U.S. Policy and Chinese Proliferation to Iran:

A Small Leap Forward?

by **Michael Eisenstadt (/experts/michael-eisenstadt)**

Oct 31, 1997

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Brief Analysis

Iran has been a key issue in this week's U.S.-China summit. Two weeks ago, Beijing promised to halt the transfer of antiship missiles to Iran and, in the run-up to the summit, the Chinese provided written assurances to Washington that it will not initiate any new nuclear cooperation with Iran, though it will be permitted to finish two projects already underway. The provision of these assurances will pave the way for the sale of nuclear power plants to Beijing as called for under a 1985 Peaceful Nuclear Accord between the United States and China. If honored, these Chinese commitments will mark important milestones in Washington's efforts to curb China's proliferation of conventional and nonconventional weapons, and to contain Iran. It is too early, however, to tell whether China will honor these pledges, or whether it will find ways to circumvent these commitments, as it has done in the past. On the principle of "trust but verify," injecting a time element in the transfer to China of sophisticated nuclear components is necessary to first test China's compliance with these commitments.

A Legacy to Overcome: The reason for this skepticism is Beijing's history of flouting international norms and commitments it had undertaken relating to weapons proliferation. In March 1988, it was revealed that China had transferred some 50 CSS-2 ballistic missiles to Saudi Arabia, at a time that other major missile suppliers were working to halt the spread of such systems through the creation of the Missile Technology Control Regime (MTCR) in 1987; China subsequently agreed to provide M-9 missiles to Syria and Iran, and M-11 missiles to Pakistan. The first two agreements were never consummated, though China has provided missile materials, components, and production technology to Syria and Iran, and missile components, production technology, and finished M-11 missiles to Pakistan. All of this was subsequent to, and in violation of Beijing's November 1991 pledge to adhere to the guidelines of the MTCR. Beijing has also provided, since the early 1980s, crucial aid to Pakistan's nuclear weapons program in the area of fissile material production and weapon design. This assistance continued even after China acceded to the Nuclear Nonproliferation Treaty (NPT) in March 1992. Furthermore, in early 1991, the U.S. government discovered that China was secretly building a research reactor for Algeria, apparently for a nuclear weapons program. Adverse publicity following the discovery of the reactor contributed to Algeria's December 1993 decision to accede to the NPT. Finally, China has been one of only two countries in the world (the other is Russia) willing to supply civilian nuclear technology to Iran, despite widespread concern about Iran's ultimate nuclear

intentions.

Chinese Assistance to Iran: Since the early 1980s, China has provided Iran with conventional arms, chemical weapons precursors and production technology, missile production technology, and civilian nuclear technology and know-how that could be of value to a military program. China is one of Iran's two main conventional arms suppliers (the other is Russia). Since the end of the Iran-Iraq War, it has provided Iran with largely obsolete weapons, including F-7 fighters, HQ-2J SAMs, artillery pieces, Houdong class missile boats, a variety of naval mines, and HY-2, C-801, and advanced C-802 antiship missiles. Iran's acquisition of large numbers of naval mines and antiship missiles from China has greatly enhanced its naval posture in the Persian Gulf, and greatly compounded the risks for U.S. Navy units deployed there. As a result, the U.S. Navy is certain to pay a much higher price in a confrontation with the Iranian Navy than it otherwise would have.

China has also been the main supplier of technology for Iran's civilian nuclear program, which is located at four principal sites:

- at Karaj, a small Chinese calutron and a cyclotron provided by Belgium;

- at Esfahan, a zero power reactor, a 27KWt miniature neutron source reactor, and two subcritical reactors supplied by China;

- at Saghand, uranium ore mines, and;

- at Bushehr, a nuclear power plant being built by Russian specialists. (The two projects Beijing will be permitted to finish under its agreement with Washington are the aforementioned zero power reactor-which was recently completed and is undergoing final checks, and a factory to produce metal cladding for fuel rods used in nuclear reactors-which will take 2-3 years to complete.) Though none of the technology provided by China can produce fissile material for nuclear weapons, some of the equipment could help Iran master the technologies and processes required to do so.

In 1992, Iran concluded an agreement with China for the sale of two 300 MWe Quinshan-type reactors for a power plant in the southwest of the country. Disputes over the design and location of the facility, and most importantly, Iran's inability to pay, delayed implementation of the agreement, and in September 1995, Chinese officials informed their American counterparts that the deal had been suspended. Their transfer would have provided Iran with expertise in operating large reactors that could have contributed to a clandestine military program, and enabled Iran to make contacts with Chinese scientists willing to secretly assist such an effort. China had also signed a contract with Iran for the construction of a uranium conversion plant, which would have permitted Iran to enrich uranium to produce reactor fuel, but which would also have had military applications. For reasons that are still unclear, China canceled this contract sometime this past year.

Finally, in recent years, China has emerged as Iran's main source of chemical weapons precursors and production technology, and it may have provided dual-use technology for Iran's biological weapons program. China has also aided Iran's missile program. In 1989, it sold Iran several dozen CSS-8 surface-to-surface missiles (a converted SA-2 surface-to-air missile), and it signed an agreement to provide Iran M-9 missiles, though these were never delivered. Instead, China reportedly provided materials, components (such as gyroscopes and accelerometers), engineering assistance, and missile-test technology to Iran, and it is reportedly helping Iran with several short-range solid-fuel missiles (some of this technology could be used in longer-range systems).

Conclusions: The Chinese pledge to halt the transfer of antiship missiles and to cease nuclear cooperation with Iran are welcome steps, although they need to be viewed in perspective. Because scores of modern antiship missiles have

been transferred to Iran in recent years, damage to American interests has already been done, though capping Iran's antiship missile inventories at current levels is certainly a worthwhile goal. Likewise, it is not clear how much practical difference China's pledge to cease nuclear cooperation with Iran will make. Chinese nuclear cooperation with Iran had been fairly circumscribed in recent years, perhaps due in part to U.S. pressure, but largely due to Tehran's financial problems. Nevertheless, this pledge will make it risky for China to resume nuclear cooperation with Iran in the event that Tehran's financial situation improves sometime in the future.

Whether it is worth lifting the ban on nuclear exports to China in order to gain such a commitment is a difficult call. At any rate, China's poor record of honoring commitments makes it imperative that any future reactor sales to China be structured in such a way that the transfer of critical components occurs later rather than sooner, to provide time for evaluating Chinese conduct. If China violates its pledges concerning Iran, all reactor sales should be halted immediately. Finally, it should be clear that the recent Chinese commitments to halt the transfer of antiship missiles and nuclear cooperation with Iran are only first steps toward resolving other proliferation-related issues; further improvements in U.S.-Chinese relations should be tied primarily to progress in this area.

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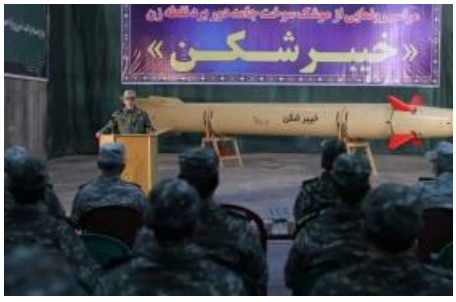

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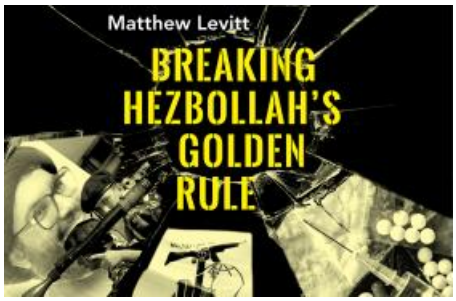

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