

# One Man's Casino, Another Man's Aircraft Carrier

Written by Harry Kazianis

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HARRY KAZIANIS, JUL 25 2011

I must admit, over the past few months I have become completely obsessed with China's new Aircraft carrier. There have been countless articles and speculation about the new carrier and its role in a larger context. The new carrier is not actually new but is a Soviet era carrier that was originally started in December 1985 in a Ukrainian shipyard. Called the *Varyag*, it has been renamed by the Chinese the *Shi Lang*. While not nuclear powered, nor possessing the ability to cruise long distances or carry the amount of fixed wing aircraft like an American carrier, it represents a quantum leap in Chinese military technology and capabilities. It represents a strong symbol in China's quest to build a blue-water navy. It makes up for its capabilities for what it represents, a Chinese military on the rise.

The *Shi Lang* was purchased in March 1998 for \$20 million dollars to become a floating casino by what is now considered a Chinese front company for the PLA. The then *Varyag* was stuck in limbo for over 15 months while Turkish officials would not allow the carrier to move through the Dardanelles for fear of endangering commercial shipping in the narrow straits. It has been rumored that China then offered Turkey more than \$360 million dollars in a nicely worded "tourism and economic aid package" to allow the passage of the floating casino. For over \$380 million dollars in upfront costs, one would assume this was going to be one heck of a casino. The *Varyag* would never get to see any slot machines or craps tables, but would be completely stripped down and recreated into a modern and virtually brand new carrier.

There is nothing new in the knowledge that China has tremendous skill at studying, analyzing and re-creating military technologies from other nations. The Chinese have purchased not just the Soviet *Varyag*, but also the *Minsk* and *Kiev* carriers as well. The *Minsk* and *Kiev* are currently floating museums in China. However, both were thoroughly examined and one would assume much gained from these obsolete but relevant carriers. In 1985, the Chinese also purchased the old HMAS *Melbourne* from Australia, for the purposes of breaking the old carrier up for scrap. Instead, the Chinese allegedly did not break up the old carrier until 2002 and may have stripped its landing deck off for study.

China has also taken this same "study and copy" approach to other sectors of military hardware. The Chinese caused a stir in relations with Russia after it cancelled a 1995 contract to purchase 200 Su-27 4<sup>th</sup> generation fighter aircraft to be renamed the J-11A. The agreement called for 200 planes to be sent in kits to China to be assembled there with Russia experts assisting. The official reason for cancellation was that the plane no longer met China's needs after about 95 planes were completed by 2006. China's reason for cancellation is weak considering the Su-27 is considered close in tactical capability to an American F-15. When one takes into account the Chinese Air-Force was still made up largely of 1960's Soviet copied MIG fighters, Chinese claims become dubious. China would then deploy an eerie looking copycat, the J-11B. Experts have called the J-11B an improved version of the SU-27 that China has attempted to sell overseas at a much lower price per unit price. According to recent speculation, Russia cancelled the contract when it heard of the development of the J-11B. China has repeated this model of "study and copy" with Russian equipment over and over. From carriers, to submarines, to fighter aircraft the Chinese have jumped decades in military technology thanks to this strategy. This is why Russia has by and large stopped selling advanced weaponry to China.

Which brings us to the present. There have been several news reports that have indicated that the Chinese may have been the winners in a bidding process to purchase the British HMS *Ark Royal*. The *Ark Royal*, the former flagship of the Royal Navy, was recently decommissioned due to austerity measures that cut British defense spending by 8% in

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2010 alone. The reason for the Chinese interest: to purchase and turn the old carrier into a Casino. Haven't we heard this line before? At least the Chinese are consistent in their line of spin. Maybe they can save money by using the slot machines they were going to use on the *Varyag* on the *Ark Royal*? Just a thought.

As the old *Varyag*, now *Shi Lang*, finishes a long rebuilding process and puts to sea trials in what is rumored to be in the next few months, some lessons can be learned from these series of events. For one, the British should not sell the *Ark Royal* to the Chinese. I wonder if US officials have made inquiries to stop the sale. While the Chinese would be able to gain limited knowledge from the carrier as her radar and advanced electronics would be taken off the ship before being handed over, it does give the Chinese insight into older but relevant carrier design and know how. The Chinese would have now inspected and gained relevant technical knowledge from 5 different carriers from two different nations with high capacities of naval know how. Giving potential adversaries any type of technological gain is never a good idea, no matter how small. Could you imagine someday the irony of the *Shi Lang* and the *Ark Royal* out on deployment for the PLA Navy? Seems just too creepy to me, however old the carriers are. If you ever wanted a symbol in the shift of military and economic power from West to East, there you have it.

It should be noted that all of the carriers and military technology the Chinese have acquired in their "study and copy" model are at best Cold War era technology. It remains to be seen if they are able to take this technology and catch up with the more modern Western and Russian technology. There are some examples though this may be happening. Try and "Google" pictures of the new 5<sup>th</sup> generation J-20 stealth fighter China is now testing. It is possible we maybe witnessing China moving beyond its "study and copy" model. If that is the case, Western and Russian military planners should think long and hard on whom they sell their old wares to. It just might come back to haunt them.

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**Harry Kazianis** is Assistant Editor at *The Diplomat* and a Graduate Student at Harvard.

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## About the author:

Harry serves as Editor-In-Chief for *The Diplomat* as well as a CSIS: WSD Handa Fellow. He has served in the past as Deputy Editor for e-IR. He specializes in security studies with a keen interest in modern Chinese military strategy and foreign policy. Harry has written in publications including *The Diplomat*, *East Asia Forum* and the *Foreword Report*.