

U.S., Israel Reach China Arms Deal

- [Arms Control Today](#)

[Miles A. Pomper](#)

The United States and Israel announced Aug. 16 that they had signed a memorandum of understanding to ease disputes over past Israeli arms sales to China and to govern future arms trade between Israel and some foreign countries. The action comes as Congress is putting additional pressure on Israel and the European Union to abjure arms trade with Beijing.

In signing the classified agreement, the Department of Defense and the Israeli Ministry of Defense hope to ease tensions that arose over a planned Israeli sale to Beijing of spare parts for Harpy Drone unmanned aerial vehicles. U.S. officials feared the upgrades could help China target U.S. and Taiwanese command-and-control facilities and forces during a possible future conflict.

In response, the United States suspended cooperation with Israel on a number of long-range military development projects, including cooperation with the Israeli Air Force on developing a new combat aircraft through the Joint Strike Fighter project. ([See ACT, July/August 2005.](#))

The United States has considerable leverage over Israel as U.S. defense technology is often incorporated in Israeli weapons and the United States provides Israel with billions of dollars in military aid annually.

A joint Pentagon-Israeli Defense Ministry statement said the understanding is “designed to remedy problems of the past that seriously affected the technology security relationship between their defense establishments and which begins to restore confidence in the technology security area.” A first step, said a nongovernmental expert in Washington familiar with the issue, will be terminating the Harpy Drone deal. Israel will have to compensate China for the cancellation but is still negotiating the terms of that package.

The memorandum lays out broad parameters for the rules governing future Israeli arms sales to sensitive countries, particularly China, but specifics will have to be ironed out over the next few months. The joint U.S.-Israeli statement said that, “in the coming months, additional steps will be taken to restore confidence fully.”

Among those steps will be Israel’s adherence to, but not formal membership in, some elements of the Wassenaar Arrangement, a decade-old voluntary export control regime whose 34 members exchange information on transfers of conventional weapons and dual-use goods and technologies. In particular, Pentagon officials said that their Israeli counterparts had offered to implement controls on dual-use sensors and lasers that would conform to Wassenaar guidelines.

U.S. and Israeli officials are still negotiating how tightly Israel will adhere to other elements of the Wassenaar regime. Under the agreement, Israel is supposed to pass legislation and implement organizational changes that will bring it closer to compliance with Wassenaar’s strictures. Israel is also expected to follow transparent procedures similar to Wassenaar and has agreed to consult closely with the United States about potential sales.

Still, Israeli officials did not pledge to notify the United States in advance of exports or obtain U.S. approval for such sales.

“It doesn’t create any veto power for the United States,” said Pentagon spokesperson Major Paul Swiergosz.

U.S., Israel Reach China Arms Deal

Published on Arms Control Association (<https://www.armscontrol.org>)

On the other hand, U.S. officials forced Israel to agree that U.S.-Israeli long-range development projects would only be restored gradually over a number of months, as Israel implemented aspects of the deal.

“We simply want to ensure that technology that is being shared would not go for other purposes,” Swiergosz said. “Full cooperation will be restored once confidence is built up.”

The dispute reflects mounting U.S. concerns over China. In recent years, U.S. officials have watched warily as China upgraded its military. Beijing has reportedly been increasing its spending at double-digit rates and importing major weapons systems, mostly from Russia, as well as improving its own weapons manufacturing capabilities. But China’s military still lags far behind U.S. forces technologically. Intent on preserving their strategic edge, U.S. officials and Congress have pressured the EU and Israel not to permit arms sales to China.

Only a few months ago, the EU appeared on the verge of ending its embargo on arms sales to China. The ban was originally imposed in reaction to the Chinese government’s ruthless 1989 crackdown on peaceful demonstrators at Tiananmen Square.

Some EU member states argued that the embargo was an unnecessary obstacle to better relations with Beijing. Such sales, they contended, would be constrained by its voluntary 1998 Code of Conduct on Arms Exports that sets out criteria, such as a potential arms buyer’s human rights record, that are supposed to be taken into consideration before any export occurs. ([See ACT, January/February 2005.](#))

However, efforts to lift the embargo have slowed. European officials were taken aback when China adopted a law March 14 that authorizes the use of force against Taiwan, should that country assert its independence. ([See ACT, April 2005.](#))

The United States has also applied considerable pressure. Congress, in particular, has threatened retaliation if arms deals with China go forward.

In May the House passed fiscal year 2006 Defense Department authorization legislation requiring the Pentagon not to procure any goods or services for five years from any firms that transfer arms to China.

And in July, the House passed a fiscal year 2006 State Department authorization bill that would threaten sanctions against EU firms and others that provide China with weapons or dual-use items banned under international export control agreements. The Senate has yet to complete action on companion legislation for either bill.

In an attempt at compromise, EU officials, such as nonproliferation chief [Annalisa Giannella](#), say they are ready to adopt more stringent rules on arms exports ([see "Between Noble Goals and Sobering Reality: An Interview With EU Nonproliferation Chief Annalisa Giannella"](#)). The compromise would strengthen the code of conduct and convert it into a legally binding document.

Source URL: <https://www.armscontrol.org/act/2005-09/us-israel-reach-china-arms-deal>