

# Background

No. 1739  
March 18, 2004



Published by The Heritage Foundation

## Washington Must Head Off European Arms Sales to China

*John J. Tkacik, Jr.*

Recent moves to lift the European Union (EU) embargo on arms sales to China have caused consternation on both sides of the Atlantic, and Washington should be more concerned about it than it appears to be. Under pressure from France and Germany, EU leaders will likely lift the arms embargo at the March 25–26 summit in Brussels, although some EU member nations have expressed concerns over human rights in China and China's policy toward Taiwan.

The EU members need to ask two questions: Which country is the most likely adversary against which China would employ advanced European military systems, and have the conditions that justified imposing the EU ban changed significantly?

The Administration, supported by Congress, should protest the impending European action by:

- **Reminding the EU why the embargo exists,**
- **Pointing out that lifting the embargo could threaten U.S. forces and could be interpreted as an unfriendly act, and**
- **Excluding from defense technology cooperation those companies that sell arms to China.**

### Background

In the past week, senior Chinese diplomats held talks with EU officials in Brussels in an attempt to persuade the EU to lift its 15-year-old ban, which prevents EU firms from soliciting contracts with the Chinese military. The embargo was a punitive EU response to the brutalities that the Chinese People's

### Talking Points

- The U.S. and European bans on weapons-related exports to China were a direct reaction to China's violent suppression of the pro-democracy demonstrations in Tiananmen Square in 1989.
- A review of the State Department's annual human rights reports from 1990 to 2003 shows that China either has made no progress from year to year or has grown worse.
- China still threatens Taiwan with war, and the United States has obligations under law to help Taiwan defend itself. In other words, China is likely to use advanced European weaponry against the United States.
- The U.S. and European prohibitions on sale of defense items to China were imposed for the same reasons. Those reasons remain valid. Without a strong European commitment to the prohibition, the U.S. embargoes will become worthless as similar advanced defense technologies are exported from Europe

This paper, in its entirety, can be found at:  
[www.heritage.org/research/asiaandthepacific/bg1739.cfm](http://www.heritage.org/research/asiaandthepacific/bg1739.cfm)

Produced by the Asian Studies Center

Published by The Heritage Foundation  
214 Massachusetts Ave., NE  
Washington, DC 20002-4999  
(202) 546-4400 [heritage.org](http://heritage.org)

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

Liberation Army inflicted on pro-democracy demonstrators in Tiananmen Square in 1989.

The Chinese position is—and always has been—that the arms embargo is “inappropriate.” The Chinese imply that, if the EU lifts the sanctions, China will direct their big-ticket civilian purchases, including aircraft, power stations, and urban mass transit, away from U.S. vendors to EU firms. This is in addition to big-ticket weapons purchases that would be directed away from the Russian Federation to EU defense contractors.

### Trading Weapons for Commercial Contracts

On his visit to Beijing in December 2003, German Chancellor Gerhard Schroeder told Premier Wen Jiabao, his Chinese host, that Germany was amenable to ending the EU arms embargo. Pointing to the huge delegation of German businessmen that accompanied Schroeder, a senior German official declared, “[T]here are some [in the EU] that are for the end of the embargo—for example our French partners—and that is our position as well.”<sup>1</sup> The following day, European Trade Commissioner Pascal Lamy expressed a willingness to “reconsider” the EU weapons ban as well.<sup>2</sup>

A few days later, the German defense ministry said that it had no objection to the transfer of a plutonium-fueled nuclear power plant to China as long as there “is a guarantee from the Chinese government that the plutonium factory will not be used for military purposes but for peaceful purposes to produce atomic energy.”<sup>3</sup> Even Germany’s anti-nuclear Green Party, which opposes such power plants in Europe, shrugged its shoulders. German Foreign Minister Joschka Fischer (Green Party) deadpanned that there were “sometimes situations where you have to make bitter decisions.”<sup>4</sup>

Not to be outdone, French President Jacques Chirac invited Chinese President Hu Jintao to Paris, ignoring complaints of French human rights groups, and lavished on him one of the most extravagant receptions that France has ever given a foreign leader—including the night-time spectacle of the Eiffel Tower bathed in rich red floodlights, a first ever for the Parisian landmark, and designating 2004 as the “Year of China.”

In the course of fawning over his Chinese guest, Chirac ignored China’s massive missile threat to Taiwan—over 500 short-range ballistic missiles now aimed at the island, with 75 new missiles deployed each year—and vehemently condemned Taiwan’s plans to hold a referendum to protest the missiles. On the embargo, Chirac was firm. At a joint news conference with Hu, Chirac spoke out strongly in favor of lifting the European arms embargo, saying that “This embargo no longer makes any sense” and “will, I hope, be lifted in the months to come.”<sup>5</sup>

Even the British seemed to be waffling. When asked about the British government’s position on lifting the China weapons ban, Baroness Symons of Vernham Dean (British Minister of State, International Trade and Investment) could only respond that the “ministers are currently considering the United Kingdom’s position [and] in the meantime, we shall continue fully to implement the arms embargo.”<sup>6</sup>

On January 27, French Foreign Minister Dominique de Villepin explained to reporters that “China is now a special partner...playing a key and responsible role in the international system,” and declared that the EU “should encourage it in this direction to contribute to international stability and security, especially in Asia.”<sup>7</sup> Fortunately, on the same day, de Villepin’s attempt to lift the China arms ban was voted down 14 to 1 at an EU foreign ministers con-

1. Associated Press, “Schroeder Backs Sales to China of EU Weapons,” December 2, 2003, at [online.wsj.com/article/0,,SB107031748329778700,00.html](http://online.wsj.com/article/0,,SB107031748329778700,00.html).

2. Dow Jones Newswires, “EU’s Lamy Signals Review of Embargo on Arms to China,” December 3, 2004, at [online.wsj.com/article/0,,SB107039952717946100,00.html](http://online.wsj.com/article/0,,SB107039952717946100,00.html).

3. Agence France–Presse, “China Must Vow Peaceful Use of German Plutonium Plant: Ministers,” December 5, 2003.

4. *Ibid.*

5. John Leicester, “French Lawmakers Snub Chinese Leader,” Associated Press, January 27, 2004.

6. Melody Chen, “UK ‘Strongly Opposed’ to Force Across Taiwan Strait,” *Taipei Times*, January 20, 2004, p. 2, at [www.taipeitimes.com/News/taiwan/archives/2004/01/20/2003092068](http://www.taipeitimes.com/News/taiwan/archives/2004/01/20/2003092068).

ference. The ministers were concerned that China's human rights record did not warrant the action and that China's missile deployments against Taiwan made it unwise. But the ministers did agree to reconsider the French proposal to lift the ban by April 1 at a future session.

Press commentary in Europe charged that President Chirac's drive to ease sanctions was motivated not only by the prospect of commercial sales, but also by Chirac's hope of drawing China into strategic multipolar alliance with the EU to counter American hegemony.<sup>8</sup>

The appearance of the Chinese vice foreign minister in Brussels in the past week signals that both the French and the Chinese, and no doubt the Germans and probably the Italians, are intent on lifting the embargo sooner rather than later. Indeed, when Zhang Yesui, China's vice foreign minister in charge of relations with Western Europe, raised the issue with EU External Relations Commissioner Chris Patten, Patten seemed willing to acquiesce. Without a hint of irony, according to one source, Patten told Zhang that "more assurances from Beijing on human rights would make it easier for EU governments to explain any decision to lift the embargo."<sup>9</sup>

Even Denmark has fallen under the spell of the Chinese market. Danish Prime Minister Anders Fogh Rasmussen said in early March that Denmark favored removing the embargo if China improved its human rights behavior. Among EU members, only the Netherlands and Sweden are said to be reluctant to lift the ban—again citing China's human rights record.<sup>10</sup>

## The U.S. Response

In the meantime, the U.S. State Department seems unsure about how to approach America's European allies. Deputy Secretary of State Richard

Armitage allowed that the United States had "talked with Europeans about the wisdom of lifting the embargo because of our concerns about human rights."<sup>11</sup> Secretary of State Colin Powell assured the House International Relations Committee on February 11 that the United States was continuing to pressure the European Union not to lift the ban.

Whether the State Department is doing enough is uncertain. On February 6, Deputy Assistant Secretary of Defense Richard Lawless told a congressional commission that if Europe sold arms to China, Beijing's ability to use those arms would be far more advanced than when the EU embargo was imposed after the 1989 Tiananmen Square crackdown. "China's ability to acquire, integrate and thereby multiply its force posture has really increased dramatically," said Lawless. "What the EU may have to offer now may make a lot more sense in the context of where China needs to go than it ever has in the past."<sup>12</sup>

Deputy Assistant Secretary of State Randall G. Schriver told the commission that the State Department had informed America's European partners that the U.S. opposed lifting the China arms embargo for three reasons:

1. The ban was originally imposed because of concerns over human rights, and the human rights situation in China has not improved to the point where it merits lifting the ban. In fact, there are continuing problems.
2. The U.S. has concerns about Chinese export controls and the ability to protect sensitive technology from being transferred to a third country.
3. The U.S. has obligations and interests in maintaining a balance between Taiwan and China and ensuring that Taiwan can defend itself.

7. Reuters, "EU Upholds Arms Embargo on China," *Taipei Times*, January 28, 2004, at [www.taipeitimes.com/News/front/archives/2004/01/28/2003092707](http://www.taipeitimes.com/News/front/archives/2004/01/28/2003092707).

8. See Ambrose Evans-Pritchard and Philip Delves Broughton, "EU Snubs Paris over Arms for China," *The Daily Telegraph*, January 28, 2004, at [www.telegraph.co.uk/news/main.jhtml?xml=/news/2004/01/27/warms27.xml](http://www.telegraph.co.uk/news/main.jhtml?xml=/news/2004/01/27/warms27.xml).

9. Richard Lawless and Randy Schriver, "Administration Views on U.S.–China–Taiwan Relations," testimony before the U.S.–China Economic and Security Review Commission, February 6, 2004, at [www.fnsg.com](http://www.fnsg.com).

10. *Ibid.*

11. *Ibid.*

12. *Ibid.*

On this last point, Secretary Schrivers alluded to, but did not explicate, the nub of American concerns: “There are scenarios where we could actually be involved in this. So any contribution to the other side of the equation complicates our position and that is why we’re opposed.”<sup>13</sup>

Schrivers might more accurately, if less diplomatically, have said that China still threatens Taiwan with war and that the United States has obligations under law to help Taiwan defend itself and “maintain the capacity of the United States to resist any resort to force or other forms of coercion that would jeopardize the security, or the social or economic system, of the people on Taiwan.”<sup>14</sup> If the Europeans are not concerned about Taiwan, they should at least understand that American security could be threatened.

### Gravest National Concern

In other words, China is most likely to use advanced weaponry from European defense firms against the United States. (China’s existing arsenal is already sufficient to take on Taiwan and more than enough to meet any other security threat on its borders.) China’s acquisition of European arms, therefore, should be a matter of the gravest national concern in Washington.

China’s \$65 billion defense budget is the second largest in the world after the U.S., and China is aggressively modernizing its military to increase combat capability. It seeks to acquire the most modern military technology available, including French Mirage fighter jets and German stealth submarines.

While the Europeans balked at selling China full weapons systems during the 1990s, their arms embargo was honored more in the breach than in the observance. France sold over \$122 million in defense articles to China between 1993 and 2002. The United Kingdom sold China Racal/Thales Sky-master airborne early warning radars and Spey jet engines for the Chinese JH-7 fighter-bombers (a MiG-21 derivative), and the University of Surrey cooperated with China micro-satellite development, a technology that the Chinese acknowledge will be used in “parasitic” anti-satellite weapons. Germany sold diesel marine propulsion systems for the Chinese Song-class submarine. In the past few years, both the French and the Italians have sold helicopter technology to Chinese aircraft firms. In November 2003, the European Defense giant EADS purchased a large share of a Chinese aerospace firm at its initial public offering. In the fall of 2003, the EU revised its scientific security rules to permit scientists from China’s military-run space program to have free access to Europe’s basic space science research.<sup>15</sup>

Already, Chinese technical and scientific penetration of European defense firms offers the People’s Liberation Army a potential intelligence backdoor to trans-Atlantic alliances in the defense industry. The European Union is already pressing the United States to permit China to participate in the International Space Station, and reports indicate that the White House welcomes this prospect.<sup>16</sup>

13. *Ibid.*

14. *Taiwan Relations*, 22 U.S. Code 48, Section 3301(b)(6), at [www.access.gpo.gov/uscode/title22/chapter48\\_.html](http://www.access.gpo.gov/uscode/title22/chapter48_.html).

15. Fisher makes the case that “the European space consortium Astrium has...lobbied to allow the PRC [People’s Republic of China] to join the International Space Station. A 2003 agreement to secure a PRC financial contribution to the future European GALILEO navigation satellite constellation marked a new high-point in space cooperation.” Fisher says that by October 2003, the PRC and the European Space Agency would sign a five-year space cooperation agreement on “space science, Earth observation, environmental monitoring, meteorology, telecommunications and satellite navigation, microgravity research for biology and medicine, and human resource development and training.” For a comprehensive look at the impact of European defense technology on Chinese weapons development, see Richard D. Fisher Jr., *The Impact of Foreign Weapons and Technology on the Modernization of China’s People’s Liberation Army*, draft report for the U.S.–China Economic and Security Review Commission, January 2004.

16. “[W]hen President Bush outlined his ambitious vision last week for a new era of space exploration, one country in particular was on his mind as he extended an invitation for international cooperation: China.” Jim Yardley and William J. Broad, “The Next Space Race: China Heads to the Stars,” *The New York Times*, January 22, 2004, at [www.nytimes.com/2004/01/22/international/asia/22SPAC.html](http://www.nytimes.com/2004/01/22/international/asia/22SPAC.html).

## Human Rights in China Have Not Improved Since Tiananmen

The U.S. and European bans on weapons-related exports to China were a direct reaction to China's violent suppression of the pro-democracy demonstrations in Tiananmen Square in 1989. The U.S. embargo is statutorily contingent on significant improvements in China's human rights behavior.<sup>17</sup> A review of the State Department's annual human rights reports from 1990 to 2003 shows that China either has made no progress from year to year or has grown worse.

The fact remains that China has failed to improve its human rights situation significantly. The State Department reports that China's abuses include "extrajudicial killings, torture and mismanagement of prisoners, forced confessions...and denial of due process." Political dissent is rewarded with "violated legal protections" and lengthy spells in "reeducation-through-labor camps."<sup>18</sup> In 15 years of human rights reports, not one has shown concrete and substantive progress in the PRC's treatment of its own citizens. Why, then, should a government that cannot act responsibly within its borders be rewarded with weapons that will allow it to enforce its will outside its borders?

Indeed, in mid-December, after the German chancellor lofted his sanction-ending trial balloon, the European Parliament, which is much more sensitive to human rights than the EU foreign ministers council, voted against easing the EU embargo, citing human rights violations and quoting an EU report critical of China's human rights lapses. That report said that "persistent rights violations overshadow China's remarkable economic growth" and called the gap between China's rights record and international standards "worrisome."<sup>19</sup>

Lest any Europeans believe that Tiananmen has been forgotten, they should read a letter by retired Chinese military surgeon Dr. Jiang Yanyong, who wrote a moving description of his experiences on the night of June 3–4, 1989, to the National People's Congress. The doctor was the same brave man who warned the world of China's mendacity during the height of the SARS crisis in 2003. He now calls for a "reversal of the verdict" against the pro-democracy movement 15 years ago.<sup>20</sup>

The U.S. and European prohibitions on sale of defense items to China were imposed for the same reasons. Those reasons remain valid. Without a strong European commitment to the prohibition, the U.S. embargoes will become worthless as similar advanced defense technologies are exported from Europe.

### What the Administration Should Do

European Union leaders will be reviewing this issue as early as March 25–26. The Administration should immediately take firm action.

- The Bush Administration should continue to state its opposition on the diplomatic level. NATO's political committee would provide an appropriate forum for Secretary of Defense Donald Rumsfeld to take up the issue with the Europeans. Further, NATO's intelligence committee would provide a behind-closed-doors venue for the Administration to make its point privately, forcefully, and directly. Similarly, this could be a matter for the NATO–Russia Council. NATO's military, political, and intelligence committees were set up to address exactly this kind of issue, where the United States can speak privately and candidly to interlocutors and gather support from like-minded nations.

17. See the 1989 Authorization of the State Department, which codified the economic sanctions applied to China after Tiananmen, including suspension of Overseas Private Investment Corporation assistance to U.S. businesses in China, cancellation of trade development initiatives, a ban on military and dual-use exports, and a ban on all high-technology goods on the munitions list (including satellites and police equipment). Public Law 101–246.

18. See U.S. Department of State, Bureau of Democracy, Human Rights, and Labor, "Country Reports on Human Rights Practices: China (includes Tibet, Hong Kong, and Macau)," February 25, 2004, at [www.state.gov/g/drl/rls/hrrpt/2003/27768.htm](http://www.state.gov/g/drl/rls/hrrpt/2003/27768.htm).

19. Associated Press, "EU Considers End to Ban on Arms Sales to Beijing," *Taipei Times*, January 25, 2004, at [www.taipetimes.com/News/front/archives/2004/01/25/2003092460](http://www.taipetimes.com/News/front/archives/2004/01/25/2003092460).

20. Jiang Yanyong, "...And Call for a Reversal of the Tiananmen Verdict," *The Asian Wall Street Journal*, March 12, 2004, at [online.wsj.com/article/0,,SB107904531592653133,00.html](http://online.wsj.com/article/0,,SB107904531592653133,00.html).

- By discussing these issues at NATO, the Administration will place them on the radar screen for upcoming summits. At the series of June summits in Europe—the NATO summit, the U.S.–EU summit, and the G–8 summit—President Bush should make clear to European leaders that America opposes EU arms sales to China.
- The Administration should also target sanctions at specific defense contractors<sup>21</sup> that sell sensitive military-use technology or weapons systems to China. These companies can be restricted

from participating in defense-related cooperative research, development, and production programs with the United States in specific technology areas or in general. Such measures are allowable under the rules of the World Trade Organization, which permit protectionist measures based on national security concerns.

—John J. Tkacik, Jr., is Research Fellow in China Policy in the Asian Studies Center at The Heritage Foundation.

---

21. U.S. Code, Title 41, Chapter 1, Section 50, at <http://www4.law.cornell.edu/uscode/41/50.html>