

WebMemo



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U.S. Should Block China–Pakistan Nuclear Reactor Deal

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In a sign that the Obama Administration may be softening the U.S. position toward Chinese–Pakistani nuclear cooperation, U.S. officials have avoided pressing China against moving forward with a deal to supply two new nuclear reactors to Pakistan. The Obama Administration's policy contrasts with that of the previous Bush Administration, which actively discouraged additional Chinese assistance to Pakistan's nuclear program.

The Obama Administration may calculate that acquiescence to the Chinese–Pakistani nuclear reactor deal will help soften Beijing's position on other issues at stake in the U.S.–China relationship, e.g., the Iranian and North Korean nuclear threats, currency revaluation, and other important concerns. It is more likely, however, that Beijing views all of these issues as separate and distinct. There is no real reason to think that the Administration's silence on the Pakistan nuclear deal will bring more Chinese cooperation on other issues.

Given the widespread proliferation that resulted from the Pakistan-based A. Q. Khan network—as well as continued concerns about the existence of terrorist networks in Pakistan that seek access to nuclear weapons technology—a nod from Washington to further Chinese–Pakistani nuclear cooperation is shortsighted. The argument that the China–Pakistan nuclear reactor deal should be seen in the same light as the U.S.–India civil nuclear deal discounts the vastly different proliferation records of Pakistan and India, the different oversight requirements generally imposed by the U.S. compared to

China, and the prevalence of Pakistan-based terrorist groups seeking nuclear weapons technology.

Time-Tested Relationship. Pakistan and China have longstanding strategic ties dating back five decades. Chinese policy toward Pakistan is driven partly by its interest in countering Indian power in the region and diverting Indian military force and strategic attention away from China. China transferred equipment and technology and provided scientific expertise to Pakistan's nuclear weapons and ballistic missile programs throughout the 1980s and 1990s, enhancing Pakistan's strength in the South Asian strategic balance.

China has helped Pakistan build two nuclear reactors at the Chasma site in the Punjab Province, one of which began operating in 2000. Before China acceded to the Nuclear Non-Proliferation Treaty (NPT) in March 1992, the China National Nuclear Corporation partnered with the Pakistan Atomic Energy Commission to construct the Chasma-I nuclear reactor.

In 2004, three weeks before China joined the Nuclear Suppliers Group (NSG)—a 46-nation grouping that seeks to control nuclear proliferation through rules that limit the export and re-transfer of

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nuclear weapons materials—Pakistan and China agreed to build the Chasma-II nuclear reactor. China argued that part of the original Chasma nuclear reactor deal was an agreement to build a second nuclear reactor; thus the Chasma-II deal did not violate China's role in the NPT. Work on Chasma-II is scheduled to be finished in 2011.

Since the exposure of the A. Q. Khan nuclear smuggling network in Pakistan, China has been more sensitive to international perceptions of its nuclear ties with Pakistan. Despite media speculation that Chinese President Hu Jintao would sign a major nuclear deal with Pakistan during his visit there in November 2006, the Chinese leader provided a general pledge of support to Pakistan's nuclear energy program but refrained from announcing plans to supply new nuclear reactors. China apparently wanted to signal to Islamabad that it could count on China as a reliable strategic ally but at the same time avoid international condemnation in the wake of the ongoing investigations into the A. Q. Khan network. Two years later, however, China demonstrated a greater willingness to move forward on nuclear ties with Pakistan and pledged to supply two new nuclear reactors to Islamabad (Chasma-III and Chasma-IV) during Pakistani President Asif Ali Zardari's visit to Beijing in October 2008.

China claims that its agreement to supply two new nuclear reactors to Pakistan is part of the original 1991 Chasma nuclear reactor agreement. Reports suggest that the former Bush Administration did not buy this argument and conveyed to the Chinese that the new nuclear reactor deal with Pakistan would have to be approved by the NSG.

As time has passed, Pakistan has begun to argue that the A. Q. Khan affair is part of history. Indeed, Pakistan pressed the U.S. for a civil nuclear deal similar to the one struck with India at the U.S.–Pakistan Strategic Dialogue in March. Despite pledging to help Pakistan's energy needs, the U.S. apparently made it clear that it was not willing to move forward on a civil nuclear deal. Some Administration officials reportedly believe that withholding objection to the Chinese–Pakistani deal will help placate Pakistan over the U.S.–India civil nuclear deal. U.S. Deputy Secretary of State James

Steinberg said in mid-May that the U.S. was still studying the China–Pakistan nuclear reactor deal and had not reached a final conclusion.

A High-Stakes Diplomatic Gamble. An Obama Administration decision to allow the China–Pakistan nuclear deal to advance unhindered would be a high-stakes diplomatic gamble. Beijing would likely pocket U.S. acquiescence while continuing only the most grudging cooperation on America's highest international priorities. At the same time, Pakistan's increased access to civilian nuclear technology without sufficient legal context and safeguards poses a potential proliferation threat and danger to nuclear safety and security on the Subcontinent.

A better strategy is for the Obama Administration to use other diplomatic incentives to leverage both countries' cooperation on the issues of most importance to the U.S. For example:

- The U.S. should seek to leverage the conventional military aid already in the pipeline for Pakistan and encourage a nuclear restraint regime between India and Pakistan aimed at building confidence between the nuclear-armed rivals.
- With regard to meeting Pakistani energy requirements, Washington can help in the area of hydroelectric power and lead an international initiative to help meet Pakistan's non-nuclear energy needs. In particular, the U.S. should encourage countries in the Friends of Democratic Pakistan group to follow through on financial commitments and to coordinate energy projects in Pakistan.
- With regard to China, the Administration should de-link this deal from other aspects of U.S.–China relations. The U.S. and China should coordinate policies toward Pakistan in a way that discourages nuclear proliferation and promotes stability in the country.

These recommendations are more likely to help America meet its foreign policy objectives without potentially sacrificing nuclear safety and security in South Asia.

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