
THE CHINA-ISRAEL CONNECTION: NEW MOTIVATIONS FOR RAPPROCHEMENT

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The initiation of trade relations with Israel has allowed China to play a role in the Middle East and counter Soviet influence in the region. While clandestine Sino-Israeli commercial relations commenced as early as 1979, government-to-government meetings did not begin until 1986. Julian M. Sobin explores the development of covert Sino-Israeli relations and the emergence of overt rapprochement between the two countries. He maintains that the prospects for more extensive contacts and the establishment of diplomatic relations appear favorable despite Middle East tensions.

In the late 1970s the People's Republic of China (PRC) began a dramatic shift in its Middle Eastern foreign policy. The Mao Zedong-inspired treatment of Israel as a noncountry slowly yielded to an acknowledgement of the potential economic benefits of positive relations with the Israeli state. Why would China take such political and economic risks? Why is China willing to incur the wrath of Arab nations and perhaps of much of the Third World by engaging in negotiations with an "imperialist agent?" This paper addresses Chinese motivations for rapprochement in relation to overall Chinese foreign policy.

The emergence of the two nations, Israel in 1947 and the PRC in 1949, augured well for relations between the Chinese and Israeli peoples, but the convolutions of subsequent East-West and North-South alignments soon led to mutual hostility and suspicion. Since 1978, however, a new warming trend has begun to emerge and the prospect of diplomatic relations is visible on the horizon. Most reports of contact between the two countries have been customarily and vociferously denied by both parties, but the denials were often accompanied by private admissions that both nations would indeed have much to gain from each other. Only recently have enough clues surfaced to compose a general picture of the Sino-Israeli relationship and its significance within a Chinese foreign policy framework.

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Historical Context

In January 1950 Israel became the seventh non-Communist country and the first nation in the Middle East to recognize the People's Republic of China. Both nations emerged from wars of "liberation" and shared a fair amount of idealistic purpose. The two countries sought development of their own capabilities in order to build new societies for their people, free from aggression and persecution by colonial powers. These similarities served to forge a bond of mutual sympathy and facilitated initial contacts. China looked favorably upon Israel's early nonalignment policy and its refusal to join any Western-sponsored military pacts.¹ During Israel's first years China was able to excuse Arab-Israeli fighting as manipulation of regional factions by British and American "imperialist" powers.² China was intent on seeking recognition from any quarter in order to legitimize itself and to isolate Taiwan.

In June 1950 the Chinese chargé d'affaires visited the Israeli legation in Moscow to inquire whether Israel planned to send a diplomatic mission to Beijing. Jerusalem relayed a message at the end of June that "while the government had decided in principle to establish diplomatic relations with the People's Republic of China, nothing can be done in this direction until the situation in the Far East becomes clear."³ The Israeli communiqué alluded to the Chinese role in the Korean War that had broken out a few days earlier on June 25. The Israelis chose to delay their decision until a more propitious time. In so doing the Israeli Embassy in Moscow remained the means of contact with China.

Despite the auspicious start, diplomatic relations between the two countries were never achieved. The history of Sino-Israeli relations is a frustrating case of missed opportunities. The problem lay not in a lack of motivation by either party, but rather in the complex political requirements demanded by the necessities of external circumstances.

Friendly relations continued. Along with fifteen other countries, Israel supported the September 1950 United Nations resolution to admit the PRC and oust the Chinese Nationalist delegates. In February 1951 Israel supported a UN resolution condemning China as an "aggressor" in the Korean War, but the PRC still refrained from criticizing its potential ally. Israel maintained contacts with the PRC and in 1951 and 1952 voted against postponing the debate on Beijing's representation in the United Nations.

In response to deteriorating Soviet-Israeli relations in 1952, China veered away from Israel. When the Soviet Union restored diplomatic relations with Israel in 1953, China again approached Israel, and official meetings resulted in Moscow, London, and Helsinki.

1. Yossi Melman and Ruth Sinai, "Israeli-Chinese Relations and Their Future Prospects," *Asian Survey* Vol. 27, No. 4 (April 1987): 398.

2. Yitzak Shichor, *The Middle East in China's Foreign Policy, 1949-1977* (London: Cambridge University Press, 1978), 34.

3. *Ibid.*, 23.

A major breakthrough occurred in January 1954 when the Chinese and Israeli ambassadors to Burma, Yao Chingming and David Hacoheh, met to welcome the Israeli mission. Yao, a personal friend of Chinese Foreign Minister Zhou Enlai, was very interested in learning more about Israeli and Middle Eastern issues. As the two ambassadors developed a relationship, they formulated a joint proposal to send an Israeli delegation to the PRC to discuss trade relations.⁴

In February, Jerusalem responded affirmatively to the proposal; however, Beijing provided no immediate answer.⁵ Hacoheh met with Zhou Enlai when he visited Burma in June. Zhou promised to handle the matter personally, and as a result China officially invited an Israeli delegation to Beijing to negotiate trade and "other matters." In the meantime, at the first session of the first National People's Congress, Zhou announced that "contacts are being made with a view to establishing normal relations between China and Israel."⁶

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On the eve of the Israeli delegation's departure for China in January 1955, the group was instructed by Jerusalem to confine talks solely to trade, and to give an "affirmative but nonconclusive answer" if the Chinese raised the issue of diplomatic relations.⁷ Several documents indicate that the American Jewish reaction and secret pressure from US Secretary of State John Foster Dulles may have forced Israel to abandon temporarily the idea of diplomatic relations.⁸

Hacoheh, the delegation leader, was exasperated by both US obstinacy in maintaining an embargo against China and by the hypersensitivity of the Israeli diplomatic corps in Washington. Convinced of the decisive importance of establishing relations with the PRC as quickly as possible, Hacoheh suggested that "Israel could succeed in penetrating the Chinese market as partners in Chinese national development schemes."⁹ Although Israeli Prime Minister Moshe Sharett was in favor of the rapid establishment of diplomatic ties with

4. David Hacoheh, "Behind the Scenes of Negotiations Between Israel and China," *New Outlook* Vol. 6, No. 9 (September 1954): 224.

5. Shichor, 26.

6. *Ibid.*

7. *Ibid.*

8. Hacoheh, 25; see also Andrew Whitley, "Israel Exploits its Clandestine Links," *Financial Times*, 22 April 1988, 24.

9. Hacoheh, 230. Hacoheh advocated taking advantage of German reparation funds to Israel to team up with German firms who could supply much needed financing and resources.

China, his hands were bound by his weak position within the coalition government.

The four-week mission progressed smoothly, with visits to Guangzhou, Tianjin, Shenyang, and nearby Anshan. Since the PRC had no desire to upset the Arab participants in the 1955 Afro-Asian Conference in Bandung, Chinese media coverage of the mission was nonexistent.

Despite China's efforts to avoid offending Israel, the Bandung conference was a turning point in Sino-Israeli relations. From this point on, the relationship between the two countries was dictated not by Chinese hostility toward Israel, but by China's reluctance to offend the Arab nations with which it had made diplomatic progress at the conference. During the course of the conference, Zhou Enlai refused to commit China on the Arab resolution calling for the return of Palestine to the Palestinians. Nonetheless, the conference passed the resolution and the PRC was cast as standing firmly on the Arab side.

In response, Israel decided it was in its best interest to establish diplomatic relations with China at this time. However, the Chinese now felt that the time was not ripe, especially so soon after progress in Sino-Arab relations. Ambassador Yao did his best to convince Hacoheh in Burma that China had no intention of alienating Israel, but despite the reassurance, the PRC continued to refuse an exchange of ambassadors.¹⁰ The Israelis soon desisted in their efforts.

Although China remained on the political fence from late 1955 to 1956, the Suez Crisis of October 1956 closed the door between China and Israel. Faced with Jerusalem's complicity in the operation, China could no longer suspend judgment on Israeli policy. Beijing lashed out at Israel for the first time, labeling it a "tool" of imperialist aggression.¹¹ Although Beijing declined to exploit the conflict to improve Sino-Arab relations, China was nevertheless nudged into the Palestinian camp.¹² As a result, China turned its back on Israel for fifteen years.

The 1962 Sino-Soviet split failed to change Chinese policy toward Israel. Mao's radical views allowed no compromise in China's self-appointed position as the standard bearer for the Third World, including the Arab states. A 1963 request by Israel for diplomatic relations was ignored. Mao accorded the Palestine Liberation Organization (PLO) diplomatic recognition in 1964, allowed the group to set up a Beijing office, and agreed to supply arms and train PLO guerrillas on Chinese soil.¹³ The move was based upon the "short-term expediency" of securing Arab goodwill.¹⁴ These actions were not well received by Israel, whose problems with the Palestinians were escalating. In

10. Shichor, 55.

11. *Ibid.*, 58.

12. *Ibid.*, 59.

13. *Ibid.*, 117; Melman and Sinai, 401. One of the Palestinians who spent time in the PRC was Abu Nidal, who underwent a Chinese training course in 1972.

14. Shichor, 119.

a last effort to counter Arab influence, Jerusalem sent a final message to Beijing in 1965 expressing interest in diplomatic relations, but it too was ignored.

New Chinese Leadership in a Changing World

The Kissinger and Nixon visits to China in 1971 and 1972 laid a foundation for reopening contact between China and Israel. As Beijing became increasingly concerned with Soviet aggression, it turned to the United States to balance the scales. Through US Senator Henry Jackson, the Chinese intimated their approval of Israeli anti-Soviet work while publicly maintaining a pro-Arab line.¹⁵ Israel, encouraged by the news, spent the next few years pleading its cause. The Israelis were saved from total discouragement by occasional glimmers of Chinese interest. In 1975, for example, Israeli representatives were taken somewhat off guard when several Chinese officials suddenly surfaced at the Israeli pavilion of the Paris Air Show where the Kfir fighter was on display.¹⁶

By 1978 the ten-year Cultural Revolution was over and the Gang of Four had been apprehended. Deng Xiaoping, restored to power by the Central Committee, asserted control over the nation through a careful orchestration

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of the Third Plenum of the Eleventh Party Central Committee, passing a new pragmatic reform agenda. Ending an era of visionary, but often fanatic, idealism, the new ruling faction embarked upon a course of socialist modernization which de-emphasized Mao's ideas and instead advocated seeking "truth from facts." Modernization was to be guided by policies of flexibility. In 1979 Deng announced that China needed at least twenty years of peace to develop its internal economy.¹⁷ It is under the umbrella of this new Chinese world view that China's present relations with Israel must be examined.

China's modernization drive influenced the foreign policy decisionmaking process. Foreign policy was weighed against three criteria: policy effect on

15. Melman and Sinai, 403.

16. Ibid.

17. Zhongqing Tian, "China and the Middle East: Principles and Realities," *Middle East Review* Vol. 18, No. 2 (Winter 1985): 9.

commercial development, security implications, and international stature. Rapprochement with Israel offered the prospect of increased commerce, acquisition of high-quality, inexpensive weaponry, and an enhanced standing with Western nations. The potential for acquiring Israeli technology seemed more attractive than waiting for the Arab market to yield new goods. The change in Chinese leadership meant progress for the Israelis, as evidenced by a delegation of military industrialists who visited China in 1979.¹⁸ China then permitted the establishment of direct-dial telephone links with Israel and began to report on Israeli visits in the domestic press.¹⁹

Commercial Relations

Israel's success in developing exportable technology captured the interest of Chinese leadership. Chinese economic development strategy focused on imports of critical equipment and technology to build an export base and earn foreign currency. China looked to Israel's solar energy industry, hydroponic soil conditioning and agricultural fertilization techniques, and irrigation technologies as possible areas of commercial development. A total of \$2 billion in contracts were signed between Chinese and Israeli companies in 1985, mainly through their overseas subsidiaries. Israeli sources have affirmed that nearly 100 Sino-Israeli joint ventures were under negotiation as of April 1988.

As early as 1979, after lengthy secret negotiations with both Chinese and Israeli companies, Sobin Chemicals Company of Boston began to sell Israeli fertilizer components to China.²⁰ The clandestine nature of the transactions required that the products be transshipped through third-country ports.²¹ Reports of other Israeli agricultural sales, especially advanced irrigation equipment, began to surface in 1983. The principal player in advancing agricultural trade was Shaul Eisenberg, an Israeli businessman, who had been allowed to fly an Israeli trade delegation into Beijing in 1979.²²

In 1985 Israeli Agriculture Minister Arik Nehamkin received a Chinese business delegation—the first reported visit of a PRC group to Israel—which was empowered to negotiate cooperative farming ventures.²³ The following year the two countries signed a contract specifying that Israeli companies would establish 300 experimental animal feed plants throughout China, each one costing \$500,000. Israeli experts were in China by the end of the year

18. Melman and Sinai, 395.

19. Deborah Diamond-Kim, "Opening the Back Door," *The China Business Review* (September-October 1987): 4.

20. Note author's relation to company.

21. A Chinese certificate of origin accompanying a shipment of chemicals to the U.S. in 1979 illustrated China's political quandary. The boilerplate document, obviously written for the benefit of Arab importers of Chinese commodities, certified that the designated Chinese shipment contained no material originating from Israel. Politically conscious consumers could rest assured that the goods were ideologically "pure."

22. Andrew Whitley, "Israel Exports its Clandestine Links," *Financial Times*, 22 April 1988, 24.

23. Melman and Sinai, 406.

setting up the facilities and providing advice on cotton growing and irrigation systems.²⁴

China's insistence on some form of a trade balance, however, has been causing problems for Israel, since Beijing expects Israel to purchase an equal dollar amount of Chinese goods. Some American companies have been approached by Israeli traders seeking an outlet for Chinese goods which cannot be absorbed in sufficient volume by the Israeli market.

Military and Defense Needs

Current assessments by military experts indicate that China is more preoccupied with the protection of South China Sea oil, gas rights, and the risk of another clash with Vietnam than it is with the Sino-Soviet border. Chinese concern over the vulnerability of the southern border increased sharply in 1984 when the Soviet Union stepped up cooperation with Vietnam and established bases in Haiphong and Can Ranh Bay. Although recent Sino-Vietnamese relations have been relatively stable, China's repeated questioning of Vietnamese intentions in Cambodia has demonstrated the depth of Beijing's distrust.

China has shifted its defense priorities toward the acquisition of coastal and sea-based equipment for the development of a strong navy. China has the largest "small ship" navy in the world and is third in submarine strength.²⁵ Further development of naval capacity may be prompted by concerns about Taiwanese purchases of weapon-grade plutonium and the implications of the political progress of independent factions in the wake of Taiwanese President Chiang Jíngguo's death in 1988. However, upgrading the military still holds the lowest priority among China's "Four Modernizations"—agriculture, industry, science and technology, and defense. China cannot afford extensive retraining and massive purchases of new weaponry to modernize its armed forces. Rather, it has chosen to achieve military objectives by cutting costs and allowing profitable commercial technology to drive military technological development.

A quick glimpse at China's recent military purchases and domestic weapons development provides an indication of Chinese defense priorities and equipment needs, and the role of Israeli arms technology in meeting those needs. The building of a strong navy figures prominently in Chinese defense strategies. The PRC has been active in purchasing and developing equipment for mine warfare, nuclear submarines, antisubmarine warfare, submarine-launched missiles, ship-borne computers, navigational aids, and fast attack craft. Air force acquisitions, however, have been limited. While China maintains a

24. Yossi Melman and Dan Raviv, "Israel's Other Arms Deal: Selling Weapons to China," *Washington Post*, 30 November 1986, 64.

25. Christopher Stowell, "China's Defense Market Comes of Age," *International Defense Review* (December 1985): 1923.

strong interest in foreign aircraft, lack of foreign exchange prohibits the PRC from acquiring expensive state-of-the-art military aircraft.

Lack of a sophisticated arms industry and the length of time required for arms research, development, and production have encouraged China to seek arms from Israel. The objective is not wholesale purchase of modern arms, but rather the purchase of small batches of high-quality equipment which can be copied and reproduced at substantial savings. For China, the guiding principle to arms purchases is "low-cost." From 1977 to 1984 Chinese defense spending relative to planned government expenditures dropped from 18 to 13 percent.²⁶ Recent statistics are vague, but given the record 1986 trade deficit and a slight deficit in 1987, it can be assumed that China is strapped for cash and ready to turn toward inexpensive sources even at some political risk.

Israel appears to be the ideal trading partner. Israel possesses expertise in innovating, improving, and copying weapons, and the Israeli defense industry is geared for quick, low-volume sales at competitive prices to ensure its economic survival. Furthermore, Israeli national security requirements guarantee discretion.²⁷ These facts, coupled with price reductions due to a slump in the arms industry, make Israeli products especially attractive.

Sino-Israeli Military Commerce

In 1980 a delegation of representatives from Israel's defense industries secretly visited Beijing. Among the members were Gavriel Gidor, director general of Israeli Aircraft Industries (the producer of the Kfir fighter and the now-cancelled Lavi fighter), and senior officials from Tadiran, (the largest electronics and communications manufacturer in Israel). The Chinese were anxious to meet the delegation, but it is unclear whether any business was transacted as a result of this mission.

During the next four years, in keeping with China's concern for maintaining stable relations with the Arab states, both China and Israel managed to keep contacts secret. Further evidence of links between the two countries surfaced only periodically. In 1983 the French magazine *VSD* reported that as many as 200 Israeli military advisors were in China.²⁸ In 1984 an article in *Jane's Defense Weekly* claimed that Beijing had purchased Israeli tank equipment worth \$3 billion.²⁹ The contract reportedly involved the refurbishment and modernization of 9,000 Chinese T-69 Soviet-style tanks as well as the sale of revamped captured Soviet-made tanks. While the \$3 billion figure may have been inflated and leaked to the press by jealous British competitors, one source estimates that it would have cost \$400,000 per tank to fit them with new cannon, laser guidance, suspension, ammunition-delivery systems, and fire technology systems.³⁰

26. "China's Defense Budget on Downward Trend," *Armed Forces Journal International* (March 1985): 34.

27. Gerald Segal, "China and Israel: Pragmatic Politics," *SAIS Review* (Fall 1986): 205.

28. Melman and Raviv, 64.

29. Segal, 207.

30. *Ibid.*

During a 1984 Chinese parade, Western analysts noticed a sea-launched missile very similar to the Israeli Gabriel, and in October 1985 an Egyptian military delegation inspecting Chinese equipment with an intent to purchase came across some Israeli markings on Chinese tanks.³¹ Complaining that they had not come all the way to China to buy Israeli weapons, the Egyptians broke off all talks.³²

In 1986 Sino-Israeli military contacts seemed to reach a peak. The Chinese visited an Israeli display at a Singapore weapons exhibit, apparently expressing an interest in Israeli anti-Soviet technology.³³ The *Washington Post* reported the sale of nightsight scopes for tanks and communications equipment.³⁴ The *South China Morning Post* asserted that China had purchased a 60mm hyper-velocity medium support gun from Israeli Military Industries for use against lightly armored vehicles.³⁵ Israeli newspapers also carried a story on the appearance of Israeli-style chaff/decoy rockets on Chinese fast missile boats.³⁶

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In the fall of 1986 the Israeli newspaper *Ha'aretz* revealed that the chairman of government-owned Israeli Aircraft Industries visited China for ten days to confer with Chinese aeronautics experts, heads of scientific academies, and "possibly" government officials.³⁷ Soon thereafter, Major Aharon Lapidoth of Israel, editor of the *Air Force Journal*, received the first official invitation issued to an Israeli military officer to visit China.³⁸ The only indication of activity in 1987 was reported in the *Far Eastern Economic Review*. The journal revealed that Israeli experts were advising Beijing in the strengthening of tank armor through advanced forms of lamination.

By 1988 the two sides were no longer able to conceal their military commerce. Journalists were able to provide the first substantial proof of Israeli

31. Jon Swain, "Israel in Secret Missile Deal with China," *The Sunday Times*, 3 April 1988, A20.

32. Segal, 208.

33. Melman and Raviv, 64.

34. *Ibid.*

35. Ian Whalley, "State Arsenal Selling AK-47 Copies in U.S.," *South China Morning Post*, 13 April 1986, 6.

36. Segal, 208.

37. Melman and Raviv, 64.

38. Segal, 208.

arms sales to China with reports on the December 1987 arrest of an Israeli operative in Hong Kong on charges of carrying a false passport. This arrest led police to the discovery of five forged Philippine passports which were being used by high-level Israeli military specialists for a trip to Beijing. The group consisted of Israeli Military Industry's (IMI) program manager, Israel Radomsky, and four other missile experts from IMI. The expedition was coordinated by the Israel consul-general in Hong Kong, Reuven Merhav, with the help of Rear Admiral Benni Telem. Both men were former operatives in the Israeli secret service, Mossad. Confronted by the press in Israel, Radomsky admitted that the mission was cleared at the highest levels of the Israeli government under a cloak of secrecy instigated specifically at China's request.

The group reportedly signed a contract to provide Chinese armed forces with trajectory-corrected missiles of unspecified designation, laser-guided and armor-piercing warheads, and shells for 155mm, 152mm, 130mm, and 122mm heavy artillery. The Chinese signatories were two officials from the Northern Industrial Corporation, the government agency responsible for procurement and production.

On May 23, 1988, the *Washington Post* published a story about the involvement of Israeli technicians working to improve guidance systems for the Chinese CSS-2 medium-range missiles sold to Saudi Arabia earlier in the year. The Israelis were also said to be assisting in the conversion of the missiles from nuclear to conventional warheads. The Israelis, who were reported to be in China on Philippine passports, had their passports issued through the Philippine Embassy in Jiddah, Saudi Arabia.

Factors Affecting Israeli Arms Sales to China

Given the wide range of Chinese military needs and aggressive Israeli pricing, Sino-Israeli cooperation can be expected to continue. Israeli military industries have moved out of the spare parts trade and into the high technology arena with an emphasis on advanced avionics, electronic warfare systems, and computerized fire control systems.

In addition to the Gabriel surface-to-surface missile, for which China may now have the technology, the Israelis sell the Barak I Lightning missile which protects naval vessels against aircraft and missiles (including sea skimmers) within a ten kilometer range. Israel has also perfected an advanced coastal surveillance system to protect against seaborne guerilla infiltration, the EL/M-2216V. In the realm of tank warfare the Israelis have an even wider assortment of equipment. Technicians have developed a lightweight antitank weapon, the B-300/SMAW, which could greatly help deter a Soviet tank attack.³⁹ China has expressed interest in Israel's Hertz armor-piercing, fin-stabilized discarding sabot shell, which, like the tungsten-headed shells already acquired by the PRC, can penetrate Soviet T-72 tanks.⁴⁰

39. Marshall L. Miller, "Israel: A Little David Exporting High-Tech Slingshots," *Armed Forces International* (October 1986): 59.

40. *Ibid.*, 60.

Three external catalysts may have affected the speed with which military sales contracts were concluded. One factor was probable US pressure on Israel to sell certain kinds of equipment to China. For example, the Friendship International Corporation's possible sale of Israeli small arms to China in 1980 was to have been effected with Washington's approval in order to assist the rearming of Afghan guerrillas.⁴¹ While the Israelis may need no prompting, Western defense industry sources think that if the Chinese could acquire some advanced antitank weapons, the Soviet Union would be forced to replace older tanks on the Chinese border with more advanced armored T-72 and T-80 tanks from the European theater.

The second catalyst was the arms slump in the early 1980s which may have shifted even more Israeli weapons into China. From 1983 to 1986, budget cuts slashed \$600 million from Israel's defense spending, and by the end of 1986, 60 to 80 percent of all output was exported.⁴² The government continued to stimulate the defense industry through incentives to increase the attractiveness of Israeli weaponry to foreign buyers.⁴³

Finally, some experts speculate that a peripheral factor in prompting the PRC to increase military commerce with Israel was Beijing's desire to isolate Taiwan. Sources close to the Israeli government speculate that Jerusalem is prepared to meet almost any conditions in order to establish diplomatic relations with the PRC, including ceasing official Israeli contacts with Taiwan.⁴⁴ Israel has supplied Taiwan with the Shafrir air-to-air missile for more than twenty years, and Taiwan is also manufacturing Gabriel missiles under license for Israel.⁴⁵

Shifting Chinese Emphasis in the Middle East: Political to Economic

Lacking sufficient financial clout, China's relations with Middle Eastern nations have been confined primarily to political cheerleading, urging revolutionary factions and governments to throw off the chains of colonialism. China provided token military assistance for groups such as the PLO, asking little in return save recognition as a sympathetic friend. Chinese attempts to gain Middle Eastern friends proved fruitless, however: fearful of Moscow and suspicious of Beijing's motives, the Arab states remained aloof.

By 1978 the picture had changed. The pragmatists in the Chinese leadership set the wheels of reform in motion and sought economic relationships as the engine. Previous Middle Eastern policy was discarded, having had little success in enhancing Sino-Arab cooperation. By 1987 the Middle East was China's fourth largest regional trading partner, following Japan, the United States,

41. File Correspondence, Friendship International Corporation, August-September, 1980.

42. Ariel Levite, "Rough Sailing for Israeli Arms Industry," *Armed Forces Journal International* (July 1987): 20.

43. *Ibid.*, 21. The measures included relaxing export control policies and encouraging joint research and development projects with foreign companies.

44. Author's interview with Chinese visitors to Israel in March 1988.

45. Miller, 60.

and Western Europe.⁴⁶ However, continued Arab-Israeli hostility fostered a preoccupation with national security among Middle East nations. The atmosphere of distrust permeating the region harmed Chinese interests by diverting Arab and Israeli capital to defense needs.

As a giant country struggling to achieve economic balance, the PRC has displayed spasmodic economic movement, alternatively accelerating and braking economic reforms. In this stage of awkward growth, China is very susceptible to fluctuations in the world economy. In an effort to develop an export base, the PRC is demonstrating increasing concern for the world economic conditions upon which it is dependent to bring about further modernization. In order to maximize trade and foreign investment, as well as to enhance its image as a serious and mature world leader, China is extremely interested in orchestrating and implementing a peacekeeping foreign policy in the Middle East. Thus, inasmuch as China can reap economic benefits and heighten its political profile in world politics, Beijing will publicly push for Middle East peace while privately pursuing relations with Israel.

Chinese analysis of the roots of the Arab-Israeli conflict revolves around the belief that the Soviet Union and the United States have manipulated local and regional factions to gain strategic superiority in the region. The Soviet occupation of Afghanistan did nothing to reassure Beijing of Moscow's intentions, and Soviet diplomatic initiatives in the Middle East following the Syrian defeat in Lebanon have been denounced by the Chinese press as another example of the USSR "extending its tentacles."⁴⁷

Numerous Soviet visits to the Middle East were tracked by the Chinese press, and Soviet diplomatic maneuvers were described as part of a hegemonistic strategy to regain initiative lost to the United States. Chinese commentators announced that the Soviet diplomatic offensive was intended to create conditions for expanding Soviet influence within a broader Arab scope. Chinese commentators were quick to point out that despite appearances, the Soviet Union was merely utilizing peace efforts as a pretext for currying favor with moderate Arab nations. Soviet Foreign Minister Eduard Shevardnadze's unprecedented trip to the Middle East in February 1989, the first time a Soviet official of such stature called on leaders of the region, only heightened Chinese concerns. The Chinese press asserted that such peace initiatives would "help the Soviet Union further meddle in Middle East affairs."⁴⁸ While the Chinese have toned down their criticism of the Soviets since the Sino-Soviet summit in May 1989, China harbors no illusions about Soviet motivations in the Middle East.

Developing Relations with Israel

For the Chinese leadership, the initiation of contacts with Israel is a double-edged sword allowing China to play a role in the Middle East peace process

46. Min Chen, "The Minuet of Sino-Israeli Interaction," *Jerusalem Post*, 13 November 1987.

47. Renmin Ribao, *Daily Report: China*, 25 August 1984, A1.

48. Renmin Ribao, *Daily Report: China*, 19 May 1987, C2.

and to counter Soviet influence in the region through an enhanced international profile. Chinese leaders privately express the hope that hard-line Arab states will accept the Camp David Agreement, allowing the PRC to approach Israel on the traditional Chinese premise that "a friend's friend is our friend."⁴⁹

The Israelis are receptive to the idea of China as a mediator. Departing from previous insistence on adherence to the Camp David accord (in which the United States is the only mediator), Prime Minister Yitzak Shamir recently accepted the idea of a great power or UN Security Council role in supervising peace talks. China hopes that its political contacts with Israel and public promotion of peace in the Middle East will allow it to play a role in the peace process, and will enhance its relations with Western bloc nations from whom China needs technology.

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While clandestine Sino-Israeli commercial relations commenced as early as 1979 with the visit of the secret trade delegation to Beijing, government-to-government meetings did not begin until 1986. In March, Avraham Tamir, director general of Prime Minister Shimon Peres's office, met secretly in Paris with a senior PRC official and diplomats from the Chinese Embassy to propose a Sino-Israeli summit between Peres and Deng Xiaoping. China rejected the idea as "too ambitious" in view of Chinese relations with Arab nations, but other ways of cooperation were discussed.⁵⁰

In April 1986 and January 1987 Tamir again met with PRC officials in Paris to discuss the proposed international Middle East peace conference and prospects for Chinese-Israeli ties.⁵¹ As reported in the Israeli newspaper *Davar*, China appeared to be ready to establish relations with Israel in exchange for a role in the conference.⁵² In March 1987 the first publicly acknowledged meeting between senior officials occurred in New York when Israel's UN representatives requested a session with all permanent members of the Security Council. On September 29 Foreign Minister Peres arrived in New York to address the UN General Assembly on the need for an international peace

49. Author's interviews with various PRC officials in 1972 and 1973.

50. Melman and Raviv, 64.

51. Segal, 209.

52. "Israel, China Reportedly Ready to Establish Ties," *The Los Angeles Times*, 5 February 1987.

conference on the Middle East. Appealing to both the USSR and China, Peres asked that both nations establish relations with Israel to hasten the process of achieving peace in the Middle East.

The outbreak of protracted Palestinian violence in December 1987 did not seriously diminish China's interest in fostering broader Israeli contacts. Although the Chinese press maintained its criticism of Israeli occupation of Palestinian lands, editorials took a compromising tone, emphasizing the complex nature of the problem. Furthermore, the March 1988 disclosure that Beijing had sold medium-range missiles to Saudi Arabia elicited little reaction from Jerusalem. After a brief hiatus in relations, Chinese Foreign Minister Qian Qichen invited Israeli Foreign Minister Moshe Arens to the Chinese Embassy in Paris in January 1989.

Chinese economic, military, and strategic considerations for establishing relations with Israel have played a significant part in pushing China toward Israel, but other forces may also have influenced China's decision. One clue that surfaces repeatedly in Chinese writings on the Middle East is an intellectual fascination with Israel that is based upon several cultural parallels. Although the two nations are geographically distant, the Jewish and Chinese peoples share certain historical experiences. Both peoples observe strong cultural traditions, whether in native lands or in communities worldwide. During the 1940s waves of nationalism swept both peoples toward independence, and following years of fighting both countries were established within a year of each other.

China's interest in Israel extends into sociological areas. Party intellectuals are particularly anxious to explore the social mechanisms driving successful kibbutz operations after witnessing the failure and ultimate dismantling of the Chinese commune system.⁵³ Israel is also reputed to be one of the world's most bureaucratic nations, as is China, yet the nationalized Israeli industries have until recently astonished the world with rapid and efficient production. In contrast, Chinese industry is bogged down in a morass of red tape.

Conclusions

China's ongoing rapprochement with Israel grows out of Beijing's pragmatic policies. Driven by the need to modernize, the central government will implement policy to maximize a stable world environment conducive to its own economic development. This policy includes development of commercial relations with Israel and a publicized initiative to help resolve Arab-Israeli tensions. Beijing has also shown skill in mediating some regional conflicts through contacts at various levels with Korea, Eastern and Western Europe, Iran, and Iraq.

One question that remains unanswered is the extent to which the United States may have been involved in bringing China and Israel together. In light

53. Xi Wang, "Israel: Where Past and Present Meet—Impressions of a Chinese Visitor," *US-China Review* (Winter 1988): 9.

of China's adherence to the notion that a "friend's friend is our friend," the Chinese may indeed have enlisted US assistance in broadening contacts with Israel. Given the US government's encouragement of Israeli sales of small arms to China in 1980, the Americans may have played a significant role in the rapprochement. China has become acutely aware of the concept of opportunity cost, and thus the incentives to improve relations with Israel are now stronger than those for cultivating ties solely with Arab nations and the Palestinians. As it is, China has derived substantially more technology from the Israelis in five years than it has in thirty years of relations with Arab nations.

The prospects for improved relations between the two countries appear favorable. Despite the current eruption of hostilities between the Israelis and the Palestinians in the occupied territories, China recognizes the permanence of Israel and the advantage of establishing trade relations and improving political status. One analyst noted that "American and Israeli gratitude and international recognition" are powerful incentives.⁵⁴

The cost to China of recognizing Israel would not be exorbitant. Chinese relations with Israel have progressed from covert to overt in nonmilitary affairs. China's efforts in cultivating the goodwill of moderate Arab nations—Saudi Arabia, Jordan, Algeria, and Morocco—may help mute Palestinian criticism of China. In its censure of Israel, China has been careful to distinguish between the Israeli government's "wrong policy" and the Israeli people's desire for peace. Such diplomatic wording in public pronouncements makes it difficult for the Palestinians to complain that the Chinese are abandoning them.

It is also unlikely that China would face criticism from the Soviet Union, which is itself making overtures to the Israelis. Soviet flirtation with Israel may prompt Beijing to take the first step toward recognizing Israel. Such an action would constitute a significant public relations coup for China, further enhancing its status with the West. China's position as a powerful but nonaligned nation may allow China to play a preliminary role in bringing Israel and the Palestinians together and ultimately helping to structure the format of a peace conference.

54. Joseph D. Ben-dak, "China and Peace in the Middle East: A Prospect for Conflict Resolution," *Middle East Information Series* (April 1972): 34.



