



JHU/APL Rethinking Seminar Series
*Rethinking Future Environments
and Strategic Challenges*



www.jhuapl.edu/rethinking

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The Heritage Foundation
Evolving Chinese Views of Information and Security

Notes:

1. Below are informal notes of the speaker's remarks as taken by a JHU/APL staff member.
2. Links to the video, audio, and presentation files from the Seminar can be found on the Video Archives page of www.jhuapl.edu/rethinking. Files from all other previous events are also available on the site, and recent years' videos may be found on the [JHU/APL YouTube Playlist](#).

Introduction

Mr. Cheng began by explaining that he would be covering two large topics:

- How the Chinese view the world and some of the shaping factors
- How the Chinese view information, especially as it would be used in a future conflict

China and the Millenia of History

- The first thing to understand is that the Chinese for over a thousand years saw themselves as more advanced than any other culture, and it was true
 - They were more sophisticated and more populous than those societies with whom they came into contact
 - Even when conquered by outsiders such as the Mongols or Manchus, the invaders would be assimilated to the extent that they governed using Chinese language and customs
 - At the end of the day, the Chinese always have expected their system would dominate
- Secondly, Asia is not Europe
 - Europe is always involved in a “balance of power” struggle involving many powerful countries that would shuffle and reshuffle to face down a rising hegemon, e.g., Napoleon, Stalin, etc.
 - In Asia the operative word might be bandwagoning where tributary nations tended to defer always to China
 - In fact, the word China can translate to either Central or Middle Kingdom
 - Countries on the periphery conceded to it rather than banding together against it

The Century of Humiliation (1839-1949)

- This was one of the key shaping elements for the Chinese today – at least for the leadership
- As opposed to the millennia before, China lost control over its destiny in the most thorough way possible as it lost control over its own territory
 - Great Britain took over sleepy little Hong Kong at the end of the first opium war, which was about the British “right” to sell drugs to the Chinese
 - That would have been the equivalent of the US losing a war to a drug cartel
- Taiwan became important in 1895 when it was ceded to Japan after China lost a war
- Then China lost control of its economy

- *Most favored nation* concept was developed when the British told China “Here’s the tariff we will allow you to set on British goods going to China”
 - Other nations would not accept a higher tariff either
 - China also could not raise tariffs without British permission and no country would want to have their taxes raised
- China also lost control of its diplomacy
 - At Yalta in 1945, after Germany had been beaten but Japan had not, President Roosevelt promised Stalin control of key Chinese ports and its Manchurian railroad
 - But China was not present at Yalta
 - Yalta is considered the Great Betrayal in China because of the issue of extra-territoriality when Chinese citizens on Chinese soil in China’s foreign concession areas were made subject to foreign law
- Domestic problems exacerbated those brought in by outside entities, particularly the multiple civil wars which included:
 - The very bloody Taiping Rebellion which caused 20 million deaths – the deadliest war of the 19th century and fought mainly with swords and spears
 - A failed Chinese official believed he was Jesus Christ’s younger brother and started a religious based war to topple the Manchurians
 - The war had religious, ethnic, foreign aspects
 - In the 1911 Rebellion there were *only* 2 million dead
 - The Ching Dynasty was brought down and replaced by the Republic of China
 - Instead of becoming a democracy, China was run by war lords, military dictators, regional leaders
 - The conflicts were resolved when Chiang Kai-shek took control
 - Chiang Kai-shek’s Chinese Nationalists then began a long civil war against the Communists under Mao Tse-tung
 - However, WWII got in the way so there were two periods of this internal war
 - 1937-1945
 - 1945-1949
 - Bottom line: China was being fought over for over a century

Mao Ends the Century of Humiliation and China *Stands Up*

- Mao Tse-tung established the People’s Republic of China (PRC) in 1949
 - Chiang Kai-shek and the Chinese Nationalists were defeated and driven off to Taiwan, creating the current cross-Straits problem
 - This war was not about independence but about a China that formally ended the Century of Humiliation
- The Chinese Communist Party (CCP) promised to:
 - End the enormous economic inequality in China
 - Right the wrongs done to China in the century of humiliation
 - Bring about national unity, which would then bring economic growth

The Key: Comprehensive National Power

- Basically, a judgement on how China stands in relation to other countries
- Not just military power or economic power
 - China well understood the history of other countries – especially took note of the fate of the Soviet Union, which spent so much on its military that it caused economic collapse
 - China saw that economic capability alone is also not enough
 - Japan looked as though it would be the next super power in the 1980s but then faded away

- Concept of comprehensive national power includes
 - Physical unity – the Taiwan issue
 - Political unity – the CCP as a vanguard party in the Leninist sense and the sole source of political authority
 - Diplomatic recognition – whether other countries care what China thinks
 - During the century of humiliation, the Ching court was almost irrelevant
 - Now China is a member of the UN Security Council and the G-20 ensuring that others do care what China thinks
 - Scientific and technological prowess – allows China to map its own destiny, not just make tee-shirts and washing machines for others
 - Calls for an advanced S&T for areas such as space, oceanographic research, genomics, etc.
 - Cultural security – always a challenge for China
 - It is possible to eat American food or watch American movies anywhere with information playing increasingly important roles in all aspects of life
 - China has chosen to produce simple cars and trucks that now can be found everywhere but with less notice than American products
- All of these elements are now being tied together with information

Role of Information

- The CCP remains a Marxist-Leninist Party
 - Leninist because it claims to be a vanguard party
 - Marxist, but not from the concept of *from each according to his abilities to each according to his need*
 - Hard to do in a country where there are now hundreds of billionaires and thousands of millionaires (but most are members of the CCP)
 - Marxist because there is a fundamental link between the nature of socio-economic power and modern warfare and comprehensive national power
 - Nature of economies effects the nature of societies which then effects the nature of future warfare
- In the transition from the Industrial Age (roughly the beginning of the 20th century) to the Information Age (roughly the end of the 20th century) it is possible to see a shift in what matters
 - Economically, it was important to have mass and quantity, e.g., as with iron so a country could smelt and produce goods
 - Now what is important is how much information you can gather and how fast you can gather it
 - That in turn influences military power and how it is assessed
- Bottom line: There is a fundamental linkage between the nature of socio-economic power and modern warfare

China's Military Today

- The Peoples' Liberation Army (PLA) is a Party-army – not a national military
 - All officers above the rank of 2nd lieutenant must be Party members
 - The PLA members pledge to support the rule of the CCP
- Firmly under civilian control, it is a matter of civil and military cooperation, not civil vs. military authorities meaning that the PLA doesn't act independently as has been suggested
 - It is not surprising that the Foreign Ministry did not know about the 2010 anti-satellite (ASAT) test since the interests of the Foreign Ministry were not relevant to the test
 - Similarly, the US military would not tell the US Secretary of the Interior about a US Aegis missile test

- Bottom line: There is no “rogue” PLA as some have suggested
- However, PLA thinking has changed
 - It no longer believes in quantity over quality with the expectation that the adversary will run out of bullets before China runs out of bodies
 - China has been a close observer of foreign wars, especially recent US wars
 - After careful analysis they are employing lessons they have learned
 - The evolution of PLA thinking has been going on since the first Gulf War
- Jiang Zemin (General Secretary starting in 1992) called for “Two Modernizations”
 - Moved from preparing for local wars under modern conditions (lots of tanks, etc., from the Industrial Age) to local wars under modern, high-tech conditions
 - Lesson from first Gulf War: prepare for future wars to be non-compact / non-linear / non-systemic
 - Non-compact: Engaging the enemy in many ways
 - Non-linear: Having no distinctly defensive or offensive operations – all melded together along with melded frontlines, attacks on forward and rear areas, etc.
 - Non-symmetric: Makes preparing for future wars by looking at recent past wars confusing
 - First Gulf War: 40 days of aerial bombardment; a 100-hour ground war
 - The Balkans: No ground war, only an aerial bombardment but the allies did get Milosevic to The Hague
 - Afghanistan: Primarily airpower plus precision guided munitions, Special Operations Forces to topple the Taliban
 - Iraq: Only a division and a half rolling up a single road amazingly rapidly over all obstacles
 - Problem: How should China prepare for the next war recognizing that the four wars in the last 15 years were so dramatically different?

Quantity vs Quality and Information Issues

- China does recognize that a quantity based army won’t be flexible enough in the future
- 2004: *New Historic Missions* were announced after the PLA had enjoyed 10 years of double-digit budget increases and anticipated more, but they were expected to be able to:
 - Keep the CCP in power
 - Be prepared to sustain the conditions of China’s economic development
 - Not allow Taiwan to become independent
 - Remember that the military is not China’s first priority even though it is now getting much more support than it had
 - Even though they have new platforms and systems in many domains including space
 - Economic growth is central
 - Maintain the PLA’s ability to dominate key domains – maritime, space and cyber – which receive prioritized spending
- China’s assessment was the reason for evolution from local wars under high tech conditions to local wars under informationized conditions
 - Recognized that not all high tech is the same, and the most important is the technology that deals with information
 - Both the economy and warfare have become informationized
 - These concepts applied to all aspects of economy and war including recruiting, training, logistics, command and control, weapons, etc.
 - At the strategic level, must think of using information as a strategic tool
 - To deny legitimacy and reframe how things are perceived – altering context

- As a key tool for political warfare
- “Three Warfares” of political warfare
 - Public opinion warfare
 - China and the US are already engaged in a struggle to influence global perceptions of who is the good guy in various situations
 - If China can win that war, other countries in their region won’t be asking the US to send in a carrier group
 - Would be just as effective against a carrier as sinking it
 - Would be better than killing 5,000 American sailors causing a Pearl Harbor style rally around the flag situation
 - Psychological warfare
 - China has even weaponized tourism by stopping millions of Chinese tourists booking tours to S. Korea over its displeasure with the THAAD deployment
 - They have sometimes pulled out of travel arrangements at the last minute, precluding tourist accommodations from finding alternative clients
 - China’s even says in broadcasts and publications: You live in a democracy, so you can tell your government not to deploy THAAD
 - Took similar actions with the Philippines and Taiwan over other issues
 - China often reminds others that China is the #2 economy in the world and they aren’t
 - Others in the region can be asked: How dependent are you on China?
 - You don’t want to make China angry
 - Legal warfare
 - Actions in the South China Sea (SCS) involve domestic rules and regulations as well as international treaties, etc.
 - China uses its coast guard to assert its claims in the SCS, making its presence there seem less escalatory as well as implying:
 - This is Chinese territory; no need to send in our navy
 - Deploying a foreign navy there would be an intrusion
- *At the strategic level:* Informationalized warfare
 - A form of anti-access area denial (A2/AD)
 - Hardest form of soft power
 - If China is successful, they will delay or disrupt an intervention as well as gaining influence with three key audiences:
 - Domestic population – must always know what they think
 - Adversaries – both the population and the leadership
 - Third parties – so that they don’t support the US
- *At the operational level:* Information warfare
 - Goal: Information dominance – the ability to gather / transmit / exploit information faster and more accurately than the adversary and deny them the same
 - Network warfare – more than just cyber, to include the ability to have an impact on all sorts of networks (comms, transportation, etc.)
 - Electronic warfare – the Chinese were the first to combine it with network warfare
 - China generally thinks about network warfare as relating to software while electronic warfare relates to hardware
 - They also conduct psychological warfare at the operational level
 - How many emails would need to be corrupted or logistic shipments sent to the wrong location before an adversary would lack faith in his own information systems?

- The US must train to respond to such complications and outages
 - The US Navy has resumed navigation training using sextons after eliminating it when GPS took over
 - Problem: Could the US Navy operate carrier battle groups including air operations without GPS?
 - China believes that the US would be much more leery about engaging in hostilities because of these issues
 - Not all tech is created equal and not all networks are created equal
 - The most important networks would be those related to intelligence and command & control
 - Objective: Achieve information dominance, which includes not permitting adversaries to make use of the information that they collect
 - *At the tactical level:* Information operations including those effected by psychological efforts
 - Integrated networks can be taken out of action by jamming or spoofing or by physical action not involving firepower such as cutting cables
 - Would force greater use of space assets which would mean lower bandwidths and vulnerability to other attacks
 - Cyber operations are a relatively small part
 - No stand-alone cyber function – Chinese don't talk about cyber dominance or deterrence but rather talk about information dominance or deterrence
 - Cyber is included with all the various information operations along with deception and denial
 - Primary objective: Use all means possible to alter an adversary's acceptance of his information
 - Must start in peacetime – can't map networks or the decision-making process in real time during crises
 - In the meantime, hacking OPM identifies who works for the government
 - Comparing with data from Ashley Madison (dating site for the already married) can identify potentially compromisable HUMINT sources
 - Compromising people into HUMINT activities could also be done with credit ratings, ideology, or health issues using hacked data bases

Chinese Defensive Cyber Operations

- The Chinese defend themselves in various ways including:
 - Hardware security – Are the servers and the routers secure? In bunkers?
 - Software security – Could be a real problem for China
 - Many Chinese computers run on Microsoft X-P software and many of those are counterfeit meaning not all Zero-day vulnerabilities have been fixed
 - Data security – Separate from software security
 - Example: Space systems need protection, i.e., the software tracking satellites and the data that is being transmitted needs protection
 - Management security – The human element
 - Includes such things as not allowing people to put randomly found USB drives into a computer, but this happens all the time, everywhere
 - In a test at West Point, 15 cadets and 5 professors were caught plugging in *found* USB drives even after training instructed them not to do so
 - With so little control over those most motivated to be security-conscious, we should expect even more problems from contractors, OPM, or Target

PLA Reforms

- 31 December 2015, PLA published massive document with its most far-reaching reforms ever by reforming the Central Military Commission that manages the PLA
 - The Ministry of Defense does not run the PLA but only carries out duties such as the protocol of meeting foreign defense officials at the airport
 - Top leaders hold only brief meetings
 - Everything is run by the Party
- Established a Joint Staff department to foster mutual situational awareness, which will be needed in future conflicts
- Created three new services including the PLA Strategic Support Force
 - Brings together the electronic warfare forces, network warfare forces, space warfare forces, and some of the political warfare forces
 - Should be called the PLA Information Warfare Force
- Established 5 war zones instead of the previous 7 military regions
 - War zones are now permanent where the military regions were peacetime only
 - Headquarters of the war zones are joint which was not the case with the military regions
 - Example: The Southern War Zone has a Navy Commander, which never would have happened with the military regions
 - The East, West, North, and South War Zones are understandable
 - The function of the Center War Zone is something of a mystery and may be responsible for the strategic reserve which allocates resources to handle internal security threats
 - May have a functional rather than geographic responsibility which would have control over information warfare from the cyber, space, and nuclear domains

QUESTIONS & ANSWERS SESSION

Re: Chinese Reaction to Ruling Against Their SCS Claims

- The Chinese considered the international tribunal in The Hague unqualified to pass judgement on its claims of sovereignty over small islands and outcroppings in the South China Sea
 - But the Permanent Court of Arbitration contained some of the best jurists in the world
 - Some Foreign Ministry officials, speaking here for both the Party and the State, considered these rulings as irrelevant as mosquitos
- Problem: The world expected China to follow the established rules of conduct for nation states as it developed because it benefits from globalization and rules-based regimes
 - But China hasn't and nothing bad has happened to them as a consequence
 - No contracts broken, no ambassadors recalled, etc.
 - China is always happy to break rules when there are no consequences
- The Spratly developments happened during a time when the US stopped doing freedom of navigation (FON) operations for over 3 years in the area
 - It was a big mistake on the part of the US
- Future outlook
 - The US under President Trump has already held four FON Ops around the Spratlys
 - This is one way to challenge China's claim to the SCS and the Spratlys
 - No reason for the US to concede them to China, but China has already made major improvements to those islands including building:
 - Airstrips and facilities for SAMs
 - Hardened aircraft shelters and other underground structures
 - Bottom line: It would be hard to reverse these actions now but it is worth the challenge
 - Would be bloodier to do so now rather than in 2012 telling China to stop these activities or we will:

- Cut off trade and not let you list on the New York Stock Exchange
- Not allow our companies to build research centers in China
- This battle is not lost yet but it is more of a challenge now
 - The US should not let them build the next set of structures on Scarborough Shoals

Re: China's Narrative

- Their narrative is centralized in their doctrinal writings
 - Operation Fortitude (the D-Day landing) centralized thoughts about WWII
 - All elements (bombing, deception, etc.) were tied together and orchestrated
 - Similar situation here for at least some of the Chinese messages and efforts
- China's problems with the Uighurs and the SCS don't seem connected but both show that China intends to defend all of its regions, no matter where
- Other narratives may also be at play such as the suicide of a senior general had more to do with the Party trying to ensure the military knows that it is still under the control of the Party
- Problem: We have a limited number of people looking at such topics, so have little information
 - Example: We don't know much about the training for those working in the military political area
 - We do know the Political Work Department, in charge of political warfare, has its own colleges as one way to bring people into the work

Re: China's View of North Korea

- For decades China would call their relationship with N. Korea *as close as lips and teeth* but not so anymore
- N. Korea now being seen as going beyond being a mere problem child
 - Deng Xiaoping tried to show Kim Il-Sung how much more developed his country could be but Kim only asked what happened to China's Communists
- Progression throughout the N. Korean dynastic turnovers has been consistent
 - Kim Il Sung– exterminated all opposition to him and to his dynastic succession
 - Had to eliminate both the pro-Chinese and pro-Soviet supporters
 - Successfully played one off against the other for about 30 years so never really in either camp – a very impressive maneuver
 - Kim Jung Il – sustained that balance even during the fall of the Soviet Union and the collapse of Communism worldwide
 - It was remarkable, even if done by reprehensible people
 - Kim Jung Un (KJU)– did not have the same period of preparation his father had
 - Kim Jung Il's successor was supposed to be Kim Jung Un's older brother (recently assassinated) until he was caught trying to go to Disneyland Tokyo on a fake foreign passport
 - Un's older brother had spent years in training
 - Jung Il's middle son was never considered up to the task
 - As a consequence, KJU only had 3 years of training so is somewhat uneasy in his position
 - Probably the reason he has executed so many senior advisers including his uncle, the latter using an anti-aircraft weapon
- Problems for China
 - N. Korea is independent and not an outgrowth of China, and China does not have as much influence with it as we would like them to have because:
 - N. Korea's economy has improved marginally
 - China could completely cut off oil and food deliveries, but then what?

- China mostly fears vast numbers of refugees coming across their border
 - Bottom line: China chooses to stay with the known pain in the neck
- The satellite night shot of N. Korea showing almost no lights there doesn't have to be that way
 - China could easily connect N. Korea to its electrical grid but has chosen not to
 - A weak N. Korea probably won't invade S. Korea
- Russia is sending oil and food to N. Korea and has installed a second optical data link into a country with very few computers which is a good way to spread computer viruses
 - If China sides with the US in sanctioning N. Korea, there will still be Russia who can trade with N Korea
 - N. Korea is still playing Russia and China off against one another
- Bottom line: No one has a good way of stopping N. Korea
 - Kim Jung Un's only goal is for unification under N. Korean terms – even if it is a fantasy
 - But no one can seem to determine what would deter Kim

Re: Chinese Expansionism

- Strategic goals resemble a Russian nesting doll
 - First – China's immediate region – has always been its traditional sphere of influence
 - Korea, Philippines, Southeast Asia, etc. – They need to know their place, which is firmly in China's orbit
 - Second – Out to the second island chain in the east and reaching as far as India and Central Asia in the west
 - The effort there is to tie these countries to China economically and provide a new market and even locations for their most polluting industries
 - These countries are also expected to understand it is not in their interests to try to balance China with a fickle US
 - Further out – Africa, Central America, etc. where they have useful trading partners
 - China happy to sign long term trading pacts and even help build the infrastructure needed to support their import/export markets there
 - Will create interest groups that see the value of selling goods to China providing some stability
 - Very different from the Russian model since Russia is in a hurry and has fewer resources
 - China is taking a long view
 - China is willing to spend a lot of money to very slowly alter the terms
 - Confucian Institutes are unlikely to change minds quickly but dropping \$200,000 for R&D at your universities for 10 years might have an impact
 - University might be made more reluctant to sign letters about Chinese human rights abuses, effect course selection, etc.
 - Students of those classes will become military officers, government staffers, etc.
- One Belt One Road (OBOR) Initiative for those outside China's immediate sphere of influence
 - An interesting effort involving economic, diplomatic, and technological power
 - Example: The 2016 Space White Paper insists on the use of BeiDou, the Chinese GPS system, for the 5,000 miles of pipelines it is building in the OBOR initiative
 - Pipelines need precise timing provided by satellite navigation systems like GPS
 - If running BeiDou, then the client states would find it very expensive to use GPS
 - Result: China has created captive customers for its product

Re: China Twenty-Five Years Out

- Hard to predict what the situation will be in China by then
- China has the advantage of consistency and constancy
 - Having a 5-year budget cycle is very helpful
 - Already planning to have the first phase of modernization ready by 2020
- What we can expect to see:
 - The new service, the PLA SFS, will be less of a mystery
 - New doctrine for these new services will be developed in the 2021-2025 range
 - The new military organizational structures will be modified and tweaked as China determines how best to use them
 - In the longer term, for overall information efforts, we should see multiple pathways being explored simultaneously (as long as the economy continues to expand, which it is)
 - China apparently has gleaned a lot from DARPA unclassified records finding useful ideas on projects that were never funded or were not successful in their day
 - Example: The 1970s DASH program, basically an unmanned ASW helicopter that lacked the software / communications / etc. that it needed to be successful
 - Now there are advances in those areas as well as in navigation and new composite materials
 - What was too hard or expensive then, is detailed in public records, saving the Chinese R&D time and money
 - Bottom line: Expect the Chinese to exploit research that the US has already conducted in the next 10 years
- Twenty-five years is much harder to predict
 - It is impossible to say where quantum communications might lead
 - Advances in genetic engineering are scary
 - Plan 863 – China’s basic hi-tech research program – provides a lot of money and institutional resources for R&D programs
 - Programs initially involved aerospace, genetic engineering, advance materials, etc.
 - Added an oceanography program in the 1990s
 - The US assumes it leads in the underwater world
 - But a lot might change in 25 years given improvements in computing, China’s manufacturing capabilities, and its ability to monitor the SCS
 - Already describing in public documents the installation of a massive sonar (SOSUS-like) network in the SCS
 - Result: The US can’t be sure it will be able to send subs there undetected in the future

Re: Future of Chinese Leadership

- Hard to say what will happen
- Xi Jinping’s right-hand man, Wang Qishan, didn’t remain on as expected once he reached age 70
 - Was assumed that Xi would want him to since he was so important in the anti-corruption efforts
 - That Wang didn’t stay on indicates that the age restrictions (for everyone but the top 2 leaders) is a significant restriction
- The 7 members of the Politburo Standing Committee are the ultimate power in the Party
 - Leaving out the top two positions, 3 of the 5 remaining members will not have to step down in 2022 at the next Party Congress

- President Xi, for many good reasons, has not identified a successor but has indicated that he expects to have influence over those 3 who owe their positions to him
- Most likely, one of those 3 will be Xi's successor, but no matter who takes over, he will need to curry favor with those 3
- If Xi said he wanted a third term, he would likely get a lot of opposition
- However, if Xi said he would step down and rule from behind the scenes, any opposition would need to get support from the 3 who owe everything to Xi

Re: Impact of the One-Child Policy

- China is suffering from an aging population
 - The working age population is already stagnant or starting to drop
- The recently announced two-child policy is real but just because you can now have two children, doesn't mean you will
 - One mitigating factor against having two children is the importance given to education where the costs for education beyond public schools (cram schools, prep schools, etc.) is very high
- How China intends to handle the decline in population
 - Already have the largest market for robots
 - Even the PLA has discussed the problem
 - Shifting to quality is partially a recognition that they can't afford massive casualties
 - Psychological profiling of recruits who are single children indicates that they are largely seen to be self-centered, spoiled, and out of shape
 - The US is worrying about the same sort of problems but at different levels
- Chinese doctors have challenges with recruits
 - In the cities, they are paid by parents to mark their draftees as unqualified for duty so that they can go work for hi-tech companies
 - In the country, they are paid by parents to ensure that the draftees are considered qualified so that they can get out of the country and have better prospects
- Cultural differences between the US and China
 - In the US, few people serve in the military but they honor the service of those who do
 - In China, the opposite is true where the attitude is: Don't take good steel to make nails and don't take good men to make soldiers
 - Military lineage families are not encouraged
 - Now China is trying to change the attitude by having special military hotel / theater / transportation lines and other perks and privileges for military members
- China has also had a long-standing problem with developing a career NCO corps
- On the other hand, it will need to realize that although it is a Party army it is also a professional military
 - Soldiers will fight and die for their country as well as for the Party, e.g., very patriotic
 - Soldiers are not illiterate, and not the bottom of the barrel
 - Officers are motivated and educated as well as increasingly technologically sophisticated with some exposure to the outside world

Re: Senkaku Islands Dispute

- China learned that a rather ham-handed approach didn't work well
 - In 2010 a drunken Chinese fisherman rammed two Japanese Coast Guard vessels
 - It started an incident with Japan wanting to put the fisherman on trial
 - China was furious at the prospects of a trial
 - Japan gave in and sent the fisherman back

- Once China had him back, they imposed a massive rare earths embargo on Japan
- The rare earths embargo shocked the Japanese and set them off on a modernization effort
 - Thus, it did not come out the way China had assumed
- China then also learned that the laws of supply and demand actually work
 - The US, India, and Canada reopened their rare earth mines when prices went up making it worthwhile to mine again
 - But now those mines are having trouble because China eliminated the embargo after a significant number of WTO suits were filed against them
 - Must hope that someone would stop any effort by a Chinese company from buying failing rare earth mines in other countries, especially the US
- DoD says that rare earth minerals are not a problem
 - At least not for a 90-day war
 - In a 3-year war DoD shouldn't be so confident
- The US should go back to thinking about mobilization and what is required to do so
 - China now has a huge staff thinking about mobilization options and has been planning for mobilization for at least 15 years
 - The US must think more about its industrial base including how long we could sustain a conflict against the PRC and how we would do it using adaptability and resilience