promotion in the Party depends as much on skill and performance as it does on loyalty and familial connections. Standardized leadership transitions and merit-based promotions that have created a stable political party that has performed well and maintained power and legitimacy. However, the emergence of competing factions within the Party could produce instability if China's domestic conditions or international relations deteriorate.

The CCP is currently under its fifth generation of leadership, beginning with Mao Zedong and currently headed by Xi Jinping. It controls government, media, the legal system, and the military. Apart from positions within the CCP, senior party officials also hold critical government positions in the state. The current leader of the CCP, known as the general secretary, Xi Jinping,

²⁸⁵Li, "China's Communist Party State: The Structure and Dynamics of Power," 165.

²⁸⁶Vogel, *Deng Xiaoping and the Transformation of China*, 557, 687.

is also the president of the PRC. The CCP and the Chinese state government, represented by the National Party Congress (NPC), are for all intents and purposes inseparable in a system under which the government simply implements decisions made by the CCP.²⁸⁷

In the hierarchy of Chinese State institutions, there are five administrative levels – town, county, municipal, provincial, and national – each with its own congress. There are nearly 3,000 deputies (members) of the National Party Congress from these levels, but the only direct elections occur at the township level. At all other levels, indirect elections by lower level congresses determine delegates. The NPC is entitled, by constitution, to elect the president and vice president of the PRC, the chairman of the CMC, and other key state leaders, as well as approving appointed positions, such as the premier. In reality, the CCP Central Committee nominates these members, and the Congress ostensibly "elects" or "approves" them in a non-competitive process.²⁸⁸ The strict control over all facets of government by the CCP ensures Party control of policy and stability.

One of CCP's primary goals is maintaining power, a goal that is driven by both selfish and sincere motivations. Self-interest and preservation play as large a role in this objective as ideology. There are significant privileges associated with membership in the CCP, and the end of its rule would have dire consequences for the lifestyle, and possibly safety, of CCP leadership at all levels. The CCP also maintains a sincere belief in its necessity to the existence and success of the nation. It is the CCP, after all, that restored the sovereignty of China over its territory and steered it on its current path of miraculous growth and ascension to world power status. In addition, it is precisely because of the magnitude and complexity of problems facing its future

²⁸⁷Li, "China's Communist Party State: The Structure and Dynamics of Power," 166.

²⁸⁸*Ibid.*, 174–175.

that China needs CCP. Without their continued leadership, they believe, China could very well slide back into "chaos and weakness."²⁸⁹

However, the Party has also implemented rules and institutional restraints to prevent abuses of power. While certain nepotism still exists in family, business, and regional ties, mechanisms are in place to curtail their influence in politics. Policy changes and other major decisions are often brought before a vote in the CCP. The party has established term limits of five years for top government and party posts, with a maximum of two years. Age limits are in place for senior government officials, with politicians born before a pre-determined year forced to retire during leadership transitions. Additionally, to avoid conflicts of interest, the CCP assigns individuals from outside areas to positions responsible for investigating and enforcing anti-corruption rules. These mechanisms assure continued circulation of top leaders, thereby preventing any individual or group from abusing or holding onto power for an excessive period. In fact, over the past five Party Congresses, newcomers have accounted for sixty-two percent of delegates.²⁹⁰

To maintain its relevance and legitimacy, the composition of the CCP has transformed significantly over its 60 years of existence. Though it capitalizes on nationalism and uses repression when necessary to maintain stability, the Party realizes that it must also perform effectively. Therefore, the CCP increasingly selects its leadership based on individual performance and merit rather than socio-political background. China ensures meritocracy through the CCP's Organization Department, which undergoes a meticulous evaluation and promotion process through all levels of public service.²⁹¹ The Party decides, appoints, and promotes

²⁸⁹Friedberg, *A Contest for Supremacy*, 159–160.

²⁹⁰Li, "China's Communist Party State: The Structure and Dynamics of Power," 185.

²⁹¹Li, "The Life of the Party," 37–38.

government leaders from the top-down, but individuals increasingly must earn and compete from those positions from the bottom-up through demonstrated performance. The promotion criteria and qualification requirements are becoming more demanding.²⁹² Where the ruling party once consisted of peasant and working-class leadership, now it is composed of businessmen, scientists, and other professionals with expertise and experience outside of politics before serving in government. This represents a shift in recruitment credentials from loyalty and ideology to expertise and management potential.

The education level of the CCP leadership has dramatically increased since its inception. Even in the past decade, the composition of the CCP has continued to evolve, with lawyers and entrepreneurs beginning to displace the dominance of engineer-trained technocrats in cabinet and provincial leadership positions.²⁹³ The shift in composition of the CCP undoubtedly contributed to the massive success of China's economic expansion. Through its ability to adapt and lead China to such rapid development, the CCP has kept its people generally content and minimized political disturbance.

Year	1978	2010
Politburo	23	100
Central Committee	26	99
Provincial Leadership	20	98

Table 4. Percentage of College Educated CCP Members²⁹⁴

²⁹²Naisbitt and Naisbitt, *China's Megatrends*, 234.

²⁹³Li, "China's Communist Party State: The Structure and Dynamics of Power," 180.

²⁹⁴*Ibid.*, 179.

Because of its ability to lead China out of poverty and its seemingly unified voice, the CCP has built an image of absolute stability. However, there are sources of tension within the CCP, where two coalitions vie for policy and decision making control. The populist coalition, which includes Hu Jintao, Wen Jiabao, and new prime minister Li Keqiang, seeks to address more pressing domestic issues such as income inequality and environmental protection, while the elitist coalition, led by Wu Bangguo, chairman of the national legislature, emphasizes economic growth and expansion. The populists have come of age only recently, as the elitists are descendants or supporters of the original CCP founding members. These coalitions provide an informal system of checks and balances within the CCP. They represent different socio-economic classes (*tuanpai*, or league faction, and *princelings* are the core socio-economic groups of the populists, and elitists, respectively), but are roughly equal in size and power.

Although they have competing views, they also cooperate, evidenced by the rotating of government leadership positions between the two coalitions. Inner-party bipartisanship has emerged as part of the CCP's trend toward leadership by consensus, versus the single leader system under Mao Zedong and Deng Xiaoping. The current Chinese leadership rules less through authority and more through negotiation and compromise between competing opinions. The two ruling coalitions within the CCP have common goals: 1) The socioeconomic stability of China; 2) the preservation of CCP's power; and 3) increase China's international power.²⁹⁵ Out of necessity toward these ends, they cooperate as much as they compete, and their internal bipartisanship, though far from a democracy, demonstrates a pluralistic decision and policy-making process that makes it unlikely for an aggressive, radical shift in strategy or ideology. The resulting

²⁹⁵Li, "China's Communist Party State: The Structure and Dynamics of Power," 188.

environment is one in which it is much less likely for a single individual to develop or execute dramatic policy shifts away from the consensus opinion.²⁹⁶

At the same time, the CCP is still an authoritarian regime with its own interests, and the same mechanisms that provide stability also limit more liberal reform towards democracy. A small number of political elite still determines the individuals who fill most important government positions in a country of 1.3 billion people. It is this fact that introduces the risk of political instability. It is easy for Party members to compromise when the economy is growing, the population is content, and China is satisfied with the international relations climate. When conditions deteriorate, however, differences become more profound, politicians look to deflect blame, and leaders compete to maintain their grip on power. The CCP's first goal is to maintain its control the country. If domestic and international problems become serious enough to cause popular unrest and threaten that control, individuals or factions may seek drastic measures to maintain it. With the People's Liberation Army at the behest of the CCP, this would be a dangerous situation.

CONCLUSION

Rising powers tend to reach beyond their borders to secure resources, increase security, and extend their influence in the international community. In their view, the existing power structure does not adequately recognize or allow for the level of influence they feel they deserve.²⁹⁷ There is a positive correlation throughout history between the wealth and power of states, geographic areas of interest, perceived security threats, and size of military forces. Over the past two centuries, every major power has expanded its interests and security capacity.

²⁹⁶Li, "China's Communist Party State: The Structure and Dynamics of Power," 184–187.

²⁹⁷Friedberg, *A Contest for Supremacy*, 40.

Therefore, capacity alone is not a sufficient predictor of strategic aggression. Aggressive strategic leadership must be in power to significantly increase the threat of aggression, and China does not currently have such leadership. However, there are domestic, international, and political problems that could emerge to create conditions favorable to the rapid, aggressive leadership change that Germany experienced in 1933 (See Table 5).

Condition	Factors	Current Environment	Assessment of Risk of Strategic Aggression
Military Potential for Aggression	Military Size, Composition, and Development	Rapid Expansion of High Technology Weapons and Force Projection Capacity	Moderate
	Military Training and Doctrine	Regionally Focused; Anti-Access;	Moderate
	Strategic Deception	Secretive; Military Budgets and Strategy Lack Transparency	High
	Military Leadership Disposition	Some Aggressive Senior Leadership, but Subservient to CCP	Low
Propensity for Political Aggression	Domestic Conditions	Rapid Growth and Improving Quality of Life; Emerging Demographic Problems and Political Discontent	Low
	International Relations	Integrated into International Institutions/ Global Economy; Multiple Regional Disputes; Ideological Differences with United States	Moderate
	Political Stability	Stable; Routinized Promotion and Leadership Transition; Adaptive and Capable of Internal Reform; Competing Intra-Party Factions	Low

Table 5: Assessment of Threat of Chinese Strategic Aggression

Significant differences between modern China and interwar Germany indicate that the likelihood of military aggression in the immediate future is low. China's military doctrine is

clearly focused on local and regional conflicts and more defensively oriented than was Germany's. Though it has aggressive leaders within the PLA, they answer to the less aggressive leaders of the CCP. While the possibility exists for aggressive leadership to emerge in China, such transition of power would not occur without warning. China, unlike Germany, is a net creditor, holding over \$1.2 trillion in American Treasuries. Combined with its reliance on international trade and manufacturing, China's foreign debt holdings provide serious financial incentive to avoid conflict. China's economy, while slowing its pace of growth, is still expanding at a rate much higher than that of developed countries, and the quality of life of its citizens continues to rapidly improve. It is also expanding its access to foreign resources with little resistance from the international community. China is also an active participant in all major international organizations, and one of only five permanent members of the United Nations Security Council. As such, it already wields significant influence in international relations, unlike interwar Germany, which was excluded from multi-national bodies. Finally, the Chinese political system is much more stable than was Germany's during the Weimar republic. As a single-party system with routinized leadership transition every ten years, China is not subject to the same risk of emergency elections and inability to form a consensus government.

However, there are also parallels between interwar Germany and present-day China. China is rapidly expanding its military capacity, to include high technology weapons and force projection platforms. Its highly secretive nature is a cause for concern regarding its long-term ambitions. China has clear ideological differences with the west, and openly challenges its insistence on democratic reform and human rights. It has long-simmering disputes with many of its neighbors that threaten to escalate and serve as a source to rally nationalist sentiment. Also, in much the same way interwar Germany felt strangled by the League of Nations, China too feels encroached and restricted by outside powers, namely the United States. China, like interwar Germany, faces a myriad of domestic problems for which it sees continued economic growth and

quality of life improvement as the main solutions. Though the problems are not nearly as acute as were Germany's, they could become so. If such economic growth proves elusive and discontent increases, conditions could emerge in which domestic problems trigger Chinese contempt for the international system and cause the political leadership to fracture. Some within the Communist Party may look for internal structural solutions, while others may take advantage of virulent nationalism and populist rhetoric in order to shift blame to external sources and promote aggressive policies. Divergence within both the Chinese population and the CCP would destabilize the political system of China and open the door for aggressive political leadership. With the already powerful and rapidly growing Peoples Liberation Army at its disposal, a political party that held such ambitions could dominate South and East Asia, dictating the terms of regional diplomatic, trade, and military relations in its favor. If China continues its current force projection development, it could do the same with developing countries across the globe, acting directly against United States interests.

The United States faces severe resource constraints as it recovers from exceptionally high levels of military spending in support of 12 years of war. In such an environment, it is impossible to prepare for every possible contingency and wasteful to prepare for a war that is unlikely to occur. At the same time, if the United States ignores Chinese military expansion and simply assumes that economic interdependence precludes conflict, it would be unable to adequately respond if such aggression did occur. Fortunately, the domestic, international, and political conditions listed above would not appear overnight, but would emerge over a number of years. Given American strategic interest in China and East Asia, the United States would be wise to monitor these factors for negative trends. So long as America continues to maintain its technological military advantage through research and development, it can focus its forces, training, and doctrine on immediate conflicts, while maintaining the ability to adjust its forces for higher intensity conflict if indicators of Chinese aggression begin to emerge.

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