

MERIA

MOUNTAINS OUT OF MOLEHILLS: ARMS TRANSFERS IN SINO-MIDDLE EASTERN RELATIONS

By Yitzhak Shichor*

Beginning in the early 1980s, arms transfers in Sino-Middle Eastern relations are a relatively new phenomenon. Both China and Israel are occasionally blamed, primarily by the United States, for upsetting the military balance in East Asia and the Middle East respectively and for undermining U.S. security interests. However, these accusations can by no means be substantiated given the quantity and the quality of the military technology they supply and an examination of specific deals and weapons' systems.

Washington's successful pressure on Israel to cancel the sale of the Phalcon early-warning plane to the People's Republic of China (PRC) has yet again highlighted the issue of Israel's arms transfers to China and, indirectly, of Chinese arms transfers to the Middle East.(1) One of Washington's arguments is that Israeli military technology supplied to China could eventually reach hostile Middle Eastern end users. Moreover, both China and Israel have been respectively blamed for upsetting the Middle Eastern and the East Asian regional military balance; for allegedly transferring unconventional military technologies and equipment (occasionally illegally) and, thereby, for undermining regional U.S. interests and putting American lives at risk.

First formulated in the mid-1980s, these serious allegations persist, with ups and downs, to this very day. Though recent accusations have been directed against Jerusalem, the ultimate address is Beijing. The facts notwithstanding, following the Soviet Union's collapse, and even earlier, China has been singled out by some U.S. circles as a "threat" bent on a policy of proliferation for non-conventional military nuclear and chemical weapons of mass destruction, materials and equipment. Based on its alleged long-term strategic-global aspirations, Beijing has also been criticized for compromising various international

agreements such as the intermediate-range nuclear forces (INF), the missile technology control regime (MTCR), the Nuclear Non-Proliferation Treaty (NPT) and, more recently, the Comprehensive Test-Ban Treaty (CTBT).

If true, the implications of these allegations are by no means limited to the bilateral relations between Washington and Jerusalem or between Washington and Beijing. The outcome may well be an increase in regional and even global tension and a revival of the Cold War, whose obituaries would then have been premature. Paradoxically, if the allegations prove to be untrue, the outcome could be even worse, namely, an artificial increase in tension, invented threats, imagined enemies and a self-fulfilling prophecy. The purpose of this article is to offer a rational, realistic, balanced and sober analysis of arms transfers in Sino-Middle Eastern relations.

CHINESE ARMS TRANSFERS

China is a newcomer to the Middle East arms market. For three decades, until the late 1970s, the Middle East arms market had been completely monopolized by the United States, the Soviet Union, and their allies. From 1976 to 1980, the last five years before Chinese arms sales to the Middle East began, the entire value of arms transfers to the Middle East had reached \$38.6 billion, 35 percent of

the world's total. Of these, the U.S. share was \$14.2 billion (nearly 37 percent) and, together with its allies, \$22.7 billion (nearly 60 percent).(2) Practically excluded from the Middle East until the early 1980s, the Chinese share was too small even to be mentioned or measurable. Thus, despite the militant attitudes and revolutionary rhetoric of Chinese leader Mao Zedong and the predominance of strategic and security considerations in Chinese foreign policy, Chinese arms had played an insignificant role in the Middle East military balance.(3)

China's penetration of the Middle East arms market began after Mao's death in 1976 as an outcome of two processes. At home, the time-honored Maoist revolutionary ideology of self-reliance was now replaced by an Open Door policy based on rational economic development and overall reform. Consequently, arms were now regarded as a commodity that could be legitimately sold and Beijing began looking for accessible markets. Abroad, the withdrawal of traditional arms suppliers from the Middle East, primarily the Soviet Union, as well as the region's persistent conflicts, had created an opportunity that Beijing could not afford to miss. Some of the Middle Eastern customers, who wanted more weapons, welcomed Chinese arms because of their low prices, sturdiness, lack of political preconditions and, last but not least, compatibility with familiar Soviet weapons.

Since the early 1980s the PRC began to sell arms to Middle Eastern countries on an unprecedented scale.(4) For one decade, this was China's principal, in fact nearly exclusive, arms market. In 1985, for example, the Middle East absorbed 100 percent of all Chinese arms deliveries and in 1986, over 94 percent of all Chinese arms sales agreements were signed with Middle Eastern countries. Yet, while the predominance of the Middle East in China's arms sales system is obvious, the impact of these sales on the Middle Eastern military balance is doubtful, in terms of both quantity and quality.

To begin with, China's arms supplies to the Middle East had a rather brief spell of

importance. From 1988 onward, the proportion of China's arms deals with the Middle East was far lower, reaching 16.7 percent in 1992. In 1994-1997 the share of the Middle East in China's arms deliveries was 18 percent.(5)

More important, China's arms supplies to the Middle East have been dwarfed by those of other arms suppliers. Even at their peak in 1987, Chinese arms transfers to the Middle East barely reached 12 percent of all sales to the region, while the average for 1983-94 was 4.6 percent. China may have been the fourth or fifth largest arms supplier to the Middle East in certain years, but its share in the region's total arms agreements was still very small. From 4.4 percent in 1983-86 (the U.S.: 16.4 percent) it increased to 8.2 percent in 1987-90 (the U.S.: 28 percent), and then declined to 1.2 percent in 1991-94 (the U.S.: 56 percent), and to 2.14 percent in 1994-97 (the United States: 35.5 percent).(6) Thus, Chinese arms transfers to the Middle East have been no more than a fraction of U.S. and Soviet arms transfers, not to mention their allies'.

To be sure, China has become a more significant arms supplier in the case of two Middle Eastern countries: Iran and Iraq. From 1983 to 1986, these two countries absorbed nearly 92 percent of all Chinese arms transfer agreements and nearly 88 percent of all Chinese arms transfer deliveries to the Middle East in terms of value. In 1987-90, following the end of the Iran-Iraq war, their share declined to 55 and 56 percent respectively. After the Gulf war, Iran's share increased to 57 and 69 percent respectively, while China has honored its commitment to the UN-imposed embargo by cutting off military relations with Iraq. In the 1980s China was Iran's largest single military supplier, reaching about one-third of Iran's imports.(7) With a share of 27.3 percent and 84.8 percent respectively, Iran was still China's principal arms customer in 1995-1997 in general, and in the Middle East in particular. In the 1980s China's share in Iraq's arms import agreements was 8.3 percent (51.4 percent by

the Soviet Union) and 11.7 percent of deliveries (45.8 by the Soviet Union).

In sum, the PRC could by no means be blamed for "arming" the Middle East. Unlike the traditional suppliers, China's opportunity window was rather narrow, limited to the 1980s. In those years, the estimated share of PRC-made arms in the arsenals of its main Middle Eastern customers (Egypt, Iran and Iraq) indeed reached impressive proportions: about one-half of their fighter aircraft, submarines, and missile frigates; one-third of their gun boats and patrol crafts; and one-quarter of their field artillery.

Since the early 1990s, however, the Chinese share-and the level of its arms transfers in general-have declined drastically. Traditional suppliers have soon stepped in to regain parts of their lost markets, forcing China to step out. For the Middle Eastern customers this was an easy, though more expensive, choice. In a retrospective view from the vantage point of the high-tech Gulf War, the advantages of Chinese arms transfers-such as low prices, no strings attached, sturdiness, and compatibility with existing (Soviet-made) arsenals-have been overwhelmingly outweighed by their disadvantages: backwardness and poor quality.

Most, if not all, PRC-made weapons are endlessly recycled and upgraded versions of outdated 1950s and 1960s Soviet models (some derived in turn from 1930s German models) which could by no means compete with state-of-the-art Soviet, let alone Western, weapons. For 20 years, from the early 1960s to the early 1980s, China had been cut off from external sources of military technology and advanced weapons. Moreover, during those years Beijing accorded first priority to the development of non-conventional weapons and missiles (to be discussed below) that absorbed much of China's energy, funds and manpower at the expense of research and development of conventional weapons. When China opened up to the outside world in the early 1980s, it could offer a relatively wide range of upgraded versions of conventional weapons (based on obsolete models of an

earlier generation), various types of missiles, and non-conventional technologies.

To be sure, upgraded Chinese weapons are probably better than the Soviet models on which they are based. Thus, though based on the Soviet 1950s vintage T-54 main battle tank (MBT), the Chinese Type-59 and Type-69 MBTs (of which 1,850 had been supplied to the Middle East in the 1980s) have been equipped with modern fire-control systems, infrared night vision capabilities, enhanced engines, etc. Also, China's F-6 and F-7 fighter aircraft (known in China as J-6 and J-7, of which some 350 have been supplied to the Middle East), are modified copies of the outdated Soviet MiG-19 and MiG-21 respectively. These export versions, however, incorporate more advanced avionics and other technologies (some of Western origins) that could considerably improve the aircraft's performance.

Yet, despite these improvements, PRC weapons still lag far behind more advanced, sophisticated models of recent generation. There is an obvious limit as to how much an outdated system could be upgraded, and how many times it could be recycled. Aware of the shortcomings of Chinese weapons, Middle Eastern armed forces have rarely tested them under real battlefield conditions. Deployed as a second line or reserve, PRC weapons have played a marginal role, if any, in Middle Eastern hostilities (unlike weapons supplied by the United States and the Soviet Union), except for missiles.

Tactical missiles are not only Beijing's principal military export to the Middle East but also the most diversified. At least ten different types of Chinese missiles have been supplied to Middle Eastern countries. These are, probably, the most effective and successful PRC-supplied weapon systems - more because of their deployment in strategic locations rather than for their particular sophistication. In fact, like most other Chinese weapons, they are also based on earlier Soviet types. Thus, the HJ-73 antitank missile is based on the Soviet AT-3 Sagger, and the HN-5 surface-to-air missile is based on the Soviet SA-7 Grail or Strella. But it is

the HY-2 ship-to-ship or surface-to-ship missile, known as Silkworm and based on the Soviet SS-N-2 Styx, that came to symbolize the China's "military intrusion" into the Middle East.(8)

By the late 1980s, nearly 350 Silkworms had been supplied to Middle Eastern countries including Egypt, Iraq and, notably, Iran. In early 1987 a number of HY-2 launchers had been deployed by radical Iranian Revolutionary Guards along the narrow bend of the Strait of Hormuz, one of the world's most congested, sensitive oil transportation waterways. Ignoring U.S. warnings that the Silkworms are "a tremendous threat" and "a very serious escalation," in September and October 1987 Iran fired seven missiles hitting a Kuwaiti offshore oil terminal, as well as U.S. ships. The resulting American sanctions imposed on China did not last long but soon converged with the sanctions imposed on China following the Tiananmen massacre. These sanctions proved to be not only unproductive but, moreover, counterproductive as Beijing now felt free to upgrade its arms export to Iran. It was only in 1998, after 200 advanced C-801 and C-802 PRC-made cruise missiles, incorporating Western technology, had already been supplied to Iran, that China agreed not to help Tehran to upgrade its cruise missile systems.

Unlike these conventional missiles, China has so far been careful not to supply other types of short-range missiles that could carry a non-conventional warhead. These include the M-9 (domestic designation, DF-15 [Dongfeng, or East Wind]), an advanced 600 km-range road-mobile surface-to-surface single-stage solid-propellant missile with a 500 kg payload capable of carrying a nuclear device. Well before the M-9 was even flight-tested, Syria and Iran had reportedly paid a deposit and invested in its research and development revealing their eagerness to buy the missiles.

Nonetheless, and despite allegations to the contrary, the M-9 has never been supplied to the Middle East. More specifically, Beijing has kept its word to Israel, said to be given as

early as 1986 (probably in return for Israeli military transfers, to be discussed below), not to provide the M-9 to Syria. A year later, the MTCR, just signed by seven U.S.-led countries, restricted the sale of ballistic missiles with a range above 300 km and a payload of over 500 kg. The PRC was not one of the signatories and had never been invited to join the secret discussions leading to this agreement. Nevertheless, Beijing has still been subject to U.S. pressure and even intimidation to abide by the MTCR rules, with which it was finally forced to agree in 1992, when the M-9 had already started production.

Unlike the M-9, the 300-kilometer-range M-11 is at best a borderline case that is not covered by the MTCR rules. Nevertheless, while it has reportedly been supplied to Pakistan, it has not been supplied to the Middle East. This is probably more related to unofficial understandings with Israel and the United States than to the MTCR. Beijing's commitment to the MTCR is vague, reluctant, and superficial, depending to a great extent on the nature of its relations with the rest of the world, and primarily with the United States, Israel, and the Middle Eastern countries. Any perceived shift of this delicate balance of understandings (e.g., the U.S.-forced cancellation of the Phalcon deal) might release the Chinese from their unofficial commitments, leading to a revised missile transfer policy. This could seriously alter the Middle East military balance, which has so far hardly been affected by Chinese arms, not even by the intermediate-range ballistic missiles (IRBM) supplied to Saudi Arabia.(9)

Revealed in 1988, the deal involved an undisclosed number of DF-3 IRBMs (known in the West as CSS-2), a mobile single-stage liquid-fuel missile capable of delivering a payload of 2,150 kg, or a 1-3 megaton nuclear warhead, over a distance of 2,650 km. It has the longest range of all Middle Eastern missiles, nearly three times that of its nearest rival. When based in Saudi Arabia, its range covers not only the Middle East but also east Africa, Turkey, Iran, Afghanistan as well as parts of India, Pakistan, and the former Soviet

Union. Apparently, a deal of such proportions and by such a supplier should have entailed strong reactions and deep concern among those whose interests could be affected, primarily the United States, Israel, Russia, etc.

In fact, and despite the initial surprise, reactions were mild, nearly indifferent, and for good reasons. Developed since 1964 and test-launched for the first time in December 1966, the DF-3 is an outdated, vulnerable (on the ground) and inaccurate IRBM. Transporting and preparing the missile for launch take a few hours and its circular error probability (CEP) is 1,500-2,000 meters. More important, the Chinese had replaced its original nuclear warhead with a high-explosive (HE) conventional one, less threatening and less lethal. To be sure, although they had reportedly become operational a few weeks before, the Saudi-acquired DF-3s provided no deterrence whatsoever against Iraq's invasion of Kuwait in August 1990 or against Iraq's attacks on Saudi military installations. Similarly, Saudi Arabia failed to use the DF-3s for retaliation in response to these attacks.

In sum, despite repeated U.S. warnings, the DF-3 deal and other PRC missile and arms transfers have not upset the Middle Eastern balance of power, nor increased regional tension, weakened U.S. position, threatened Israel or triggered a new arms race. Occasional reports leaked by the CIA and other U.S. agencies about China's continued transfer of missiles and missile technologies to the Middle East, primarily to Iran, have yet to be substantiated and remain small in proportion to arms transfers by other countries, first and foremost Russia. This is especially relevant to non-conventional military technologies.

One of the most serious allegations directed against the PRC, primarily by the United States, concerns nuclear and chemical transfers. The Chinese still insist that they have never provided any such weapons or military technology to the Middle East. This may be true only in the narrow sense, for there are reports on the "gray area" of non-

conventional transfers of technology, equipment, materials and know-how that could have dual use: civilian as well as military.

An early example is Algeria, where a Chinese-designed nuclear research reactor was built in the second half of the 1980s. Though it is a small 15MW reactor powered by slightly enriched uranium, reports suggested that it could in fact be a 40MW reactor capable of producing enough fissile material for a nuclear bomb by 1998. Algeria not only firmly refuted the allegation but also signed an inspection agreement with the International Atomic Energy Agency (IAEA) in early 1992. Nothing much has been heard about it since, meaning that the reactor indeed serves civilian peaceful purposes.

In the case of Iran, it is China that withdrew its offers to provide nuclear reactors. In 1992 Washington thwarted a Chinese attempt to sell Iran two 20MW research reactors. A year later, Beijing agreed to provide Iran with two 300MW power reactors. In 1995 China admitted, for the first time, that it had been providing Iran with nuclear technology for medical, scientific, and training purposes. Under U.S. pressure, and allegedly due to "financial" and "technical" problems, the power reactor deal was cancelled. Occasional reports about nuclear military cooperation between China and Iran have been consistently denied not only by the two parties but also the IAEA.

China has also been accused of providing Iran (and Iraq, before the embargo) with chemicals that could be used for non-conventional weapons. In July-August 1993, U.S. warships and airplanes were trying to intercept a Chinese ship (the Yin He) that, according to intelligence reports, was carrying dangerous chemicals to Iran. A combined inspection team (including Chinese, U.S., and Saudi officials) found nothing. This by no means imply that non-conventional Chinese equipment, materials, technologies, and know-how, do not find their way to Iran, Iraq or other countries. China's defense-industrial system is so complicated and decentralized as to defy close

supervision. Deals through Hong Kong have become easier since July 1997. China, however, is by no means an exception: non-conventional military equipment, materials, technologies, and know-how have been leaked to the Middle East (and to China) by a number of Western countries, including the United States.

Criticizing U.S. hardliners, Robert S. Ross, professor at Boston College and research associate at Harvard University, states matters clearly: "It is true that Chinese commercial enterprises have exported chemical weapon materiel. But it is also true that its weapon proliferation policy is in substantive compliance with all international arms control agreements....China has not exported a single missile, transferred any nuclear technology, or engaged in proliferation of chemical weapons' raw materials in violation of any international arms control regime....Although in May 1997 Congress imposed sanctions on Chinese firms for exporting chemical weapons materiel to Iran, these exports did not violate the Chemical Weapons Convention."(10)

To sum up, China has been a marginal, almost insignificant player in the Middle East arms market, conventional as well as non-conventional, both in absolute terms and definitely in relative ones, with the possible exception of tactical missiles.

Comparatively small in quantity and poor in quality of equipment, as well as short-lived in duration, Chinese arms transfers to the Middle East have managed to attract a limited number and variety of customers, who have consistently avoided using them in battle. Combined objective and subjective reasons have forced (or led) China to become more responsible and restrained in its arms transfer policy. In a retrospective view, even U.S. observers admit that "the destabilizing effects of Chinese arms sales to the Middle East have been exaggerated by both [U.S.] Congress and the media," and add that, "contrary to popular perception, China is not looking to create instability in the Middle East."(11)

ISRAELI ARMS TRANSFERS TO CHINA

Israel's military relations with China began in 1979, as an anomaly. Beijing not only refused to establish diplomatic relations with Jerusalem but, for many years, especially in the 1960s, had also consistently backed the Arabs and the Palestinians, condemning Israel to the point of denying its right to exist. Yet, developments in the late 1970s created common Sino-Israeli interests that laid the groundwork for unofficial relations, primarily in the military field. As China began to emerge into the post-Mao period of economic reform and growth, it suffered an unexpected blow from the Vietnamese while trying 'to teach them a lesson'. Beijing suddenly realized that, after 20 years of isolation and a practical standstill, its military system needed an urgent, comprehensive overhaul. When China began window-shopping for arms and military technology in the West, Israel quickly seized the opportunity, and for good reasons.

To begin with, unofficial military relations could lead the PRC to moderate its pro-Arab policy, reduce its hostility toward Israel, and ultimately pave the ground for official diplomatic relations between the two countries. Also, an opening of the huge Chinese defense market for Israeli military technology could not have come at a better moment. Israel had just lost some of its most profitable customers, primarily Iran and South Africa. Consequently, Israel's military-industrial complex was pushed into an unprecedented economic crisis that led not only to unemployment but also to a loss of income that brought a shortage of vital funds for defense R&D. Similarly, the choice of Israel also conformed to China's military needs at that time. Israel was too small and remote to create a threat and was ready to provide China with relatively advanced military technology, rather than off-the-shelf weapons, something that most Western arms suppliers had been reluctant to do.

Precise information about Israel's arms transfers to China is not available. For one reason, in the 1980s, before the establishment of diplomatic relations in January 1992, both countries had tried to conceal the true

dimensions of their military relations. For another, since some (or much) of Israel's military supply to China consists of technology, its dimensions have been difficult to quantify. Finally, Israel's foreign trade statistics exclude arms exports. Indeed, the United Nations' annual Register of Conventional Arms, that records arms transfers on the basis of official reports of the governments concerned, does not mention any Israeli arms transfer to China for its first six consecutive years (1992-1997).⁽¹²⁾ This lack of information has led to wide and wild guesswork and speculations or "reports" usually leaked by Western competitive firms, government agencies, or other organizations, occasionally for reasons that have nothing to do with Israel, China, or both. Consequently, Israel has been portrayed as one of China's leading military suppliers, thereby contributing to the disruption of the East Asian military balance and to undermining U.S. interests in the region, as well as putting the lives of American troops at risk. Since the early 1990s, Israel has also been accused of the illegal transfer of U.S. defense technology to China.⁽¹³⁾

As early as 1984 Western press reports estimated the value of Sino-Israeli military agreements at \$3 billion, allegedly reaching \$5-6 billion in the early 1990s. A 1991 RAND Corporation report prepared for the U.S. Defense Department estimated Israel's military transfers to China at \$1-3 billion. In 1993, a former U.S. State Department analyst reached an estimate of \$8-10 billion. Since Israel's military transfers to China are but one part--perhaps even a small part--of its overall defense export, the total figure should be three or four times these estimates. There is no way that these figures can reflect the reality.

Indeed, the U.S. Arms Control and Disarmament Agency (ACDA) estimated the value of Israel's total arms exports from 1984-1997 at \$7.78 billion, or an annual average of \$556 million (in current prices). Moreover, ACDA figures for 1984-1994 provide a regional breakdown that puts Israel's arms transfers to China in a more realistic

perspective. The value of Israel's arms transfer agreements with all East Asian countries in that period was around \$300 million (an annual average of \$27 million), slightly over 6 percent of the total value of Israel's arms transfer agreements in those years. The value of Israel's arms deliveries to all East Asian countries for 1984-1994 was \$1.6 billion (an annual average of \$145 million), 27.6 percent of the total value of Israel's arms transfer agreements in those years.⁽¹⁴⁾ Even if we accept that most of these transfers went to China, these figures can by no means be reconciled with the figures given above, and are considerably lower.

A detailed Israeli Ministry of Defense document submitted to the U.S. State Department in mid-1995--in response to criticism of Israel's arms sales to China--says that their total value for 1990-1994 was \$31.5 million, exceeding \$10 million in only one year.⁽¹⁵⁾ This means that the most important long-term framework agreements with China had indeed been signed in the early 1980s. Implementation peaked in the late 1980s but declined considerably in the early 1990s, despite the allegations that Israel was exploiting Western sanctions against China following the Tiananmen incident, and precisely when Washington's accusations against Israel began to surface.

Thus, Israel's window of opportunity in China - exactly like China's window of opportunity in the Middle East - did not last long and was closing in the late 1980s, and for a very similar reason. Post-Soviet Russia's urgent need for income then opened its military warehouses to those ready to pay. For the Middle East, and even more so for China, this alternative provided a shortcut to defense modernization and rearmament. For one thing, advanced Russian weapons have been compatible with China's Soviet-based military infrastructure and therefore easy to integrate. For another, following its consistent successful economic growth, Beijing had the money to pay. According to ACDA, in 1995-1997, Russia's share in China's military market was over 75 percent (80 percent if

Eastern Europe is included) while Israel's contribution was less than 11 percent. Though nominally China's 'second' military supplier, Israel has inevitably been eclipsed by a big margin.

Yet, despite the reported decline in Israeli arms transfers to China in the 1990s, both in absolute terms and even more so in relative ones, Jerusalem has been under constant U.S. pressure to reduce further its arms transfers to China and, even better, to cancel them altogether. The Phalcon AWACS deal, to be discussed below, is but the most recent example. As early as 1983, the U.S. General Accounting Office (GAO) reported that most Israeli defense technological exports to China contained significant U.S. inputs and, therefore, may have violated the Arms Export Control Act (AECA), the Foreign Assistance Act, and the International Traffic in Arms Regulations (ITAR). Still, these allegations had not been published in the 1980s for a variety of reasons, including infighting within the U.S. bureaucracy over effective arms export control mechanisms and the role of China as Washington's implicit strategic ally before the collapse of the Soviet Union.

By the early 1990s, however, the situation had changed. The 1989 Tiananmen incident had driven a wedge between Washington and Beijing, while the collapse of the Soviet Union has deprived Beijing of its strategic significance. Consequently, in 1992 the State Department Inspector-General resuscitated the reports, applying pressure on the State Department Bureau of Politico-Military Affairs to take action and to curtail the "unauthorized" transfers to China. These included Israel's Python-3 air-to-air missile (AAM), allegedly a version of the U.S.-made AIM-9L Sidewinder AAM; the MAPATZ anti-tank missile, allegedly based on the U.S.-made TOW-2; U.S.-made Patriot missile or missile technology; and Israel's support in designing and building the Chinese J-10 fighter plane, allegedly based on the discontinued Lavi fighter project that had been partly funded by the United States. Although these accusations are allegedly based on intelligence they often use

qualifying words such as "beliefs," "likelihoods," "possibilities," "potential," "may have," "might," "reportedly," etc.(16)

Each of these accusations has received a different answer, yet the bottom line is simple: Washington's allegations stand on shaky ground. To begin with, Washington approved the MAPATZ sale of to China in 1986, when it suited its interests. U.S. components in the Python-3 AAMs exported to China had been removed and replaced. Also, U.S. investigation found "no evidence that Israel had transferred a Patriot missile or missile technology" to China.(17) And, finally, the J-10 project does not incorporate U.S. technology. In fact, it is based on 1970s' technology and, given China's increased aircraft acquisitions from Russia, its future production and deployment may not only take many years, by which time it will be outdated or may not take place at all.

The Phalcon airborne early warning (AEW) system deal is a different story. Produced by ELTA Electronics Industries, a subsidiary of Israel Aircraft Industries, the Phalcon is a long-range and extended-detection, high performance, multi-sensor airborne early warning system that also offers sophisticated tactical surveillance of airborne and surface targets and the gathering of signal intelligence. It is primarily a defensive system but it can also be used for command and control purposes. The system can be installed on a variety of airborne platforms.(18) A Phalcon installed on a Boeing 707 was delivered to Chile in 1994. Negotiations on the supply of one \$250 million Phalcon system to China had begun in the early 1990s but were delayed due to the Chinese insistence, based on a previous agreement with Moscow, that the Phalcon be installed on a converted Russian IL-76 (A-50 airframe) transporter. While the contract was signed in July 1996, it was only in May 1997 that Moscow finally agreed to become part of the deal, in return for 20 percent of the proceeds. The Chinese have indicated that if they were satisfied with the first Phalcon, they would buy at least three more systems, a total deal of \$1 billion or more.

Following its early 1990s criticism concerning Israel's "unauthorized" military transfers to China, Washington was informed about the deal as early as 1996, if not before, but kept quiet - until 25 October 1999 when the already modified Russian aircraft landed at Ben Gurion Airport. U.S. initial response was cautious, and along the lines of its previous policy. On November 12, State Department spokesman James Rubin admitted that the deal does not include U.S.-controlled technologies and therefore American law could not prohibit the sale.(19)

Washington, however, suddenly changed its policy. The issue was no longer "illegal" transfers of U.S. military technology but the "disruption" and "destabilizing" of the East Asian military balance of power, first and foremost in the Taiwan Straits, the "undermining" of U.S. interests in the region, and the "risks" to U.S. troops. This is a ludicrous argument, both in its strategic analysis and in its application to the specific Phalcon deal. After all, if Beijing doesn't get the Israeli Phalcon, it is bent on getting AEW systems from other sources (probably Russia), and in greater numbers.

This policy change triggered a pressure campaign using open threats and intimidation on a scale unheard of in the history of U.S.-Israeli relations, and based on phony arguments. To begin with, one could question the value of U.S. military presence in East Asia since the end of the Cold War and the collapse of the Soviet Union. As demonstrated in the recent Korean summit meeting, regional conflicts could perhaps be resolved directly by the parties concerned, without (or, in this case, even despite) U.S. intervention. In fact, it is quite possible that it is U.S. military presence that fuels the tension in the region and artificially sustains friction between the PRC and ROC, since China fears--whether rightly or wrongly--U.S. military intervention or that this presence will encourage a unilateral ROC declaration of independence.

Equally important, inventing enemies where they don't exist could ultimately lead to a self-fulfilling prophecy with terrifying

consequences.(20) This view is shared by a number of prominent U.S. experts on Asia. RAND Corporation Michael Swaine considers the analysis that China has become a major threat to peace in Asia as "fundamentally wrong" and ultimately dangerous to U.S. interests. "The analysts routinely employ distortions, half-truths and, in some cases, complete falsehoods to arrive at policy prescriptions." This "confrontational stance advocated by the purveyors of the China threat thesis would divide Asia and fuel destabilizing arms buildups. It would also likely bring about the very outcome they wish to avoid - the erosion of regional peace and stability."(21) Professor Chalmers Johnson, one of the leading U.S. experts on Asia, recently summed up the situation: "The main security problem for northeastern Asia today is not a rogue state in its midst but a rogue superpower across the Pacific."(22)

Given China's size, the delivery timetable, the dependence on Israel for future maintenance, the limited time of operational service, and the length of training, a single Phalcon--or even four--would by no means destabilize East Asia. According to a senior U.S. Air Force official, even if China buys four AWACS - the minimum considered necessary to keep around-the-clock presence during a conflict - it will take the Chinese "a lot of years" to overcome the difficulty of establishing procedures, building experience, conducting exercises, and adding communications needed to make the aircraft an effective combat tool. "Virtually no one with a knowledge of the industrial, training, logistics or doctrinal straitjacket worn by the Chinese military see the acquisition of the [Phalcon] aircraft as a threat."(23)

At the same time, given the overwhelming U.S. military presence in the Pacific, the Phalcon deal would have provided China with a minimal legitimate defensive system which, thereby, contributes to improving the existing regional imbalance of power rather than to its disruption. As proved throughout the Cold War years, stability (in a negative sense) has been kept by a rough equality between the two

superpowers, based on mutual deterrence. China and the United States. are by no means militarily equal. While the United States could squash China many times over, China could hardly hit the United States.(24) Therefore, the so-called "China threat" is an invention, a figment of diehard Cold War imagination, whereas the U.S. ability to enforce its will is very real and omnipresent - not only in East Asia but also in the Middle East.(25)

When Israel protested against Washington's sale of AWACS planes to Saudi Arabia in 1981, Jerusalem was told that these are 'defensive' systems. From 1987 to 1996, the United States supplied four Middle Eastern countries (Saudi Arabia, Egypt, Kuwait and Bahrain) with over \$40 billion worth of offensive weapons. While these sales still go on, by mid-July 2000, Israel was forced to give up the Phalcon deal with China. Washington has yet again displayed its shortsightedness and narrow-mindedness. It would have been definitely better for Washington if Israel would have supplied China with a small number of Phalcons (or, for that matter, other defense systems). As the Gulf war has shown, "If you want a potential foe to have electronic, computer-based systems that can be penetrated surreptitiously with information warfare tools, it's a far easier task if those systems are provided by a U.S. ally."(26)

Instead, China would now turn to other suppliers, most likely to Russia, and acquire a greater number (perhaps 16) of AEW systems. The outcome: a totally unnecessary erosion of U.S. interests in East Asia, of U.S.-China relations, and of U.S.-Israel relations. Israel's security has suffered a blow in two respects. For one, funds for military R&D would decline since income from arms exports, not only to China but also to other potential customers, would be seriously and adversely affected. For another, by forcing Israel to cancel the Phalcon deal Washington, in fact, released Beijing from its vague unofficial commitments concerning weapon proliferation, including a possible supply of

missiles to countries like Syria and increased supply to Iran.

Though ostensibly unrelated, the offensive value of Chinese arms transfers to the Middle East and Israel's arms transfers to China has been deliberately inflated beyond all proportion by Western governments, organizations and individuals, primarily in the United States.(27) The explicit reasons have to do with a legitimate, and perhaps genuine, concern about security and stability in East Asia and the Middle East. Yet a close examination of the quantity and quality of the respective arms transfers and the problems involved in their effective absorption refutes this concern. The impact of these arms transfers on the regional military balance in East Asia and the Middle East respectively is negligible at best. So, there must be additional implicit reasons to explain the passion and urgency expressed by those making these arguments..

First among them is the obsession of some U.S. circles with the "China threat." This obsession is fed not simply by Cold War mentality but also by paternalistic and condescending attitudes based on political, cultural and historical considerations if not outright racism. These converge with, and are supplemented by, commercial interests that would not allow competitors to seize potential arms markets - even though the entry of U.S. military equipment producers to the China market is (still) forbidden. One wonders what would have been the U.S. reaction to the Phalcon deal if China accepted a Boeing 707 instead of an IL-76.

** Yitzhak Shichor is Michael William Lipson Associate Professor of Chinese Studies and Political Science, and Senior Research Fellow, the Harry S Truman Research Institute for the Advancement of Peace, the Hebrew University of Jerusalem. He is now Provost of Tel-Hai Academic College. Formerly Dean of Students, he has written on China's Middle East policy and defense reform and is currently engaged in a book-length study of China's defense conversion, as*

well as on China's international oil policy and Sino-Muslim relations in Xinjiang.

On Asia and Middle East, see also, Barry Rubin, "China's Middle East Strategy" MJ Vol. 3 No. 1 (February 1999) Barry Rubin, "North Korea's Threat to the Middle East and the Middle East's Threat to Asia," and Bates Gill, "Chinese Arms Exports to Iran," MJ Vol. 2 No. 2 (May 1998).

NOTES

1) This article is an expanded version of a talk given at the Asia Forum held at the Begin-Sadat Center for Strategic Studies, Bar-Ilan University, on May 3, 2000. It forms part of a larger study of Israel's military relations with China, supported by a grant given by the Levi Eshkol Institute of Economic, Social and Political Research, Faculty of Social Sciences, the Hebrew University of Jerusalem, for which I am grateful.

2) U.S. Arms Control and Disarmament Agency (ACDA), *World Military Expenditures and Arms Transfers 1971-1980* (Washington, 1983), pp. 117, 119.

3) For more details see: Yitzhak Shichor, "The Chinese Factor in the Middle East Security Equation: An Israeli Perspective," in: Jonathan Goldstein (Ed.), *China and Israel, 1948-1998: A Fifty Year Perspective* (Westport, CT: Praeger, 1999), pp. 153-178, on which this section is based.

4) For a comprehensive compilation and analysis of Chinese military sales, see R. Bates Gill, *Chinese Arms Transfers: Purposes, Patterns, and Prospects in the New World Order* (Westport, CT: Praeger, 1992), and Daniel L. Byman and Roger Cliff, *China's Arms Sales: Motivations and Implications*, Report MR-1119-AF (RAND Corporation, 1999).

5) Richard F. Grimmett, *Conventional Arms Transfers to Developing Nations, 1990-1997*, CRS Report for Congress (Washington: July 31, 1998), p. 58.

6) *Ibid.*, p. 59.

7) For details on Sino-Iranian military relations see: Bates Gill, "Chinese Arms

exports to Iran," in P.R. Kumaraswamy (Ed.), *China and the Middle East: the Quest for Influence* (New Delhi: Sage, 1999), pp. 117-141. See also yman and Cliff, pp. 8-13.

8) Yitzhak Shichor, "The Year of the Silkworms: China's Arms Transactions, 1987," in: Richard H. Yang (Ed.), *SCPS Yearbook on PLA Affairs 1987* (Kaohsiung: Sun Yat-sen Center for Policy Studies, National Sun Yat-sen University, 1988), pp. 153-168.

9) Yitzhak Shichor, *East Wind over Arabia: Origins and Implications of the Sino-Saudi Missile Deal*, China Research Monographs, No. 35 (Berkeley: Institute of Asian Studies, Center for Chinese Studies, University of California, 1989) and *idem.*, *A Multiple Hit: China's Missile Sale to Saudi Arabia*, SCPS Papers, No. 5 (Kaohsiung: Sun Yat-sen Center for Policy Studies, National Sun Yat-sen University, 1991).

10) Robert S. Ross, "Why Our Hardliners Are Wrong," *National Interest*, No. 49 (Fall, 1997), p. 42.

11) Alexander T. Lennon, "Trading Guns, Not Butter: Chinese Arms Exports," *China Business Review* (Washington, D.C.), Vol. 21, No. 2 (March-April 1994), pp. 47-49.

12) For two main reasons. One, Israeli arms transfers to China indeed declined considerably in the 1990s, compared to the 1980s. And two, the Register covers seven armament categories that exclude advanced technology, components, sub-systems, and know-how - Israel's typical military exports items.

13) The following discussion is based on: Yitzhak Shichor, "Israel's Military Transfers to China and Taiwan," *Survival*, Vol. 40, No. 1 (Spring 1998), pp. 68-91.

14) ACDA, *World Military Expenditures and Arms Transfers, 1995* (Washington DC: U.S. Government Printing Office, April 1996); See also: ACDA, *World Military Expenditures and Arms Transfers, 1998* (Washington DC: U.S. Government Printing Office, February 2000).

) Ha'aretz, 6 January, 6 June, 14 July, 1995.15

16) See, for example Richard D. Fisher, Jr., "Foreign Arms Acquisition and PLA

Modernization," in James R. Liley and David Shambaugh (Eds.), *China's Military Faces the Future* (Armonk, NY: M.E. Sharpe, 1999), pp. 85-126.

) New York Times, 3 April 1992, p. A1.17

18) Details in SIBAT, Foreign Defense Assistance and Defense Export Organization, *Israel Defense Sales Directory 1997/1998* (Tel Aviv: Ministry of Defense, 1997), p. 72. See also "Airborne Surveillance Takes Command," *Journal of Electronic Defense*, January 1999, p. 43

19) "Mixed U.S. Signals on Israel-China Deal," *Arms Control Today*, Vol. 29, No. 7 (November 1999).

20) See, for example, Joseph Nye (dean of Harvard University's John F. Kennedy School of Government and former assistant secretary of defense for international security affairs), "The Case Against Containment: Treat China Like an Enemy and That's What It Will Be," *Global Beat*, 22 June 1998.

21) "Don't Demonize China: Rhetoric About Its Military Might Doesn't Reflect Reality", *The Washington Post*, 18 May 1997, p. C01.

22) Chalmers Johnson, "Liberate Okinawa From a 'Rogue Superpower'," *Los Angeles Times*, 24 June 2000.

23) David Fulghum, "Israel Builds China's First AWACS Aircraft," *Aviation Week & Space Technology*, No. 22 (29 November 1999).

24) Lieutenant Colonel Rick Reece (U.S. Marine Corps), "On the Myth of Chinese Power Projection Capabilities," *Breakthroughs*, Vol. VIII, No. 1 (Spring 1998).

25) On the 'China threat' see Richard Bernstein and Ross H. Munro, *The Coming Conflict with China* (New York: Knopf, 1997); Edward Timperlake and William C. Triplett II, *Red Dragon Rising: Communist China's Military Threat to America* (Washington: Regnery Publishing Co., 1999); Kenneth de Graffenreid (ed.), *The Cox Report: U.S. National Security and Military Commercial Concerns with the People's Republic of China* (Washington: Regnery Publishing Co., 1999).

26) Fulghum.

27) Richard D. Fisher, "How America's Friends Are Building China's Military Power," *Backgrounder*, No. 1146 (The Heritage Foundation, 5 November 1997).