

# HAS THE US ADMINISTRATION GONE SOFT ON CHINA, LEADING TO ITS RISE?

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This paper studies the growth of China in the post-Cold War period after the formal establishment of the US-China normalisation under the Carter Administration. It would make an attempt to understand how this unprecedented rise of China could well be attributed to the US Administration turning a blind eye to China, as a result of various political and economic compulsions. This inaction by the US Administration has been viewed as the US going soft on China despite its illicit activities in the realms of its trade malpractices, weapons proliferation and human rights violations, to name a few. The paper would look into the illicit transfers of nuclear and other military technologies by China to the states of Pakistan and Iran, through which it attempts to showcase how China, by transferring sensitive technologies, has enabled these nations to achieve full scale military capabilities. Despite its actions that should have called for a serious US policy overhaul, the US Administration has continued to engage China, and in view of the implementation of its policy towards the country, it could be termed as going soft on it.

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#### **ON CHINA’S PROLIFERATION POLICY**

According to a cable sent by the US Embassy at Beijing, to the State Department on December 17, 1982<sup>1</sup>, China’s position on arms control is dominated by three considerations:

- To preserve China’s freedom of action, eventually to overcome its inferior power position.
  - To preserve and highlight China’s Third World credentials by not seeming to join an exclusive nuclear club that seeks to retain a monopoly.
- To project an image of a responsible member of the international community.

The cable also stated “...commercial as well as political considerations lie behind China’s supply of conventional arms to a number of Third World countries.... Commercial considerations are dominant in China’s export of some non-safeguarded sensitive nuclear materials such as uranium and heavy water....” The cable stressed on the need to ensure that China is made aware of the dangers posed by its unsafeguarded nuclear exports which could be readily diverted to destinations that the Chinese themselves would not approve of, and thereby heighten the risk of nuclear proliferation. Since China was still not a member of the International Atomic Energy Agency (IAEA) during this period, the US Administration was keen that the Chinese undertake safeguards parallel to those required by the IAEA and also offered to make American experts available to the Chinese in order to explain procedures employed in designing safeguards. Furthermore, the cable added “... We could press home that China as an important member of the World Community should set a positive example in acting to work against proliferation and nuclear weapons....”.<sup>2</sup>

1. US Department of State, “Arms Control and Disarmament”, US Embassy China, Cable 17090, *The National Security Archive*, December 17, 1982, <http://nsarchive.gwu.edu/NSAEBB/NSAEBB114/chipak-8.pdf>. Accessed on June 22, 2015.
2. Ibid.

In the 1980s, China began active participation in the realm of weapons non-proliferation, firstly, by becoming a member of the IAEA in 1984 and adopting a policy that required IAEA safeguards on its nuclear exports. China also announced that it would not assist other countries to develop nuclear weapons and, in 1989, concluded an agreement with the IAEA for the application of safeguards in China. A declassified cable from the US Embassy in China to the Department of State, Washington DC, dated April 16, 1991, stated that despite China still not being a signatory to the nuclear Non-Proliferation Treaty (NPT), the People's Republic of China (PRC) has frequently stated in public that it supports the three goals of the NPT:

**China also announced that it would not assist other countries to develop nuclear weapons and, in 1989, concluded an agreement with the IAEA for the application of safeguards in China.**

- Preventing the spread of nuclear weapons to non-nuclear states.
- Reducing nuclear weapons arsenals worldwide.
- Promoting the peaceful use of nuclear energy.

Based on their support to these principles, the Chinese have developed three principles which govern their nuclear cooperation with other countries:

- They will only cooperate on projects which fall under IAEA safeguards.
- They will not cooperate on projects geared towards weapons development.
- They will not cooperate on projects geared towards the transfer of technology to third countries.<sup>3</sup>

In 1992, China set aside its criticism of the NPT and became a party to the treaty, thereby assuming legally binding commitments not to assist non-nuclear weapons states to acquire or manufacture nuclear weapons and to require safeguards on its nuclear exports to non-nuclear weapon

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3. US Department of State, "Proliferation Issues: The View from Beijing Looks Grim", US Embassy China, Cable 1884, *The National Security Archive*, April 16, 1991, <http://nsarchive.gwu.edu/NSAEBB/NSAEBB114/chipak-19.pdf>. Accessed on June 23, 2015.

states. In 1995, China supported the indefinite extension of the NPT. In 1996, China announced a moratorium on nuclear explosive testing in July, and signed the Comprehensive Test Ban Treaty (CTBT) in September. Also, in 1996, China publicly committed itself not to assist unsafeguarded nuclear facilities. With respect to nuclear exports controls, China took a number of steps in 1997 to establish an effective and comprehensive national nuclear export control system. On May 27, 1997, China issued a "State Council Notice Regarding Strict Implementation of China's Nuclear Export Policy". This notice stated China's policy of "not advocating, not encouraging and not carrying out nuclear weapons proliferation and not assisting other countries in developing nuclear weapons"<sup>4</sup>. In addition, the notice stated that China's nuclear export policy would limit nuclear export items only for peaceful purposes to be exported under IAEA safeguards and transferred to third parties only under IAEA safeguards.<sup>5</sup> Also in May, China attended the Zangger Committee's<sup>6</sup> semi-annual meeting as an observer, and in October, China attended the Zangger Committee as a full member. In September 1997, China promulgated nation-wide nuclear export control regulations accompanied by a list of controlled nuclear items which the Chinese side stated is identical to the trigger list adopted by the Nuclear Suppliers Group (NSG). The new nuclear export control regulations restate China's nuclear export policy:

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4. *The National Security Archive*, (1997), <http://nsarchive.gwu.edu/NSAEBB/NSAEBB114/chipak-26.pdf>. Accessed on June 24, 2015.
  5. The State Council notice that was sent to all Chinese government ministries and non-governmental entities, directed that the export of nuclear materials, nuclear technology, and non-nuclear materials used in reactors would be exclusively undertaken by the China National Nuclear Corporation (CNNC) and other government-designated corporations. The notice provided for a system of peaceful-use guarantees, end-use certificates and supervision by relevant government departments over all nuclear-related exports to both nuclear and non-nuclear facilities. The notice also specifically covered the transfer of nuclear technology as well as the exchange of technical personnel or technical information.
  6. The Zangger Committee was formed in the early 1970s to establish guidelines for implementing the export control provisions of the nuclear Non-Proliferation Treaty [Article III (2)]. According to the Article, each state party to the treaty undertakes not to provide (a) source or special fissionable material, or (b) equipment or material especially designed or prepared for the processing, use or production of special fissionable material to any non-nuclear-weapon state for peaceful purposes, unless the source or special fissionable material is subject to the safeguards required by this Article.

- All exports are for peaceful purposes.
- Recipients must accept IAEA safeguards.
- No re-export to a third country without Chinese government approval.<sup>7</sup>

To sum up, it could be concluded that throughout the 1980s and 1990s, China agreed to participate in most of the major multilateral arms control regimes. These included the International Atomic Energy Agency (1984); the Biological Weapons Convention (1984); the Limited Test Ban (1986); the Non-Proliferation Treaty (1992) and its indefinite extension in 1995; and the Chemical Weapons Convention (1993). China followed the US as the second signatory to the Comprehensive Test Ban Treaty in 1996. In addition, China agreed to join the Zangger Committee in 1997, and the same year, it also agreed to a list of nuclear export controls very similar to those of the NSG that establishes guidelines for the nuclear Non-Proliferation Treaty (NPT) export control provisions. China made a number of additional commitments in November 2000 by agreeing not to assist any country in the development of ballistic missiles that could be used to deliver nuclear weapons<sup>8</sup> and also ensured that it would further improve its export control system. In 2002, China issued its missile export control regulations and an associated control list.<sup>9</sup>

In October 2002, North Korea's nuclear ambitions became clearer and closer to reality, with Pyongyang acknowledging its uranium enrichment programme, ousting IAEA inspectors in December 2002, and announcing its withdrawal from the NPT in January 2003. After North Korea's revelations of having a nuclear enrichment programme and also its claims of having nuclear weapons in May 2003, the Chinese leaders issued highly

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7. China is finalising a similar system of export controls on nuclear-related dual-use items. At the October Zangger Committee meeting, China issued a statement which indicated that government departments have the right to exercise "catch-all" authority over nuclear dual-use items. See "Classified Report to Congress on the Non-Proliferation and Practices of the People's Republic of China", *The National Security Archive* (1997), <http://nsarchive.gwu.edu/NSAEBB/NSAEBB114/chipak-26.pdf>. Accessed on June 24, 2015.

8. These include missiles capable of delivering a payload of at least 500 km to a distance of at least 300 km.

9. Jennifer Weeks, "Sino-US Nuclear Cooperation at the Cross-Roads", *Arms Control Associations*, 1997, [http://www.armscontrol.org/act/1997\\_06-07/weeks](http://www.armscontrol.org/act/1997_06-07/weeks). Accessed on June 25, 2015.

**In June 2006, Beijing joined other permanent members of the UNSC and Germany to present Iran with a political and economic incentive package in the hope of gaining Tehran's agreement to suspend its enrichment activities.**

public statements insisting that the Korean Peninsula should be free of nuclear weapons. According to US Assistant Secretary of State for Arms Control Stephen Rademaker, the Chinese authorities worked with the US in the fall of 2003 to interdict a chemical shipment destined for North Korea's nuclear weapons programme.<sup>10</sup> In July 2006, China joined all the members of the United Nations Security Council (UNSC) in unanimously supporting Resolution 1695 in response to North Korea's missile test.

In June 2006, Beijing joined other permanent members of the UNSC and Germany to present Iran with a political and economic incentive package in the hope of gaining Tehran's agreement to suspend its enrichment activities. However, Iran continued to defy the UNSC appeal and, therefore, Beijing, along with the other permanent members as well as the other nine additional UNSC members, passed Resolution 1696<sup>11</sup> on Iran. The action undertaken by China against Iran for the first time showed its resolve and willingness to support international non-proliferation efforts; further, China was faced with a set of complex political, economic and security interests in dealing with North Korea as it tried to balance its relations with the United States and North Korea. Post 9/11, China has recognised the link between terrorism and the spread and potential use of Weapons of Mass Destruction (WMD). China joined the US sponsored

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10. Elton Gallegly, "Urging the European Union to Maintain its Arms Embargo on the People's Republic of China", *The Library of Congress: Thomas*, Congressional Record 109th Congress: 2005-2006, February 2, 2005, <http://thomas.loc.gov/cgi-bin/query/F?r109:4:./temp/~r109fzkdHp:eO>. Accessed on June 24, 2015.

11. Resolution 1696 called on Iran to suspend all nuclear enrichment-related activities and reprocessing activities, including research and development; or face the possibility of economic and diplomatic sanctions. The resolution also expressed the intention of the UNSC to adopt appropriate measures under Article 41 of Chapter VII of the UN Charter which opens the possibility that force could be used to back up the will of the UNSC, should Iran not comply with the resolution. See Bates Gill, "China's Changing Approach to Non-Proliferation", in Nathan E Busch and Daniel H Joyer, eds., *Combating Weapons of Mass Destruction: The Future of International Non-Proliferation Policy* (Georgia: University of Georgia Press, 2009), p. 251.

Container Security Initiative (CSI) in July 2003 and called for multilateral arms control discussions to address the threat of terrorism and WMD. In October 2002, China further strengthened its chemical export controls by issuing a control list based on the control list used by the Chemical Weapons Convention (CWC). In the area of conventional weapons exports, China had issued its "Regulations on Export Control of Military Items" in October 1997 which became effective in January 1998; in October 2002, it was further revised and listed 183 dual-use technologies that would be subjected to tighter controls and which were also covered in the Wassenaar

Arrangement's "core list" of dual-use technologies. It also listed in detail, a set of procedures by which conventional weapons could be exported. In August 2002, the Chinese government published a 24-Article set of missile export control regulations and a related control list; this new document, with some exceptions, had close resemblance to the regulations and technologies covered in the Missile Technology Control Regime (MTCR). In October 2002, Beijing issued regulations and a control list to cover exports of "dual-use biological agents and related equipment and technology". This control list was also in line with the control list issued by the Australia Group (AG). China also became a member of the NSG in the year 2004. Therefore, the new global threat perception post 9/11 led to China undertaking a more constructive policy to ensure global non-proliferation, which has been termed its new security diplomacy that seeks to maintain a stable regional security environment to facilitate its domestic, social and economic development.<sup>12</sup>

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12. Gill, n. 11, pp. 247-255.

## CHINA'S HAND IN NUCLEAR TECHNOLOGY TRANSFER TO PAKISTAN

In July 1968, an intelligence source revealed that Chinese technicians had been allowed to examine the F-104 aircraft provided to Pakistan by the US, at Pakistan's Sargodha Air Base, during which they collected the F-104's spare parts and material samples which were taken back to China for analysis.<sup>13</sup> Later, the same source reported that the Chinese were also allowed to take back a complete F-104 engine, including the internal guide vane part of the fuel control system. According to the report, "...Pakistan's willingness to pass US technology may help to explain Peking's relative generosity to Pakistan...." Furthermore, the report added that China's military assistance to Pakistan had been ongoing since 1965, including military equipment such as the 160 T-59 medium tanks and 124 MIG-19 jet aircraft. As a partial *quid pro quo* for Chinese assistance, Pakistan willingly provided Peking (Beijing) with the US-supplied aircraft technology, violating the terms of acceptance.<sup>14</sup>

On July 14, 1977, the letter from Secretary of State Cyrus Vance to National Security Adviser Zbigniew Brzezinski stated, "...China is not yet involved in foreign nuclear transfers, though it has reportedly told Pakistan it will provide fuel services – but apparently not raw uranium supplies – if all other sources are cut off...." The secretary further added that there were reports that Chinese technicians had arrived at the Karachi Nuclear Power Plant (KANUPP) (heavy water reactor) station in Pakistan to familiarise themselves with the operation of the reactor, and even though the Chinese had no experience with heavy water power reactors or with the techniques of fabricating fuel for them, and a learning period of some duration would necessarily precede the supply of such services. According to Secretary Vance; "...we have, of course, a strong interest in encouraging Chinese cooperation on non-proliferation

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13. George C Denney Jr, "Pakistan and Communist China Strengthen Cooperation", Bureau of Intelligence and Research, US Department of State, *The National Security Archive* (December 4, 1968), <http://nsarchive.gwu.edu/NSAEBB/NSAEBB114/chipak-2.pdf>. Accessed on June 22, 2015.

14. Ibid.



in general, including safeguards as a condition of any supply the PRC might undertake....”<sup>15</sup>.

A 1979, a Central Intelligence Agency (CIA) report to Christine Dodson, National Security Council, referred to the lack of hard evidence to showcase China’s involvement in selling and assisting other nations with nuclear technologies which could enable the spread of nuclear capabilities. The report also stated that there was a possibility that China and Pakistan were sharing nuclear weapons-related information. Since the report did not find any hard evidence on these illicit transfers and, at the most, there was only soft evidence available, the claims on China’s proliferation remained uncertain. However, these concerns did not go away during the Reagan Administration. While nuclear proliferation was not a top priority, the Administration was apprehensive about the implications of the spread of nuclear capabilities and that China may have been aiding and abetting some potential proliferators by selling unsafeguarded nuclear materials. Furthermore, according to the report, China selling nuclear materials to meet national objectives such as earning hard currency, and flouting international standards, however, did not mean that it was intent upon supporting further nuclear proliferation.<sup>16</sup>

Beijing’s official position was that it would not help other countries acquire nuclear weapons. China’s professed opposition to sharing nuclear weapons technology with Non-Nuclear Weapon States (NNWS) may have led to a compromise of principles when security and economic interests were at stake. Well before the question of nuclear sharing emerged, China and Pakistan, each having an adversarial relationship with India, had developed a close understanding involving significant military cooperation. When the US cut off sales of weapons to both India and Pakistan because

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15. Cyrus Vance, “Nuclear Safeguards- Pakistan, South Africa, China”, Secretary of State Cyrus Vance to National Security Adviser, Zbigniew Brzezinski, *The National Security Archive*, July 14, 1977, <http://nsarchive.gwu.edu/NSAEBB/NSAEBB114/chipak-4.pdf>. Accessed on June 22, 2015.

16. Report by the deputy director for National Foreign Assessment, CIA, to Christine Dodson, National Security Council, “A Review of the Evidence of Chinese Involvement in Pakistan’s Nuclear Weapons Program”, *The National Security Archive*, December 7, 1979, <http://nsarchive.gwu.edu/nukevault/edd423/>. Accessed on June 16, 2015.

of the 1965 border conflict, China became Pakistan's main supplier of weapons. The close relationship with China became one of the pillars of Pakistan's foreign policy. When India held its first nuclear test in 1974, and Pakistan made the decision to acquire its own capability to build nuclear weapons, it may have seemed a matter of course for elements in the Chinese military, which had a powerful voice in Beijing's nuclear establishment, eventually to decide to lend Pakistan a hand. The interests that propelled Beijing to assist Pakistan's nuclear programme became competitive during the 1980s and 1990s, when other sets of interests were pushing for a stronger Chinese role in global nuclear non-proliferation efforts. Even as reports of Beijing's transfer of nuclear weapons designs and sensitive technologies circulated, the two governments signed a nuclear cooperation agreement and conducted negotiations over the sale of Chinese nuclear reactors.<sup>17</sup>

A cable from the US Embassy in China to the Department of State in 1982, acknowledged the fact that China was assisting Pakistan to develop a nuclear weapon:

....we should leave the Chinese in no doubt that Pakistan's development of a nuclear weapon option would bring into operation US legislation ending military and economic assistance. Quite aside from this, we should point out that movement by Islamabad towards a nuclear explosive potential would ....rather than enhance Pakistan's security.... risking a pre-emptive strike by India and encouraging India to launch an all out programme to develop nuclear weapons. It would destabilise the region and provide Moscow with opportunities to consolidate in Afghanistan and further expand its influence....<sup>18</sup>.

An article to be published in the December 20, 1982 issue of *Newsweek* on Pakistan entitled, "Worries About the Bomb", got the attention of the US Department of State. In a cable to the Embassy of Pakistan on December

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17. William Burr, *China, Pakistan and the Bomb: The Declassified File on US Policy, 1977-1997*, *National Security Archive Electronic Briefing Book*, No.114, March 5, 2004, <http://nsarchive.gwu.edu/NSAEBB/NSAEBB114/index.htm>. Accessed on June 22, 2015.

18. n.1.

18, 1982, the State Department stated that according to the upcoming *Newsweek* article, nuclear non-proliferation experts had claimed that Pakistan had scoured the world in search of equipment for its reprocessing and enrichment facilities. According to the article, a Pakistani scientist allegedly stole information on uranium enrichment technology from a nuclear installation in the Netherlands. The cable also stated that, according to US official sources, it was believed that China has supplied Pakistan both raw uranium and blueprints for building a bomb.<sup>19</sup>

A 1983 US State Department report titled; “The Pakistan Nuclear Program”, gave unambiguous evidence that Pakistan was actively pursuing a nuclear weapon development programme. According to the report; “... Pakistan’s near-term goal evidently is to have a nuclear test capability, enabling it to explode a nuclear device if Zia decides it is appropriate for diplomatic and domestic political gains. Pakistan’s long-term goal is to establish a nuclear deterrent to aggression by India, which remains Pakistan’s greatest security concern....” The report concluded that China had provided assistance to Pakistan’s programme to develop a nuclear weapons capability. Over the past several years, China and Pakistan have maintained contacts in the nuclear field. For some time, China’s involvement was limited to the operational aspects of the KANUPP power reactor at Karachi. The reports added, “...We now believe cooperation has taken place in the area of fissile material production and possibly also nuclear device design....”<sup>20</sup>.

In March 1988, China had transferred Intermediate Range Ballistic Missiles (IRBMs) to Saudi Arabia; Yang Shang Kun<sup>21</sup> indicated this during his May 1987 visit to the US and added that that China would not sell missiles to any other country besides Saudi Arabia; however, there were

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19. US Department of State, “Newsweek Article on Chinese Nuclear Cooperation with Pakistan”, US Embassy Pakistan, Cable 348835, *The National Security Archive*, <http://nsarchive.gwu.edu/NSAEBB/NSAEBB114/chipak-10.pdf>. Accessed on June 23, 2015.

20. US Department of State, “The Pakistan Nuclear Program”, *The National Security Archive*, April 16, 1983, <http://nsarchive.gwu.edu/NSAEBB/NSAEBB114/chipak-11.pdf>. Accessed on June 16, 2015.

21. Yang Shang Kun was the president of China from 1988-1993; prior to this, he was a permanent vice- chairman of the Central Military Commission and was one of the most powerful military figures in China. Yang was closely associated with China’s arms sales policies.

**A report submitted by the US under secretary of state for international security affairs on August 24, 1993, stated that China's Ministry of Aerospace Industry and Pakistan's Ministry of Defence had engaged in missile technology proliferation activities that were prohibited to be exported under the MTCR, therefore, violating the 1990 Missile Technology Control Act.**

fears that this technology could be illicitly re-transferred to other states. The meeting brief prepared for President Bush Sr with President Kun highlighted US concerns over the global dangers of nuclear missiles and chemical weapons proliferation. During the meeting, Bush raised concerns on China's assistance to Pakistan's nuclear weapons programme by emphasising that the issue would be a severe burden on the US-China relationship. President Bush hoped that China would work with the US and the international community in seeking to curb the proliferation of ballistic missiles with a range greater than 300 km and a payload greater than 500 kg. According to President Bush, "...the

technology for space launch is similar to that required for ballistic missiles. We are concerned that some nations may be using space programs as a pretext to acquire ballistic missile technology. This is especially troubling when these nations are simultaneously developing chemical weapons. We must assure [ensure] there are safeguards to prevent space cooperation with others from serving such ends....".<sup>22</sup>

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22. US Department of State, "The President's Meeting with President Yang Shangkun", *The National Security Archive*, February 8, 1989, <http://nsarchive.gwu.edu/NSAEBB114/chipak-16.pdf>. Accessed on June 23, 2015.

Act.<sup>23</sup> The Clinton Administration, on August 25, 1993, announced that it would impose sanctions against China for its transfer of M-11 missile parts to Pakistan<sup>24</sup>. These sanctions, unveiled by Under-Secretary of State Lynn Davis, prohibited the export of American satellites to China. This meant that licences would not be given to export to China advanced electronic equipment, technology and equipment for space systems and technology for military aircraft.<sup>25</sup>

The US and most other nuclear suppliers had implemented a full-scope safeguards nuclear export policy and urged China also to adopt such a policy. Wu Chengjiang, first secretary, Ministry of Foreign Affairs, and an expert on nuclear non-proliferation, stated that he was familiar with the issue and with US policy advocating full-scope safeguards for nuclear exports; however, China was not party to such a policy, he said. He pointed out that the NPT, which he stated China would soon ratify, did not require a full-scope safeguards policy. Wu observed that the reactor deal with Pakistan was one that was open, public, and would be subject to IAEA safeguards. He said that China, as a long-time ally and friend of Pakistan, wanted to help Pakistan's economic

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23. Formed in 1987 by the G-7 partners, it consisted of a common export policy applied to a common list of controlled items. The controlled and regulated items include export of missiles, unmanned air vehicles and related technology for those systems capable of carrying a 500 kg payload at least 300 km, as well as systems intended for the delivery of WMD.

24. The sanctions were imposed against two Chinese entities and their subsidiaries and Chinese government organisations involved in development or production of electronics, space systems and military aircraft were also sanctioned like the China Precision Machinery Import-Export Corporation, China National Space Administration, China Aerospace Corporation, China Great Wall Industry Corporation and some other Chinese entities which were subsidiaries of the Chinese Ministry of Aerospace Industry.

25. Nuclear Threat Initiative, "China", <http://www.nti.org/country-profiles/China/delivery-systems>. Accessed on July 5, 2015.

development and that the reactor deal would benefit both countries.<sup>26</sup> As China's market economy developed, greater complexity emerged and the central authorities could not always control events, which is what may have happened when a Chinese firm sold ring magnets used for the production of highly enriched uranium to Pakistan in 1995. During the Clinton years, the *Washington Times* correspondent, Bill Gertz, published highly damaging communication intercepts on Chinese-Pakistan transactions in 1996, causing further concerns amongst US policy makers.<sup>27</sup>

### CHINA'S TECHNOLOGY TRANSFERS TO IRAN

Chinese nuclear cooperation with Iran has always presented a different concern than that raised by Chinese nuclear cooperation with Pakistan. The military-technical relationship between China and Iran, which is over a quarter of a century old, has spawned China's transfers of nuclear weapons, missiles and chemical related technology. Leaked CIA analyses in the mid-1990s reported that China has transferred possibly hundreds of missile guidance systems and computerised machine tools, as well as gyroscopes, accelerometers, and test equipment, all bound for Iran's indigenous missile development programme.<sup>28</sup>

Another case of China's proliferation activity was reported in the media. This related to Iran's test firing of a new low flying cruise missile of Chinese origin, in early 1996. According to US Admiral Redd, the missile was identified as a C-802 anti-ship missile produced by China that was illegally transferred to Iran by the Chinese defence industrial trading companies. The US Administration admitted to the evidence when its Under-Secretary Lynn Davis, on June 19, 1996, told the House International Relations Committee that there was evidence that China had delivered C-802 cruise missiles to Iran. During the Congressional Hearing on the "Review of the Clinton Administration's Non-Proliferation Policy", by the Committee

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26. US Department of State, "China's Nuclear Deal with Pakistan- Demarche Delivered", US Embassy China, Cable 01109, *The National Security Archive* (January 14, 1992), <http://nsasrchrive.gwu.edu/NSAEBB/NSAEBB114/chipak-21.pdf>. Accessed on June 23, 2015.

27. Burr, n.17.

28. Gill, n.11.

on International Relations, House of Representatives, on June 19, 1996, committee member Christopher H. Smith (R- New Jersey) termed China as the world's number one proliferator, involved in transferring technology to North Korea as well as to Iran and Pakistan. Smith also pointed out that there was evidence to suggest that North Korea was transferring anti-ballistic missiles to rogue regimes in the Middle East. He also expressed amazement that the Clinton Administration did not levy any sanctions on the Chinese government despite evidence showing that the Chinese government officials knew about, and orchestrated, the transfers of ring magnets to Pakistan which, according to him, would encourage similar deals in the future<sup>29</sup>.

In response, Lynn E. Davis, the then under-secretary of state for arms control and international security affairs, stated that the Clinton Administration "has made non-proliferation one of its highest priorities, and its success is the key to preserving the security of Americans in the post-Cold War world". On China's proliferation, Davis stated that China was committed to carrying out its 1994 commitment to a global ban on sales of MTCR-class ground-to-ground missiles; and that the United States had obtained clarifications and assurances regarding China's nuclear non-proliferation policies, including a significant new public commitment not to provide assistance to unsafeguarded nuclear facilities. China's commitment to this was proven when in the fall of 1995, China suspended its plan to sell Iran two small power reactors due to difficulties in site selection and financing. According to the under-secretary, China's cooperation with Iran appeared consistent with its NPT obligation and the US Administration had no reason to believe that China would knowingly assist Iran to acquire nuclear weapons. Davis further added that the US Administration would continue to oppose the Chinese government's cooperation with Iran's civil nuclear programme, emphasising that such cooperation would help to build a nuclear infrastructure that could assist Iran's acquisition of nuclear

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29. Christopher H Smith, *Review of the Clinton Administration Non-Proliferation Policy: Statement during the Hearing before the Committee on International Relations, House of Representatives*, 104th Congress, 2nd Session, June 19, 1996 (Washington DC: US Government Printing Office), pp. 1-2.

weapons. On the issue of Chinese missile cooperation with Pakistan and Iran, transfers by Chinese entities of dual-use chemicals and equipment that could be used in Iran's chemical programme, and China's transfers of conventional weapons to Iran, the US Administration, she stated, had raised its objection at the very highest levels of the Chinese government and continued to work to prevent these from happening.<sup>30</sup>

In the realm of nuclear technology transfers, according to a 1997 report to Congress on non-proliferation, China's nuclear assistance to Iran has been limited to cooperation in the peaceful uses of nuclear energy and under IAEA safeguards. Nevertheless, because of long-standing US concerns about Iran's intention to develop nuclear weapons, the US believed that any nuclear assistance to Iran, whether or not subject to IAEA safeguards, would help to build infrastructure that would be used by Iran to support nuclear weapons development. For this reason, the US urged China to refrain from nuclear cooperation with Iran. This was a policy adopted by all the other major nuclear suppliers, except Russia and China. The report also suggested that China had provided Iran with four small research reactors and related nuclear fuel. All these reactors and their fuel were subjected to IAEA safeguards and inspected regularly by the IAEA. The reactors were: two sub-critical assemblies—both used natural uranium fuel, one was moderated by light water, the other by graphite; a Zero Power Reactor (ZPR) which used natural uranium fuel and was moderated by heavy water; and a miniature neutron source reactor, which used less than one kilogram of highly enriched uranium. According to the report, none of these reactors posed any direct proliferation risk as they did not produce significant quantities of plutonium. The ZPR and the two sub-critical assemblies, however, could enable Iranian personnel to learn design principles that could have some, albeit marginal, utility in future efforts to design and construct indigenously a larger reactor for plutonium production.<sup>31</sup>

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30. Lynn E Davis, *Review of the Clinton Administration Non-Proliferation Policy: Statement during the Hearing before the Committee on International Relations, House of Representatives, 104th Congress, 2nd Session, June 19, 1996* (Washington DC: US Government Printing Office), pp.4-7.

31. Classified Report to Congress on the Non-Proliferation and Practices of the People's Republic of China, *The National Security Archive*, (1997), <http://nsarchive.gwu.edu/NSAEBB/NSAEBB114/chipak-26.pdf>. Accessed on June 24, 2015.



## CONGRESSIONAL ACTIVISM ON CHINA'S PROLIFERATION IN THE 1990S

A report by the US Office of Technology Assessment submitted to the 100th Congress titled, "Technology Transfers to China", stated that China would become increasingly important to the United States over the next several decades. The US' ability to influence China's growth and influence would be limited since its economic growth is much more dependent on internal Chinese factors than on any US actions, and China will play its international role on the basis of its own perceived best interests. One of the most important influences that the United States has is technology transfers. China recognises the need to acquire new technology and new capabilities in its efforts to modernise and expand its economy. According to the report, China is still a very poor country, and technology transfers can be an important element in humanitarian efforts to help a billion people move out of poverty. America's policy towards China for the past 10 years has been predicated on the assumption that closer relations are generally beneficial, but that caution must be exercised in the transfer of advanced, sensitive technology. The report stated that "...observers feel that US policy has gone too far; that China is a potential adversary, with an alien ideology and an unstable, unpredictable political system. Others see China as a newly industrializing country that is rapidly upgrading its production technology and aggressively seeking international markets, becoming another, potentially much more powerful, Japan or Korea...."<sup>32</sup>.

The report also pointed out that much of China's civilian technology is out of date; as a result, China's Seventh Five-Year Plan (1986-90) aimed for the acquisition of technology as a high priority, especially in the fields of transportation, electronics and computers, telecommunications and energy. Most technology transfer from the United States was from private companies such as General Electric that won two large orders for locomotives, in part for the willingness to transfer the technology of materials and manufacture; American Motors Corporation (AMC) established a joint venture with

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32. US Office of Technology Assessment, "A Report to the 100th Congress titled, Technology Transfers to China", <http://nsarchive.chadwyck.com/nsa/documents/CH/00832/all.pdf>. Accessed on May 20, 2014.

**China's difficulty in assimilating advanced technologies suggested that more could be transferred without incurring much risk that China will use them to produce sophisticated weapon systems, but this risk will grow over the years as China's technological capabilities improve.**

Beijing Automotive Works to produce the AMC's Cherokee model; McDonnell Douglas started co-production of 25 MD-82 twin-jet transport aircraft with the Shanghai Aviation Industrial Corp following the sale of five to China. The US government agencies were also involved in technology transfers as part of an overall effort to cooperate with China and improve relations. The US Office of Technology Assessment reported that these technology transfers could provide some of the keys China needs to meet its modernisation goals.

...Modernization, in turn, will enhance China's position as an exporter and will eventually enhance China's military strength. At present, China's military is large but unsophisticated technologically. There was a concerted opinion that China's military can benefit from foreign technology in three ways: it could buy military technology directly, obtain civilian technology that has military application, or develop its own modern weapon systems as its economy as a whole modernizes...

According to the same report, while it could be reasonably assumed that China's military had access to such technology, till recently, civilian and military enterprises were kept separate, with the military being given priority. The report noted that in the last few years, civilian factories enjoyed an increasing amount of technology transfer and began modernising faster. The report also stated that since modern military systems are complicated and demanding, their manufacturing calls for additional expertise and the availability of precision production equipment and high-quality supplies. Further, China's difficulty in assimilating advanced technologies suggested that more could be transferred without incurring much risk that China will use them to produce sophisticated weapon systems, but this risk will grow over

the years as China's technological capabilities improve. Thus, before the Tiananmen Square event, technology transfers were being contemplated in almost benign terms, with long-term risk assessment. That changed dramatically after 1989 for political and ideological reasons. Further, Congressional concerns became acute as evidence emerged suggesting China's complicity in illegal transfer of technology.<sup>33</sup>

According to William R. Graham, former science adviser to President Reagan and former deputy administrator of the National Aeronautics Space Administration (NASA), China has been one of the major buyers of US surplus military equipment. Further, he added that there existed an atmosphere of pervasive criminality in Russia post the Cold War, coupled with the uncertain future of the Russian economy and government which created an environment in which military hardware and technology flow into the developing world, through both official and unofficial channels, had increased; with several reports showing a very large transfer of SS-18 missile technology to China and also reports of active assistance to the Iranian missile development programme by both Russia and China. China was also involved in government-to-government sales of complete ballistic missile systems that include the sale of the 3,000 km class CSS-2 IRBM systems to Saudi Arabia and the sale of ground mobile M-11 ballistic missiles by China to Pakistan. Graham added that this proliferation in technology could be attributed to the educational opportunities received by foreign (Chinese) students from American universities. According to him, since 1954, there has been a steady increase in the number of foreign students studying at American universities. According to the annual report of the Visa Office of the State Department's Immigration and Naturalisation Service, the number of non-immigrant visas issued in Category F (students

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33. Ibid.

and dependents) since 1984, showed that about 121,952 visas were issued to people from China. Mainland China contributed the highest number of foreign students, a number that has stood consistently at about 10 per cent of all foreign students. Even though the US government does not follow what foreign students are actually studying in the American universities; according to Graham, a visit to the classrooms of leading technical graduate schools suggests that courses in the most advanced aerospace and other related fields of engineering are very popular.<sup>34</sup>

The 1990-96 annual Most Favoured Nation (MFN) status debate provided an occasion for all groups seeking to influence the US-China policy by attaching conditions to MFN status renewal. Congress was particularly concerned with China's proliferation of WMD through the illegal transfer of high-technologies. Policy debates concerning Chinese technology transfers have often centred on the question of whether to impose unilateral sanctions as required by various US laws. While certain Chinese transfers may not violate any international treaties, US non-proliferation policy and enforced non-proliferation treaties and guidelines like the NPT and MTCR impose unilateral sanctions in response to their violations. It is a legal obligation of the executive branch to implement and enforce US laws passed by Congress; they also place a greater priority on non-proliferation as a national interest in view of the strict enforcement of laws for stemming proliferation. On October 30, 1991, the US House of Representatives passed the "Omnibus Export Amendment Act of 1991", one of the major highlights of which, ensured that export licensing preferences in favour of high technology export to China should be eliminated, China's access to dual-use goods and technology should be restricted, and no satellite of US origin that is intended for launch from a launch vehicle owned by China may be exported from the US.<sup>35</sup>

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34. William R Graham, *Missile Proliferation in the Information Age, Testimony during the Hearing before the Sub-Committee on International Security, Proliferation and Federal Services of the Committee on Governmental Affairs, United States Senate, 105th Congress, 1st Session, September 22, 1997* (Washington DC: US Government Printing Office), pp. 9-11 and 14.

35. Shirley A Kan, "China Proliferation of Weapons of Mass Destruction and Missiles: Policy Issues", *Congressional Research Service Report for Congress*, February 8, 2006, <http://fas.org/spp/starwars/crs/RL31555.pdf>. Accessed on July 7, 2015.

Congress passed numerous legislations that provide for unilateral sanctions to be imposed against proliferation. Through these legislations, Congress tried to ensure a safe passage for the transfer of sensitive materials which are dualist in nature. Some of these Acts were the Export-Import Bank Act, Arms Export Control Act, Export Administration Act, Nuclear Proliferation Prevention Act, Iran-Iraq Arms Non-Proliferation Act and Iran Non-Proliferation Act. In early 1996, Congress called for the imposition of sanctions on China after reports came in that it was involved in technology transfers that could lead to the proliferation of WMD. It was alleged that China had sold unsafeguarded ring magnets to Pakistan which was in violation of the NPT and US laws, including the Arms Export Control Act and the Export-Import Bank Act. The Clinton Administration was unable to take a decision on the imposition of sanctions as the trade interests of the US corporations which had business in China made the decision difficult and complicated. The State Department announced that China and Pakistan would not be sanctioned as a result of a new agreement signed between the US and China which stated that China would provide future assistance only to safeguarded nuclear facilities, reaffirming its commitment to nuclear non-proliferation.<sup>36</sup>

The then Chairman of the Senate Committee on Foreign Relation, Jesse Helms, criticised the Clinton Administration for failing to implement a policy to contain the serious proliferation activities of the Chinese and termed the Administration's non-proliferation policies as *"broken promises and worthless pledges"*<sup>37</sup>. The fact that a Republican headed the powerful Senate Foreign Relations Committee after a Democratic rout in the Congressional elections in 1996, compounded the Clinton Administration's difficulties. It also allowed Congress a much more activist and influential role in the policy towards China. Senator John Ashcroft (R-Missouri), during the hearings before the Committee on Foreign Relations, United States Senate, stated that the proliferation of weapons of mass destruction and the technologies that support these are a

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36. Ibid.

37. John Ashcroft, *Proliferation Threats Through the Year 2000: Statement during the Hearing before the Committee on Foreign Relations, United States Senate, 105th Congress, 1st Session, October 8, 1997* (Washington DC: US Government Printing Office), pp. 27-28.

**The senator also argued that once the Chinese obtain US nuclear technology, they would reverse engineer the project, fill their own domestic nuclear energy needs and start competing with US companies in export markets abroad, thereby affecting American business.**

major security threat for the United States. He criticised the Clinton Administration's China policy that favoured nuclear cooperation. This, according to him, was

...political decision driven by the US-China October Summit, rather than by the facts of China's weapons proliferation record. The prospect of nuclear cooperation with China is perhaps the clearest illustration yet of the "trust but don't verify" approach, behind the Administration's China policy....China has a weapons proliferation record unrivalled in the world.....has hidden behind non-proliferation

commitments for over a decade.<sup>38</sup>

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Senator Cochran (R-Mississippi), who was the chairman of the US Subcommittee on International Security, Proliferation and Federal Services of the Committee on Governmental Affairs, during the Congressional hearing on proliferation and US export controls on June 11, 1997, stressed on the need for a reexamination of American export control practices, especially with respect to goods having both military and civilian applications, or commonly referred to as dual-use goods. In his opening statement, Senator Cochran stated that in the latter stages of the Cold War, approximately \$100 billion per year worth of exports required an export licence; however, in 1996, the Commerce Department licensed for export \$ 4.9 billion worth

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38. Ibid., pp. 27-28.

of dual-use technology, while America's total export volume of goods and services amounted to \$ 846 billion, therefore, the licensed exports comprised just under six-tenths of one per cent of total US exports in 1996.<sup>39</sup> Senator Cochran also stated that along with President Clinton's policy to liberalise American export controls, there should also be appropriate provisions in place to ensure that no retransfer of dual-use technology towards other illicit activities occurs, as this would not only lead to weapons proliferation but also bring about cheaper alternatives into the market that could edge out American manufactured goods and, thereby, affect American commerce. Senator Cochran also stated that, in the case of supercomputers,

**Senator Cochran also stated that, in the case of supercomputers, based on the testimony by Secretary Reinsch during the hearing held by the House of Representatives in April 1996, 46 American supercomputers were in the People's Republic of China, at least one of which was sold to the Chinese Academy of Sciences by Silicon Graphics.**

based on the testimony by Secretary Reinsch during the hearing held by the House of Representatives in April 1996, 46 American supercomputers were in the People's Republic of China, at least one of which was sold to the Chinese Academy of Sciences by Silicon Graphics. According to Senator Cochran, the Chinese Academy of Sciences is a key participant in Chinese military research and development, and has been, for a long time, working on the DF-5 Intercontinental Ballistic Missile (ICBM), which is capable of reaching the United States. Other activities of the academy included uranium enrichment for nuclear weapons. This, according to the senator, is a result of a flawed US export control policy.<sup>40</sup>

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39. Through this figure, Senator Cochran wanted to throw light upon the need to strengthen America's export control which did not cover many of the export items, some of which were dualistic in nature, and also wanted to stress on the need to make these controls more stringent since more than 95 percent of the export licences requests were being approved without much investigation.

40. Thad Cochran, *Proliferation and US Export Controls, opening Statement made during the Hearing before the US Senate, Sub-Committee on International Security, Proliferation and Federal Services of the Committee on Governmental Affairs*, 105th Congress, 1st Session, June 11, 1997 (Washington DC: US Government Printing Office), pp. 1-2.

Seth W Carus, a visiting fellow at the National Defence University, in a testimony before Congress in 1997, stated that one of the major concerns with regard to China was that it continued to refuse to abide by its commitments to adhere to the international norms to which it is a signatory such as the MTCR.<sup>41</sup> As a result, despite the US receiving assurances from the Chinese government that it would end its missiles export and adhere to the principles given in the MTCR, it has been found that China has repeatedly broken its commitments.<sup>42</sup>

A report to Congress by the Department of Defence in accordance with Section 1306 (c)<sup>43</sup> of the Annual National Defence Authorisation Act (NDAA)<sup>44</sup> for the fiscal year 1997, stated that China's state owned entity, the China Nuclear Energy Industry Corporation, transferred ring magnets to an unsafeguarded uranium enrichment facility in Pakistan.<sup>45</sup> In 1999, US-China relations took a hit when the *New York Times* reported that China had stolen the designs of the most advanced US nuclear warheads. This story was based on leaks from a special investigative committee in the US House of Representatives, chaired by Representative Christopher Cox (R- California). This committee was investigating charges that critical US technology had been transferred to China by major US corporations while using Chinese

41. Carus also added that under the MTCR, it was agreed not to transfer complete ballistic missiles and cruise missiles systems that exceed certain capabilities and to control the export of certain technologies needed to produce ballistic or cruise missiles. Therefore, the MTCR has an important role in slowing down the spread of ballistic missiles technologies.

42. Seth W Carus, *Missile Proliferation in the Information Age, Testimony during the Hearing before the Subcommittee on International Security, Proliferation And Federal Services of the Committee on Governmental Affairs, US Senate, 105th Congress, 1st Session, September 22, 1997* (Washington DC: US Government Printing Office), p. 20-24.

43. The NDAA for the fiscal year 1997, in which under Title XIII- Arms Control and Related Matters; Subtitle A: Arms Control, Counter-Proliferation Activities and Related Matters. Section 1306 (c) requires the presidential report regarding weapons proliferation and policies of the People's Republic of China.

44. The NDAA is a United States federal law specifying the budget and expenditures of the United States Department of Defence. The US Congress oversees the defence budget primarily through two yearly Bills: the National Defence Authorisation Act and Defence Appropriation Bill. The Authorisation Bill determines the agencies responsible for defence establishment funding levels, and sets the policies under which the money will be spent. For further details see, URL:[http://en.wikipedia.org/wiki/national\\_Defense\\_Authorization\\_Act](http://en.wikipedia.org/wiki/national_Defense_Authorization_Act).

45. The action by the Chinese entity was in conflict with China's obligations under Articles I and III of the NPT, as well as the official non-proliferation policies and assurances by the PRC and Pakistan with respect to the non-proliferation of nuclear weapons and nuclear-capable missiles.



rockets to launch US satellites. The Cox Committee Report suggested that American technology and production processes transferred to China for civilian uses were being diverted to military end users, particularly in the high-performance computer, guidance, encryption, jet engine and precision machine tool areas.<sup>46</sup>

On May 25, 1999, the Cox Committee released the declassified version of its January 3, 1999, classified report on its investigation of US technology transfers to China. The committee, after lengthy investigations, concluded that over the last 20 years, China had pursued a serious effort to acquire advanced American technology, making it a major threat for the American national security. US Congressman Doug Bereuter (R-Nebraska) who was a part of the Cox Committee, while addressing the speaker of the House on July 19, 1999, emphasised on the truly bipartisan nature of the Cox Committee and stated that the findings in the report were fully corroborated with evidence. The Congressman stated that during the course of their investigation, they had come across far more disturbing information, one being the very institutional problem that existed in the federal agencies and, in particular, in the Department of Energy (DOE). The Congressman stated, "...I believe that these lapses of security at the DOE weapons laboratories taken together resulted in the most serious espionage loss and counterintelligence failure in American history. Moreover, these lapses facilitated the most serious theft ever of sensitive US technology and information...." The committee made 38 recommendations for remedies, including possible legislation to tighten export controls and provide greater security to the national labs. According to Bereuter, most of the recommendations could be implemented by the executive branch without legislation, such as increasing the penalties for export control violations.<sup>47</sup>

During the 106th Congress, the issue of China's proliferation of weapons resurfaced with reports in June 2000 stating that China was aiding Pakistan's missile development programme. Representative Frank

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46. J Cirincione, J Wolfsthal and M Rajkumar, *Deadly Arsenal: Tracking Weapons of Mass Destruction* (Washington DC: Brookings Institution Press, 2002), pp. 169-170.

47. Doug Bereuter, *An Accurate Reading of the Cox Committee Report*, 106th Congress, July 19, 1999, <http://fas.org/sgp/news/1999/07/bereuter.html>. Accessed on July 6, 2015.

Pallone (D- New Jersey), wrote to President Clinton on July 5, 2000, urging him to immediately impose sanctions on China. Speaking to the House, Pallone stated that he was encouraged to see that the Administration had dispatched a top arms control official to Beijing to address the growing concerns about China's proliferation activities. However, the concerns remained, as the State Department's Senior Adviser on arms control, John Holum stated, "... we made progress, but the issue remains unresolved...." to the *New York Times* on July 9, 2000. Congressman Pallone also stated that the Chinese support for Pakistan's missile development programme was a matter of concern for the United States and for the long-term stability of the entire Asian continent.<sup>48</sup>

On November 21, 2000, the Administration imposed sanctions on Pakistan for engaging in missile technology proliferation activities with China. On May 22, 2002, in the House of Representatives during the 107th Congress, Representative Pallone (D- New Jersey), stated that China, despite entering into an agreement with the Clinton Administration in November 2000, which prohibited transfers of missiles or missile technology to Pakistan, continued missile technology transfers. The Congressman voiced his concerns about the Bush Administration waiving off a substantial amount of missile technology control regime sanctions that were imposed by the Clinton Administration under S-1465, which provided the president with increased flexibility in the exercise of his waiver authority with respect to Pakistan. Representative Pallone also wrote to President Bush on this issue on May 22, 2002, in which he strongly urged the president to reconsider the termination of the sanctions on missile technology transfers from China to Pakistan. Pallone also cited the probability of Osama bin Laden and members of the Al Qaeda getting access to these deadly arsenals which would be catastrophic.<sup>49</sup>

The dawn of the new millennium also brought in new challenges, Robert

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48. Frank Pallone, "Concerns of Chinese Aid for Pakistan Ballistic Missile Program Still Unresolved", The Library of Congress Thomas, Congressional Record 106th Congress: 1999-2000, July 11, 2000, <http://thomas.loc.gov/cgi-bin/query/D?r106:1:/temp/~r106WSVP24::>. Accessed on June 25, 2015.

49. Ibid.

Sutter argues that the 107th Congress (2001-02) that coincided with the start of the Bush Administration, resulted in a decline in the scope and intensity of the domestic American debate over the China policy. The partisan attacks on the US Administration's engagement policy towards China diminished as the White House and Congress both were controlled by the Republican Party leadership, which intended to show unity and party discipline on sensitive issues, including the China policy. Furthermore, the US preoccupation with the "War on Terror", including the US led military attacks on Afghanistan and Iraq, made it more difficult for US interest groups and other activists to gain the public and private attention in Congress and elsewhere that they seemed to need in order to press for changes in US policies towards China<sup>50</sup>.

Post 9/11, with the US engagement on the "Global War on Terror" and with China stepping up to assist, the US called for a special relationship with China in the 108th Congress. As a result of the US Administration's "War on Terror", it found itself engaging with China which also found favour with Congress and, thus, the enhancement of the relations with the enactment of the US-China Engagement Act in the year 2006. After Bush introduced the US-China Engagement Act in April 2006, Senator Mark Steven Kirk (R- Illinois), while introducing the Act in the House of Representatives on April 26, 2006, stated,

...The US China Engagement Act is an important step in addressing the most critical relationship of the 21st century.... We must be prepared diplomatically, educationally and economically.... This Bill will give American students and American businesses the tools to compete in the new and expanding market of China....<sup>51</sup>.

Despite Congressional concerns and actions, the Administration, engulfed with the "War on Terror" and military operations in Iraq and

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50. Robert G. Sutter, *US-Chinese Relations: Perilous Past, Pragmatic Present* (Maryland: Rowmen and Littlefield Publisher Inc, 2010), p. 127.

51. Mark Steven Kirk, *Introduction of US-China Engagement Act*, 109th Congress, April 26, 2006, <http://www.congress.gov/cres/2006/04/26/CREC-2006-04-26-pt1-PgE624-2.pdf>. Accessed on July 6, 2015.

**On the flip side, it has resulted in China growing in stature, and as it grew through its illicit ways of selling technologies to other nations and, in turn, also enhancing its own capabilities, it could be inferred that the US Administration has failed to ensure that China's actions found stronger US reactions.**

Afghanistan, and with the increasing vested economic interest with China, felt the need to continue engaging with China, hence, overlooking all its acts of violations in the realms of not only proliferation of weapons but also in human rights violations and trade.

### CONCLUSION

Since 1996, China has increased its defence budget by more than 10 percent in real terms every year, except in 2003. The pace and scope of China's military build-up already puts regional military balances at risk. China is likely to continue

making large investments in high-end, asymmetric military capabilities, emphasising electronic and cyber warfare, counter-space operations, ballistic and cruise missiles, advanced integrated air defence systems, next generation torpedoes, advanced submarines, strategic nuclear strike from modern, sophisticated land and sea-based systems; and theatre unmanned aerial vehicles for employment by the Chinese military and for global export. However, post-Cold War US policy has remained focussed on encouraging China to play a constructive, peaceful role in the Asia-Pacific region and to serve as a partner in addressing common security challenges, including terrorism, proliferation, narcotics and piracy. US policy sought to encourage China to choose a path of peaceful economic growth and political liberalisation, rather than military threat and intimidation.<sup>52</sup> On the flip side, it has resulted in China growing in stature, and as it grew through its illicit ways of selling technologies to other nations and, in turn, also enhancing its own capabilities, it could be inferred that the US Administration has failed to ensure that China's actions found stronger US reactions. Therefore, this

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52. Anthony H Cordesman, *Salvaging American Defence: The Challenges of Strategic Overstretch* (Washington DC: Centre for Strategic and International Studies, 2007), pp. 426-427.

pattern of invoking US actions such as sanctions against China's activities in the realms of proliferation of weapons in the 1990s became a mere formality in the US Congress that used it as an incentive to lock horns with the Administration and show its discontent. Furthermore, actions imposed were also withdrawn in a timely manner, leading to a vacuum in the US' China policy which enabled its growth.

US-China relations that made headway during the Nixon Administration as part of the US Cold War grand strategy have continued to sustain despite various events that not only complicated the relationship but also caused serious concerns within the United States about China's intentions. Strong voices from the general public, humanitarian and other interest groups as well as strong voices within the US Congress, called for stringent action against China. However, it was found that the relationship continued and evolved into a much deeper and strategic one. It is this continued engagement policy in the pursuit of economic and strategic goals by successive US Administrations that has enabled and fuelled China's growth over the last few decades. This paper has looked into one of the major dimensions of China's illicit activity that has dominated the headlines since the 1980s, which is in the realm of nuclear weapons proliferation. The issue of China's non-obligation to, or non-compliance with, the international non-proliferation treaties to which it was a signatory should have called for strong action by the US Administration. However, it was found that a stream of continuity in the relationship remained, as the US Administration wanted to keep the line of communication open and not undo decades of diplomatic efforts. Hence, Beijing not only continued to engage in illicit activities by transferring sensitive technologies, but also through covert activities in the West, it was able to fuel its own aspirations of building a modern military warfare system. This has helped the spread of weapons, including nuclear

**The issue of China's non-obligation to, or non-compliance with, the international non-proliferation treaties to which it was a signatory should have called for strong action by the US Administration.**

capabilities, in India's neighbourhood and become a serious security concern that has enveloped the entire South Asian region. It is also a major cause of concern for contemporary global security since these technologies have been retransferred to other "rogue" states. Lax controls over these sensitive technologies and materials could eventually lead to non-state actors gaining access to them and pose a serious international problem.