

On October 4, 1994, history repeated itself. On that date, the United States agreed to lift sanctions imposed against China in August 1993 for selling controlled components of M-11 missiles to Pakistan. In exchange for the lifting of sanctions, China agreed not to export surface-to-surface missiles controlled under the Missile Technology Control Regime (MTCR) and to abide by that regime's guidelines. The agreement is an important step forward in U.S./Chinese relations on security issues and demonstrates that both sides, for their own reasons, are working to improve their strained relationship. However, it by no means solves long-standing differences in the way the United States and China view security issues. In addition, the agreement leaves room for China to resume selling M-11 components to Pakistan if U.S. actions on Taiwan or other future issues do not meet Chinese expectations.

The recent MTCR agreement, with one major exception, is identical to the agreement worked out between the two states by the Bush administration in 1991. The exception is that China has now agreed to accept the principle of "inherent capabilities" in considering which missile systems are covered by the MTCR guidelines. The Clinton administration hailed the step by China as an unambiguous commitment by China not to sell M-11s. References to M-11 missiles were conspicuously absent, however, from all statements made by Chinese Foreign Minister Qian Qichen or his aides. In fact, at no time did Chinese officials admit that the M-11's inherent capabilities place it within the MTCR's guidelines. U.S. officials have privately expressed concern that this lack of specificity might lead to future problems between the United States and China.

In short, although the bilateral agreement should be seen as a positive development in U.S.-Chinese relations, it by no means eliminates the fundamental differences between the two countries with respect to nonproliferation issues. It is important to understand these differences and then build on the recent agreement to ensure that future disagreements do not threaten the global non-

proliferation regime. Unfortunately, neither the United States nor China appears ready to address the legitimate security concerns of the other state: concerns that involve the proliferation of ballistic missiles and ad-

vanced military aircraft. Relations between the two states, and the security of both, could continue to improve if both sides engage in an honest and fundamental dialogue on both missiles and aircraft proliferation and agree to constrain the supply of both categories of weapons.

Dr. Yanping Chen's viewpoint "The Need for a Greater Chinese Role In Missile Nonproliferation Issues" in the Spring-Summer 1994 issue of *The Nonproliferation Review* gave nonproliferation analysts an important glimpse at Chinese attitudes toward the MTCR and missile nonproliferation in general. Her article, however, presented only one side of the issue—the Chinese side—and unfortunately failed to acknowledge past Chinese actions or legitimate U.S. concerns about the issue of missile proliferation.

Some of Chen's recommendations, especially the need to better integrate China into the nonproliferation regime, are clearly worth pursuing. What is needed, however, is not a weakening of the MTCR's guideline's to incorporate Chinese views (as Chen would suggest), but a sincere effort by both states to get past the rhetorical arguments of the past and to more effectively and openly discuss their respective security goals and motivations with respect to missile and other nonproliferation issues. Only by agreeing to address each others' security concerns will progress be made in reinforcing the MTCR, the nonproliferation regime, and bilateral U.S.-PRC relations.

In her article, Chen contends that: 1) the source of

**VIEWPOINT:
U.S. AND CHINESE VIEWS
ON PROLIFERATION:
TRYING TO
BRIDGE THE GAP**

by Jon Brook Wolfsthal

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U.S.-Chinese problems over the MTCR stems from the fact that China was not involved in the original negotiations that led to the formulation of the MTCR, and that China's point of view is therefore lacking from the regime; 2) had China been included in these talks, "definitional issues," which form a major part of the U.S.-PRC disagreement, would have been solved and would not exist today; 3) China should now be incorporated into the core group of decisionmaking countries that work on nonproliferation issues; and 4) the United States (to improve missile-related behavior by China) should expand its recent decision to delink trade issues from concerns over human rights by also delinking trade from nonproliferation issues.

SOURCE OF CONFLICT

The central cause of U.S.-Chinese disagreements over the MTCR and missile proliferation stems from a basic difference of opinion between the United States and China over the danger posed by the proliferation of ballistic missiles. It does not, in my opinion, stem (as Chen contends) from China's exclusion from the MTCR's creation. A number of states that were not involved in the creation of the MTCR are now fully compliant and cooperative members of the regime.

As illustrated by its past actions, Beijing clearly does not view missile transfers with the same concern as the United States and other MTCR members, which do not export ballistic missiles to other states.¹ This assessment is based in part on China's unwillingness to include constraints on missile transfers as part of the P-5 talks on conventional arms transfers and Chinese transfers of missiles and related technology to several states including, Pakistan, Iran, and North Korea. This willingness to export was vividly demonstrated by the sale of 2,500 kilometer East Wind 3 (CSS-2) to Saudi Arabia in the late 1980s.² This analysis is not meant to imply, as Chen would charge, an accusation of "moral deficiency" against China, but merely an acknowledgment that the United States and China have different views on the consequences of missile sales.

Moreover, it is highly unlikely that China's views on the matter would have been altered merely by having participated in the MTCR's creation. Indeed, its behavior appears not to have changed at all, despite oral and written commitments to abide by the regime.

It would appear that Chinese officials are more concerned about the threat posed by the proliferation of

advanced fighter/bomber aircraft, systems explicitly exempted from the MTCR guidelines, than with the spread of ballistic missiles. This assessment is based on an analysis of the air forces of China and its immediate neighbors. China's concern about aircraft is based on the perceived shortcomings of its own air force, which is comprised mostly of aging copies of older Soviet-designed aircraft.³ Indeed, China has been moving aggressively to redress this deficiency by attempting to purchase top-line Russian aircraft, including MiG-29s and -31s, Su-27s and possibly even Tu-22M Backfire bombers. Beijing's perceived inferiority vis-a-vis the air forces of neighboring states was reflected in its decision to walk out of the P-5 talks on conventional arms transfers following the U.S. decision to sell 150 F-16s to Taiwan, and its effort to, at the very least, keep pace with Taiwan and India's purchases of advanced aircraft. India's air force is more diverse and, arguably, more capable than China's. The sale of F-16s to Taiwan, moreover, allows Taiwan's air force to leap into the 1990s in its air capabilities and significantly alters the force equation vis-a-vis China's air force.

China's position is based not on some philosophical opposition to aircraft but on a force analysis comparison of its air forces versus those of its neighbors (Russia, India, and Taiwan). China has every right to be concerned about the inferiority of its air force, just as the United States has every right to be concerned about the proliferation of ballistic missiles. The question is what, if anything, is each country prepared to do to address the legitimate concerns of the other.

Whether or not it matches U.S. interests, China's priority focus on aircraft, as opposed to ballistic missiles, reflects its perceived security concerns. China has been within range of ballistic missiles from a number of states for years and does not plan to deploy forces far from home in regions prone to missile proliferation; thus, the addition of a few more missile-possessing states is not a top order concern for China.⁴ In addition, China is in the midst of a large-scale missile modernization program for which it depends on outside sources of technology, mainly from Russia and Ukraine, further explaining its opposition to constraints on missile-related trade. Moreover, as one of the few remaining suppliers of ballistic missiles, China can demand top dollar for its products (or at the very least can recoup the cost of designing systems originally conceived for export). For these reasons, China is not interested in restricting the flow of ballistic missile technology.

CHINA'S ABSENCE AT THE MTCR'S CREATION

Chen argues that including China in the original negotiations on the MTCR would have prevented the current disagreements between the United States and China over the scope and definition of the MTCR. This contention, however, is not supported by the history behind the MTCR, nor by subsequent events. The MTCR was originally conceived and negotiated to deal with a specific type of threat—the spread of nuclear-capable missiles. Nuclear capability was defined by the regime as a missile able to deliver 500 kilograms over a distance of 300 kilometers, and the regime's parameters were modelled on the Soviet designed Scud-B (300 kilometers), the most widely exported ballistic missile in history. The regime's payload parameters reflected the consensus intelligence estimate that a first generation nuclear weapon would weigh no less than 500 kilograms. It is unlikely that the threat posed, and the perceived need to counter the proliferation of those systems, would have been changed by Chinese participation in the regime's creation. Moreover, it is doubtful that Chinese participation in the regime would have resulted in its expansion to include manned aircraft, worthy as that goal is. That idea is still too "hot" for Western states to handle, as witnessed by the Clinton administration's two-year delay in announcing any concrete arms transfer policies.

If Chen's contention is correct, however, and Chinese participation would have lowered the regime's parameters, then it is indeed fortunate that China was excluded from the talks, since the result would have been a less comprehensive set of guidelines.

Chen's assertion is further undercut by what has happened since the MTCR came into force. China and the United States have held lengthy negotiations over obtaining China's adherence to the MTCR, talks which have included discussions about what is and is not covered by the regime. China formally obligated itself to the United States to abide by the terms of the MTCR, an obligation undertaken primarily to have the United States lift sanctions first imposed in June 1991 in response to missile transfers to Pakistan. China verbally committed itself to abide by the MTCR during a November 1991 visit to Beijing by U.S. Secretary of State James Baker. It formalized that commitment to the United States in writing in February 1992. China took these actions fully aware that the United States inter-

preted the MTCR to apply to the M-11 missile, which China contends is not covered by MTCR parameters.⁵ Baker told reporters in Beijing, after his meetings with Chinese Foreign Minister Qian Qichen, that "China has clearly demonstrated a willingness to sign onto the MTCR guidelines and parameters and that, they [Chinese officials] tell us, would cover what we refer to as the M-9, M-11 missiles."⁶

If Chinese officials did not explicitly state in their commitments that the M-11 would be covered by their actions, they clearly knew the U.S. expectation and interpretation. China violated that commitment by transferring M-11 components to Pakistan in 1993. It is reasonable to assume, based on this history, that even if China had been an original member of the MTCR that it might still have gone ahead with the transfers of MTCR-controlled equipment in violation of the regime's guidelines. Chen's argument that the MTCR's status as a voluntary agreement—as opposed to a treaty—means it lack "binding power," further reinforces the likelihood that China might have violated its terms, regardless of its participation in the regime's negotiation.

This recounting of recent history is important in light of China's response to the 1992 U.S. decision to sell F-16s to Taiwan. The United States sanctioned China in 1993 for transferring category II MTCR items (M-11 missile components) to Pakistan. Chinese officials deny violating the MTCR and have refused to discuss the specifics of its dealings with Pakistan unless the United States reverses its decision to sell F-16s to Taiwan. Chinese officials argue that the F-16 sale violates a 1982 U.S. commitment to China that U.S. "arms sales to Taiwan will not exceed, either in qualitative or in quantitative terms the level of those supplied in recent years ... and that it intends to reduce gradually its sales of arms to Taiwan."⁷ It appears that the M-11 transfer to Pakistan may have come as a direct response to the U.S. F-16 sale in an attempt to pressure the United States to cancel the sale to Taiwan. In other words, it is possible that China violated its MTCR obligation in order to convince the United States not to proceed with a sale that it felt violated a bilateral agreement with China. At present, however, the strategy appears to have failed, and both the sales of F-16s to Taiwan and M-11s to Pakistan have proceeded, to the security detriment of both nations.

JOINING THE CLUB

China became a member of the Nuclear Non-Proliferation Treaty (NPT) in 1992. Since that time, China's nuclear proliferation record appears much improved, suggesting that China has changed the way it views nuclear proliferation, although China may still be involved in some clandestine nuclear cooperation with states of concern.⁸

Chen suggests that many of the on-going problems between the United States and China on missile issues could be resolved simply by making China a part of the core decisionmaking group on missile proliferation issues, including the MTCR. This suggestion would appear to be supported by the Chinese nuclear nonproliferation record since joining the NPT. China, however, has never applied for membership in the MTCR, and its eligibility to join the regime, if it did apply, is in question. Current membership criteria include, at a minimum, comprehensive and effective export controls over missile-related items. It is still unclear whether China can and will implement controls over its military-industrial complex.⁹

While China has taken steps, as Chen points out, to close gaping holes in its export policies by trying to clamp down on unapproved transfers by military-controlled arms manufacturers, I think any objective analyst would agree that more needs to be done before China would meet MTCR standards on export controls. More importantly, it would seem necessary for any new member in the MTCR to believe that missile transfers are destabilizing and act accordingly. This was the case on nuclear issues leading up to China's accession to the NPT, but it would appear that China does not, at this point, meet this standard in the missile proliferation field.

I agree with Chen that China, as a major producer of missile and rocket technology, should be included in missile control regimes, but only if it shows a firm commitment not to export ballistic missiles and to meet established membership criteria. Russia is now in the process of becoming an MTCR member, a step that is only now possible following years of effort on the part of Russia and MTCR member states. Bringing a China committed to missile sales into the MTCR would only weaken the regime's standards and effectiveness by lowering the common denominator achieved within the regime, a standard achieved after years of grueling and costly effort. In short, China should raise its standards

to meet the MTCR instead of lowering MTCR standards to include China. Should Beijing do so, I would be the first to suggest its inclusion in the MTCR.

YOU CAN'T GET THERE FROM HERE

Chen also argues that trade and missile proliferation issues should be delinked in the same way that President Clinton delinked trade and human rights issues earlier this year. U.S. missile sanctions are contained in U.S. law and the president has no choice but to impose sanctions when MTCR-relevant transfers are detected.¹⁰ Altering this law to provide exceptions for China would appear impossible given current circumstances. Moreover, there is no evidence that the "delinking" policy has yielded any improvement in human rights behavior by China. In contrast, blocking transfers of MTCR-controlled items to China at the very least ensures that U.S. technology will not indirectly contribute to missile programs in other states because the sanctions imposed deal directly with missile- and space-related activities.

Chen is correct in her contention that sanctions against China do hurt U.S. industries, but she, as have many other analysts, forgets that these sanctions also directly impact those Chinese companies involved in MTCR violations by denying them access to the revenues garnered from launching U.S. satellites. The weakening of the 1993 sanctions by transferring export license authority for three satellites from the State Department to Commerce had no noticeable impact on Chinese attitudes or behavior. Those sanctions, it would appear, have a better chance of forcing Chinese officials to meet international standards than selling missile-related technology regardless of behavior, a policy that would provide absolutely no incentive for positive behavior.

CONCLUSIONS

Despite the recent agreement between the United States and China, the fundamental differences between the two states on nonproliferation issues remain unresolved. China continues to perceive an interest in selling ballistic missiles and, I believe, can be expected to do so in the future if U.S. actions on other related issues upset Chinese leaders. It would appear, however, that China sees a threat in the continued sale of advanced aircraft to the region, especially from the United States to Taiwan. Alternatively, the United States sees

ballistic missile proliferation, especially Chinese sales to South Asia, as a major concern. But, at the same time, it continues to be a top exporter of advanced aircraft.

One does not have to be an expert in nonproliferation or foreign policy to envision a solution to the standoff. It is possible that the United States could obtain real and lasting Chinese adherence to the MTCR (with mutual and unambiguous agreement to include the M-11) by agreeing to restrict the transfers of advanced aircraft to the region. In addition, China might be able to convince the United States to block the transfer of additional aircraft to the region by formally agreeing not to sell ballistic missiles or related components, something the United States appears unwilling to do on its own.

The hardest part of this bargain may lie in the United States, not China. The United States, for its part, must finally face up to the dangers posed by the spread of advanced military aircraft, admit that its sale to Taiwan goes against its 1982 agreement with China, and formulate a coherent policy regarding arms transfers. By doing so, the United States would then be in a better position to work through the issue of missile proliferation with China. The U.S. willingness to sell advanced aircraft, while at the same time criticizing Chinese export policies on missiles, is a clear double standard.¹¹ A compromise leading to improved missile and fighter aircraft nonproliferation policies is possible, however, if the United States and China recognize each others' security concerns and work cooperatively to address them.

⁸ China is in the process of providing two nuclear reactors to non-NPT member Pakistan.

⁹ John W. Lewis, Hua Di, and Xue Litai, "Beijing's Defense Establishment: Solving the Arms Export Enigma," *International Security* 15 (Spring 1991), p. 87.

¹⁰ Sanctions can be waived if the president determines that doing so is in the national interest.

¹¹ Center for International Security and Arms Control, *Assessing Ballistic Missile Proliferation and Its Control* (Stanford University, 1991).

¹ One glaring exception to this policy is the Trident II D-5 missiles that the United States supplied to the United Kingdom.

² The sale, to be fair, did occur before China pledged to abide by the MTCR in 1991. It nonetheless reflects China's willingness to sell very advanced missile systems for financial or political gains.

³ The International Institute for Strategic Studies, *The Military Balance: 1993-1994* (London: Brassey's, 1993), pp. 152-155.

⁴ U.S. concern over missile proliferation is mainly driven by the fear that its power projection capabilities will be threatened by new missile forces in the developing world.

⁵ The focal point of U.S.-Chinese disagreement over the MTCR is the M-11 missile, which was designed and built primarily for export. The M-11 is reported to have a range of 280 kilometers with a payload of 800 kilograms. The MTCR is designed to restrict transfers of missiles that can carry 500 kilograms over a distance of 300 kilometers. China has consistently argued that the 280 kilometer-range M-11 falls under the MTCR's 300 kilometers cutoff. The U.S. has responded that since a reduction in the missile's payload to 500 kilograms would give the M-11 a range in excess of 300 kilometers that the M-11 is indeed captured under the MTCR guidelines.

⁶ Press Conference by James Baker, State Department Release, November 17, 1991.

⁷ Joint U.S.-PRC Communiqué from bilateral meetings August, 1982.