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ECONOMIC INDEPENDENCE VERSUS MILITARY BALANCE: A LOOK AT THE RELATIONSHIP BETWEEN ISRAEL AND CHINA AND HOW THE UNITED STATES IS INVOLVED

Ryan M. Roberts†

I. INTRODUCTION

On April 1, 2001, a United States surveillance aircraft was hit by a Chinese warplane in international air space close to China and forced to make an emergency landing in China. At the time of that encounter, pictures were taken that allowed U.S. officials to be awakened to "the first public proof . . . that Israel is a supplier of sophisticated modern weaponry to the Chinese military." Prior to the encounter in which the pictures were taken, the U.S. became aware of an agreement between Israel and China in which Israel would sell an advanced airborne warning and control system (Phalcon) to China for $250 million. When word of this

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2. Id. The pictures showed that the Chinese warplanes were armed with Python air-to-air missiles made by the Israelis. Id.

3. Lester J. Gesteland, China's Foreign Weaponry, CHINAONLINE, Apr. 26, 2000, LEXIS, Nexis Library, UPI File. The plane that was going to be sold was an A-50/Phalcon—an advanced airborne warning and control system. Id. Its capacity was not as a fighter, but as a surveillance plane. Lester J. Gesteland, China–Israel Heeds U.S. Advice, Cancels US$250M Radar Plane Sale to China, CHINAONLINE, July 13, 2000, LEXIS, Nexis Library, UPI File [hereinafter Israel Heeds Advice].

agreement reached Washington, D.C., leaders immediately spoke out against it because they were "concerned that the acquisition of such weaponry [would] tip the balance of power in the region." Even the acting President, Bill Clinton, spoke against this agreement by reiterating the sentiments felt by many at the time. As a result of all the pressure put on Israel by the U.S. leaders, the Israeli leaders cancelled their agreement with China for the sale of the Phalcon plane.

After this cancellation, tensions arose among all three countries involved. Between the U.S. and Israel, these tensions were evident by the opinions of some people published in The Jerusalem Post. Between Israel and China, tensions arose because of Israel’s hasty decision to cancel their agreement, which insulted China and violated its honor. For the U.S. and China, it was yet another bump in the volatile relationship that they have endured over the past thirty-plus years stemming from conflicts with human rights, and the U.S. protection and support of Taiwan.

The actions taken by the U.S. leaders should not have come as any surprise to Israel after years of expressed concern about arms sales. Very clearly, the actions of the U.S. were necessary to the preservation of the current balance of power in the East.

5. Israel Heeds Advice, supra note 3.
6. Uri Dan, Time to Mend Walls With China, THE JERUSALEM POST, June 1, 2001, at 19, available at LEXIS, Nexis Library, UPI File. Clinton's Administration claimed that this aircraft would "award China a military advantage contrary to American interests." Id.
7. Israel Heeds Advice, supra note 3.
10. CHEN JIAN, THE CHINA CHALLENGE IN THE TWENTY-FIRST CENTURY: IMPLICATIONS FOR U.S. FOREIGN POLICY 18 (1998). Taiwan has been the leading cause of tension between the U.S. and China since the early 1950s. Id. In 1954 and 1958, the U.S. and China almost got into a direct military confrontation over Taiwan. Id. Again in 1996, China had missile tests aimed in the general direction of Taiwan and the U.S. sent some aircraft carriers to make sure things were as China claimed they were. Id. The Chinese allege that the reason for their concern with Taiwan is to let Taiwan know that they are a part of mainland China. Id. at 19. The U.S. stands behind Taiwan’s push for total independence, therefore, American-Sino tensions arise. Id. China has repeatedly made it known "that they will resort to force if Taiwan declares independence or if they find evidence of foreign forces' involvement in detaching Taiwan from China." Id. at 10.
11. Janine Zacharia, No Row With Israel Over Missiles, THE JERUSALEM POST, Apr. 20, 2001, at 3A, available at LEXIS, Nexis Library, UPI File. A spokesman at the State Department said, “We have expressed concern to the Israelis over a long period of time regarding their defense dealings with China and the implications for regional security. We will continue to discuss these issues with the Israeli government.” Id.
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The question thus arises: Does the U.S. need to intervene into the dealings of its ally, Israel, and another country, China, via diplomatic means? Or, should a whole new treaty be developed that outlines exactly what sort of trade should be taboo in world issues? The U.S. has already taken steps to influence Israel’s affairs by exerting political pressures, but is now the time to put the policies into writing in the form of a treaty? The issue to resolve is whether the U.S. should be the one to intervene on the world’s behalf if a sale may shift the balance of power currently existing in the world, or if the U.S. should be more passive with respect to business dealings between two totally separate and independent countries.

To explore the motivation and necessity of past U.S. actions, it is necessary to know some of the history of the countries involved both with and without respect to U.S. relations. The history of the countries involved will help direct the future policies of U.S. and Israeli relations by explaining how the current relationships were formed. Chinese history must also be explained because its domestic policies and human rights infractions are the primary reasons why the U.S. interfered with Israel’s military sales. In essence, the history of the relationships determines how the U.S. conducts and will conduct its foreign affairs policies.

II. HISTORICAL PERSPECTIVES

A. Early History of Israel

The history of Israel as an independent nation can be summed up in either ancient history or extremely modern history. In ancient history, Israel was a country that always had a surplus of enemies. They were also a nation that was neither afraid to defend themselves nor afraid to wage war. Israel began as a race born to one man named Abraham. A branch of Abraham’s descendants came to be known as Israelites, and they were a group of people that had a monotheistic society and adhered to that belief without waiver. The Israelites spent a period of time in total freedom as


The Lord had said to Abram, [who later became Abraham] Leave your country, your people and your father’s household and go to the land I will show you. I will make you into a great nation and I will bless you; I will make your name great, and you will be a blessing. I will bless those who bless you, and whoever curses you I will curse; and all peoples on earth will be blessed through you. Id.

13. See generally Genesis. Genesis outlines the beginning of the Nation of Israel. The Book also outlines the Israelites’ dependence upon God for their whole way of life.
wandering nomads; the Egyptians turned them into a people of slavery. After the Israelites were delivered out of Egyptian slavery, they proceeded to the promised land of Canaan where they proceeded to conquer the Canaanites. During those many years as wandering people and as inhabitants of the new land, the Israelites became a people of war. Subsequently, the nation split into the nation of Judah and the nation of Israel. After this split, the land they had previously occupied fell into the hands of their enemies and once again they were a nation without any borders to call their own and to protect.

B. Modern History of Israel

The years of being without boundaries all changed with the ending of World War II. After World War II, the Israelites were allotted a new country by the United Nations so that they would have boundaries to protect themselves. Israel's boundaries were created with opposing countries on all sides. Since they were given boundaries, Israel has demonstrated that they are still not afraid or hesitant to defend themselves.


Then a new king, who did not know about Joseph, came to power in Egypt. Look, he said to his people, the Israelites have become much too numerous for us. Come, we must deal shrewdly with them or they will become even more numerous and, if war breaks out, will join our enemies, fight against us and leave the country. So they put slave masters over them to oppress them with forced labor, and they built Pithom and Rameses as store cities for Pharaoh. But the more they were oppressed, the more they multiplied and spread; so the Egyptians came to dread the Israelites and worked them ruthlessly. They made their lives bitter with hard labor in brick and mortar and with all kinds of work in the fields; in all their hard labor the Egyptians used them ruthlessly. Id.

15. Joshua 1:3-4. "I will give you every place where you set your foot, as I promised Moses. Your territory will extend from the desert and from Lebanon to the great river, the Euphrates—all the Hittite country—and to the Great Sea on the west." Id.

16. See generally 1 Samuel 30. This chapter of the Bible tells of some of the history of Israel with respect to the form of government they had set up, and some of the battles that they fought to achieve and maintain their independence. This chapter also illustrates how Israel has been a nation that will wage war with other peoples.

17. 1 Kings 12. After Solomon died, his son Rehoboam succeeded him as King of Israel. He was extremely hard against the Israelites, and afterward some of the Israelites began to rebel, so he led a group of descendants of Judah and Benjamin against the rebels. A man named Jeroboam led the Israelites, and after that uprising he fortified the city of Shechem, to prevent future attacks. This clash of interests marks a split in the nation that would eventually lead to the downfall of the whole nation. Id.
The biggest cause for tension between Israel and the surrounding countries is that Israel consists of Jews and the surrounding countries consist of Arabs—two clashing cultures. Since Israel became a country in 1948, the U.S. has slowly developed what has now become a strong alliance. The relationship between Israel and the U.S. was not always considered an alliance, but over the decades, the U.S. has developed that its relationship into the strong alliance enjoyed today.

In 1948, the U.S. became the first country to recognize Israel as a country of its own because President Truman had a deep desire to do so. The reason for Truman’s support did not arise for the purpose of a strategic alliance but arose more so out of his faith. Truman, however, did not want to get too involved with the Israeli cause because he was worried that the U.S. would be burdened with defending the new Israeli country. Truman did, however, go as far as to say:

It is my responsibility to see that our policy in Israel fits in with our policy throughout the world; second, it is my desire to help build in Palestine a strong, prosperous, free and independent democratic state. It must be large enough, free enough, and strong enough to make its people self-supporting and secure.

As Eisenhower and Kennedy came into power, the U.S. still supported Israel as a country, but the motives began to change. Israel became a strategic ally, rather than the liability that it was formerly.

19. Id.
20. Id. “There can be no doubt that Truman’s actions were patterned on moral, cultural, and religious premises (such as the perception of Israel as fulfilling the biblical prophecy that the Jews would return to the promised land, which is particularly pervasive among Evangelicals and Christian Fundamentalists).” Id.
23. BEN-ZVI, supra note 18, at 6.
24. ORGANSKI, supra note 21, at 26. The Six-Day War in 1956 turned the heads of the leaders in the U.S. because they noticed that Israel had some military competence and a strong willingness to fight. The leaders determined that Israel’s military could have its uses. Id.
25. BEN-ZVI, supra note 18, at 6.
Israel began to grow as a country with the U.S. providing assistance even though that assistance at first was not very substantial. In the early years of the relationship between the two countries, the U.S. attempted to exercise various styles of control over Israel. In an effort to show its independence, Israel resisted some of these controls by conducting retaliatory raids against Egypt and Jordan during the years of 1953-1956. From 1957-1962, the U.S. began to exercise more of a bargaining-style strategy toward Israel. This bargaining strategy was marked by the first sale of anti-aircraft missiles from the U.S. to Israel in 1962. Although these missiles were purely defensive, the sale marked the first time that the U.S. supplied Israel with any military equipment. Prior to this sale, in 1949, the U.S. had only furnished Israel with technical and economic aid. William Quandt best captured the growing support for Israel in a quote stating the following:

The bond between the United States and Israel is unquestionably strengthened because of the presumed congruence of values between the two nations. Americans can identify with Israel's national style—the commitment to western-style democracy, the ideals of individualism and freedom—in a way that has no parallel on the Arab side. Neither the ideal for well-ordered Muslim community nor that of modernizing autocracy evokes much sympathy among Americans. Consequently, a predisposition no doubt exists in American political culture that works to the advantage of the Israelis.

Before the U.S. began its relationship with Israel, the U.S. was more interested in pursuing a relationship with the surrounding Arab countries

26. ORGANSKI, supra note 21, at 15. At the time, Israel was considered to be a low priority compared to other countries receiving aid from the U.S. Id.

27. BEN-ZVI, supra note 18, at 8-10. These forms of control consist of deterrence or coercive policy which was implemented between 1953 to 1956, the bargaining strategy and the strategy of reciprocity between 1957 and 1962. The deterrence policy was used for immediate and long-term periods of time. The bargaining strategy was a beneficial policy between the two countries. The strategy of reciprocity was a more elaborate version of the bargaining strategy. Id.

28. Id. at 9.

29. Id. at 14.

30. Id. at 2.

31. Id. at 3.

32. Id. at 31. At the time the aid was being given, the United States felt it was not in the national interest to have a “security contract” with Israel because it would be detrimental to the overriding desire to “advance [the administration’s] understanding with the Arab world, and with Egypt in particular.” Id.

33. Id. at 5.
and often referred to Israel as a "strategic liability and as a major obstacle" to the environment of the U.S.-Arab relations.\footnote{Id. at 1.} The concern of the American leaders during that time was that if Americans came to the aid of Israel (e.g., weapons sales), they would jeopardize the Western influence in the Middle East.\footnote{Id. at 33. A quote from Assistant Secretary Byrode on June 9, 1953 stated:} The American leaders realized that having a relationship with the surrounding Arabs was more beneficial to Israel, than actually aiding the Israelis themselves.\footnote{Id.}

The fear of involvement with Israeli relations began to change when Americans in general began to perceive that Israel was a "small, courageous and democratic nation that [was] trying to preserve independence."\footnote{Organski, supra note 21, at 43.} Israel had begun to receive many Americans' sympathy, and that sympathy manifested itself via more economic aid for Israel.\footnote{Ben-Zvi, supra note 18, at 6.} These Americans had sympathy for Israel because the country was comprised of Jews that had just emerged from World War II and had many terrible acts perpetrated upon them as Holocaust victims. The sympathy from the U.S. was transformed to a strategic emphasis during Eisenhower's second term.\footnote{Organski, supra note 21, at 43.} During those transitional years, the U.S. government realized how important an ally like Israel would be in the Middle East. At the same time, the U.S. government realized that they had the support of the American public because they still had a large amount of sympathy toward Israel.\footnote{Id. at 6.} Around 1970, the U.S. began to aid Israel with large amounts of money and military transfers.\footnote{Id. at 16.} Some may argue that the reason the U.S. did not provide arms to Israel before that time was because there was no need to provide much support.\footnote{Id.} Before the
1970s, Israel could purchase weapons from many other countries with the money it received from reparations arising out of World War II. After an attack by Syria and Egypt in 1973, the U.S. understood the necessity of providing Israel with more economic and military aid. The U.S. realized how strategically important Israel was because of their location and fighting prowess. Since then, Israel has received a large amount of economic and military aid from the U.S., and pleasing the U.S. has been a full-time occupation for the leaders of Israel.

C. Early History of China

China has a history quite different than that of Israel. China's history extends back many, many centuries and is defined by a sense of honor. In return, they expected honor and respect from all who encountered them. China has had their population growth curtailed by the effects of the various wars that they have fought. Every dynasty that has arisen in the history of China arose by way of the sword. China did not, however, ever use their military might to be an expansionist power. The people of China have been a people not governed by religion, like the Israelites, but by a form of "highly elitist social philosophy known as Confucianism." Confucianism stresses conformity to the established norms and a loyalty to one's natural superiors. Unlike Israel, the country of China has had boundaries that they could protect and always had their own land.

43. Id. at 17.
44. Id. at 20.
45. See Ben-Zvi, supra note 18, at 6.
46. Organski, supra note 21, at 187. Israel has always been in need of many kinds of military aid, and the U.S. has used that as a way to keep Israel following an American agenda. Whenever disagreements occur, the U.S. either withholds or threatens to withhold their aid and assistance. Id.
47. A. James Gregor, The China Connection: U.S. Policy and the People's Republic of China 3 (1986). Many scholars believe that rule began in China about two and one half millennia before the Christian era by the Yellow Emperor. Id.
49. Gregor, supra note 47, at 10.
50. Id. The Chinese population has been limited because as a technique of war, they use a "human wave" because they have always had a larger population than the opposition. Id.
51. Jian, supra note 10, at v. Although Mao's China had a history of using force, China was not considered "an expansionist power." Id.
52. Schaller, supra note 48, at 6.
53. Id.
guide.com/china_great_wall/index.htm (last visited Nov. 20, 2001). China built an
used these boundaries to close itself to Western influence up until the late 1700s.\textsuperscript{55} The country did maintain minor relationships with those small countries surrounding it. However, those countries were expected to periodically bestow upon China occasional gifts and pledges of loyalty.\textsuperscript{56}

\textbf{D. History of Modern China}

Eventually, China began to slightly open up its borders to the Western influence and trade. China’s pattern of foreign relations with the U.S. really began to take shape in 1784, with the U.S. deployment of a ship to China immediately after winning the Revolutionary War.\textsuperscript{57} For a time after that endeavor, the Chinese still sought to guard against Western influence and restricted the amount of trade it would do with any Western country.\textsuperscript{58}

The major good traded in those early years was a drug known as opium.\textsuperscript{59} Trading opium was beneficial to all involved parties until it was restricted without warning by leader, Lin Tse-hsu, an appointee of the emperor of China.\textsuperscript{60} After the restriction on opium was initiated, a war ensued between Britain and China with the U.S. favoring the stance of the British.\textsuperscript{61} As a result of the war, the Treaty of Nanking was enacted, which ushered in “a one-hundred-year period of disgrace known to the Chinese as the time of ‘unequal treaties,’ or the ‘century of dishonor.’”\textsuperscript{62}

In the late 1800s and early 1900s, a conflict known as the Boxer Rebellion began to fight against the Western influence.\textsuperscript{63} This rebellion developed as many people began to disapprove of the Western influence architectural marvel known as the Great Wall of China in order to protect the border of their country. This wall was built to protect the country from invasion of northern neighbors. \textit{Id.}

\textsuperscript{55.} SCHALLER, supra note 48, at 7.

\textsuperscript{56.} \textit{Id.}

\textsuperscript{57.} \textit{Id.} at 8. In an effort to appease the nobility desired by the Chinese leaders, the Americans named the ship “Empress of China.” \textit{Id.}

\textsuperscript{58.} \textit{Id.} at 9.

\textsuperscript{59.} \textit{Id.} at 11.

\textsuperscript{60.} \textit{Id.}

\textsuperscript{61.} SCHALLER, supra note 48, at 12. This war was known as the Opium War fought from 1839-42. \textit{Id.}

\textsuperscript{62.} \textit{Id.} This treaty was enacted in 1842 and marked the beginning of other countries treating China as a barbarous country. As part of this treaty, Hong Kong was given over to British Control. \textit{Id.}

\textsuperscript{63.} \textit{Id.} at 29. “The Boxers” began to sponsor assaults on merchants, missionaries and diplomats around the turn of the century. It was sort of a grass roots movement lead by Empress Dowager Tz’u Hsi and won popular support. \textit{Id.}
German and U.S. forces eventually quashed this rebellion for some of the acts the Boxers had perpetrated upon foreigners. The Germans became involved in this rebellion because the Boxers killed the German Minister in 1900. When the Germans and other nationalities, including American Marines, began their assault on the Boxers, the western world began to rekindle their old impressions of China as being an outsider country.

Later, during World War I, China had no real central government. President Wilson made an effort to restore order to Asia after World War I, which only reinvigorated the Chinese nationalistic aspirations, and their previous anti-western ideals. In the 1920s, some Chinese realized that the new Russian government was what they desired for their own. The biggest unifying factor between the new Russian government and China's starvation for a new government was the common belief in Marxism and their hatred of imperialism. The Chinese viewed American and other western policies of capitalism as a form of imperialism.

Not all of the Chinese people felt this way, and the commanding group of Chinese attempted to rid the country of known Communists. During this time, the government, led by Chiang Kai-shek, had waged war against the Communists of the country, and had all but obliterated them. Meanwhile, the U.S. showed little or no interest in what was happening in China's civil war. While the civil war was being waged in China, Japan attempted to launch an assault on China. The leader, Chiang, solicited as much U.S. aid as he could to help fight off the forces of Communism and to fight off Japan. The U.S. had an interest in keeping Japan out of China, so the U.S. aided the Chinese leadership in the fight.

64. Id.
65. Id. at 30.
66. Id.
68. Id. at 35.
69. Id.
70. Id. at 39.
71. Id.
72. Id.
73. SCHALLER, supra note 48, at 40. The Chinese government fought and overthrew many of the Communists in the country, but several did escape. Id.
74. Id. at 45.
75. Id. at 56-57.
76. Id. at 57. During this time, Chiang was attempting to fight off Japan and the Communist movement led by Mao Tse-tung. Id.
77. Id. at 56.
Then, World War II broke out, and the U.S. needed an ally to help fight off the Japanese army. The U.S. called on China to be that ally, and the sentiments of the American public were expressed in an editorial that was published in the *New York Times* two days after the war broke out:

"[w]e are partners in a large unity . . . [w]e have as our ally China, with its inexhaustible manpower—China, from whose patient and untiring and infinitely resourceful people there will now return to us tenfold payment up on such aid as we have given." 

Ironically, China was not as trustworthy as it appeared. China became a jubilant country when the U.S. went to war with Japan, because it realized that it would get much more aid from the U.S. In essence, it did not become allies with the U.S. to help the Americans, but in an effort to build up its strategic importance. In doing so, they built up their own country and policy.

Around 1938, the Communists of China overtook the leader, Chiang, and overtook the country. The Americans were never accepting of the revolution within China, and their thoughts toward the Communists were indifferent or profoundly hostile, or a combination of both. Within a couple years, Japan bombed Pearl Harbor bringing the U.S. into conflict with the Japanese. The U.S. began its fight with Japan and realized that the only way to get the Chinese assistance it desired was to conform to China's wishes. American aid to China after the Pearl Harbor attack was quite extensive, and that aid eventually flowed into the hands of the Communists who had just taken control. To put the attitudes of Americans in perspective, the U.S. realized that if it attempted to help Chiang and the former leaders of China, they would embitter the Communists and cause resentment toward the U.S. from the eventual Chinese leaders.

From July to November of 1944, the Communists treated American visitors as friends and admitted to being vulnerable to the American policy. The reason for this friendliness was because the Communists'

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78. Id. at 69.
79. SCHALLER, supra note 48, at 69.
80. Id. at 70.
81. Id.
82. Id. at 93.
83. Id. at 95.
84. Id. at 75.
85. SCHALLER, supra note 48, at 96.
86. Id. at 97.
87. Id. at 100. Quote by Mao about vulnerability to American policy: “America does not need to fear we will not cooperate. We must cooperate and we must have American
two-pronged fight against both the Japanese and Chiang's Nationalists during that period.\textsuperscript{88} Eventually, the Communists lost any hope of U.S. assistance when formal confirmation of an anti-Communist policy came to fruition in the U.S. on April 2, 1945, by way of an American leader placing the blame of blocking peace on the Communists.\textsuperscript{89} This newly adopted policy naturally led to harsh feelings between the leaders of Communist China and the Americans.

In 1949, the new leader, Mao Tse-Tung, let the world know "that the Chinese would 'lean to one side,' supporting the forces of 'socialism' against those of 'imperialism.'"\textsuperscript{90} At this time, China wanted to rid the world of imperialism, which it viewed as the highest form of capitalism which was represented by the policy and economy of the U.S.\textsuperscript{91} Mao's statements started an era of bitter relations between the U.S. and China because Mao perceived that America's policy was a fraud and alleged that America was a hypocrite because of their capitalistic views.\textsuperscript{92} This marked a period during which "Mao was adamantly opposed to U.S. imperialism."\textsuperscript{93}

Mao Tse-Tung reigned for 27 years in the People's Republic of China.\textsuperscript{94} During that reign, "Mao challenged the legitimacy of the existing international order."\textsuperscript{95} He led a "new China" that focused on the virtues that made the country strong in history: loyalty, submission, and selflessness.\textsuperscript{96} Mao's reign was marked with many activities that drove China and the U.S. further in opposite directions. One such activity happened in 1950, when Mao went to Moscow to sign an alliance with the Soviet Union.\textsuperscript{97} This act was all the proof that the U.S. needed to show that China was officially within the grasp of the Communist clutches. When American leaders became aware of that act, the U.S. went about

\begin{footnotesize}
\begin{itemize}
  \item \textsuperscript{88} Id.
  \item \textsuperscript{89} Id. at 105.
  \item \textsuperscript{90} Id. at 120.
  \item \textsuperscript{91} GREGOR, supra note 47, at 52.
  \item \textsuperscript{92} SCHALLER, supra note 48, at 121.
  \item \textsuperscript{93} GREGOR, supra note 47, at 54.
  \item \textsuperscript{94} JIAN, supra note 10, at v.
  \item \textsuperscript{95} Id.
  \item \textsuperscript{96} GREGOR, supra note 47, at 45.
  \item \textsuperscript{97} SCHALLER, supra note 48, at 127.
\end{itemize}
\end{footnotesize}
trying to rid itself of all people believed to be involved with any sort of Communist activities.98

The Korean War, which began in 1950, further divided the U.S. and Chinese relationship. The U.S. became involved with that war because President Truman declared that an “attack upon Korea makes it plain beyond all doubt that Communism had passed beyond the use of subversion to conquer independent nations and will now use armed invasion and war.”99 During this period, the U.S. also decided, as terms of their foreign policy, to protect Taiwan from invasion for fear that Communism would take over the Pacific area.100 This was the view of the U.S. even though Mao, subjectively, did not have the intention of expanding his power or his country’s boundaries.101 The Chinese perspective of Mao’s reign was that Mao only used force when he felt as though Chinese interests were being threatened.102 The reason China entered the conflict with the U.S. during the Korean War was because China felt like they were being invaded by the U.S.103 They felt this way because the U.S. forces approached the Chinese border in an effort to protect Southern Korea.

The U.S. protection of Korea and Taiwan led to even more harsh feelings between Communist China and the U.S.105 The U.S. grew even more determined to prevent the spread of Communism,106 and China deemed the U.S. as an enemy of revolutionary China.107 During this time

98. Id. at 128. This was a period of time known as "McCarthyism," which stirred up a big Communist scare in the U.S. See id. at 129-30. Lists were compiled of all people assumed to have close ties with any Communist country. See id. at 128-29. The time was termed McCarthyism because Senator Joseph McCarthy was the one who accused the foreign service of "losing China." He started the Communist "witch hunt" to eliminate Communist influences. Id. at 128.

99. Id. at 133.

100. Id.

101. JIAN, supra note 10, at v. Although Mao’s China had a history of using force, China was not considered “an expansionist power.” Id.

102. Id.

103. SCHALLER, supra note 48, at 134. “Communist spokesman Chou En-lai declared that American actions in Korea and Taiwan constituted ‘aggression against the territory of China . . . It is precisely a further act of intervention by American imperialism in the affairs of Asia.’” Id. Approximately 500,000 were thrown into combat with the U.N. forces and the Chinese army sustained a loss of about 100,000 men in a two-week span. GREGOR, supra note 47, at 55.

104. GREGOR, supra note 47, at 55.

105. Id. at 58.

106. Id.

107. Id.
China was rather actively "pursu[ing] [a] 'peaceful coexistence'" with the Communist Soviet Union because of their nuclear capabilities.\(^{108}\) However, by 1959, Chinese and Russian peaceful coexistence began to show signs of tension because of a new Soviet leader,\(^{109}\) and China decided to develop nuclear deterrents of their own.\(^{110}\) The Chinese people still believed that socialism was the best form of government to achieve peace.\(^{111}\) China's foreign policy during the late 1950s and early 1960s gave the U.S. a valid reason to fight the spread of communism.\(^{112}\) The leaders of China at that time declared, "[The] replacement of capitalist imperialism by socialism and communism is the final goal of our struggle. We must not conceal our principles from the masses."\(^{113}\) That attitude gave legitimacy to the attention that the U.S. gave toward the repression of communism.

Things for China fell apart even more as the Soviet Union began to mount an army along the Sino-Soviet border with threats to Chinese security in the late 1960s.\(^{114}\) In an effort to counteract the Russian threat and maintain its possible attack on the U.S., China increased its military budget significantly from 1966-1971.\(^{115}\) As a result of the mounting concerns between China and Russia, then U.S. president, Richard Nixon, "declared that it would be in the interests of the United States to improve relations with the People's Republic of China."\(^{116}\) Chinese leader Zhou Enlai advocated reaching an accommodation with the U.S., but "would never give up [China's] principles and sell out [its] people and revolution."\(^{117}\) President Nixon made his first visit to China in 1972 with a

\(^{108}\) Id. at 60. \\
\(^{109}\) Id. at 63. \\
\(^{110}\) GREGOR, supra note 47, at 64. \\
\(^{111}\) Id. at 65. The leadership of Beijing formulated the following foreign policy conclusions:

1) nuclear peace was reasonably certain and not to be feared;
2) the only way that peace could be guaranteed was to have total destruction of imperialism;
3) before total destruction of imperialism, compromises with imperialist powers were necessary;
4) all methods of destruction should be used to destroy imperialism; and
5) principal contradiction in the world was socialism versus imperialism.

These foreign policy concerns were quite worrisome to the leaders of the U.S. Id.\(^{112}\) Id.\(^{113}\) Id. at 66. \\
\(^{114}\) Id. at 74. In 1969, China started to consider the Soviet Union enemy number one instead of the United States. Id. \\
\(^{115}\) Id. at 77. \\
\(^{116}\) GREGOR, supra note 47, at 78. \\
\(^{117}\) Id. at 79.
strategy in mind to help change the course of the Cold War that had developed between the U.S., the Soviet Union, and China. Both Nixon and Carter hoped that the association with China would compel Moscow to assume a more defensive as well as conservative stance. By 1974, Mao had dissolved the socialist camps and the U.S. no longer pursued "a policy of containment of Communist expansion in Europe and Asia." As a result, the U.S. only had to concentrate on one front—the Soviet Union. Chinese Communism was no longer considered the vital threat that it once was to the U.S.

As a result of China's and the U.S.'s dislike of Russia, diplomatic relations were formed between the two countries during Jimmy Carter's presidency. These relations were formed out of such a necessity and urgency for military and strategic importance that many issues of concern toward China went unresolved. However, that did not stop the U.S. from aligning itself with China as then Vice-President Walter Mondale declared that a "strong and secure and modernizing China is . . . in the American interest." The development of diplomatic relations between the two countries continued into the Reagan presidency when the U.S. began to use Chinese personnel combined with U.S. technology to monitor

118. JAMES MANN, ABOUT FACE: A HISTORY OF AMERICA'S CURIOUS RELATIONSHIP WITH CHINA, FROM NIXON TO CLINTON 13 (1998). Before this meeting, Nixon made simple notes to help reach a common understanding with the Chinese leader, Mao. Id. He wrote:


Nixon referred to his visits to China as a week that would change the world. A. DOAK BARNETT, U.S. ARMS SALES: THE CHINA TAIWAN TANGLE 3 (1982).

119. GREGOR, supra note 47, at 89.
120. Id. at 90.
121. Id.
122. Id.
123. MANN, supra note 118, at 81.
124. Id. The two main issues that had not been resolved were: 1) "What might happen to America and China if the anti-Soviet basis of their friendship collapsed?" and 2) Human rights issues. Id.
125. BARNETT, supra note 118, at 7.
Soviet missile testing.\textsuperscript{126} This monitoring relationship developed to the point where the U.S. offered to sell military arms to the Chinese.\textsuperscript{127} During this era, China started to desire Western military technology, but the U.S. was just using this as a ploy to “exert pressure on the Russians.”\textsuperscript{128} In fact, until 1982, China had yet to purchase any of the military items that were authorized for sale from and by the American government.\textsuperscript{129} With the history of the relationships between China, Israel, and the U.S. in proper perspective, the current status of foreign relations is necessary to address the issue of military balance versus economic independence.

III. PROBLEMS WITH INDEPENDENCE AND STABILITY

The main problem that must be resolved arises from the relationships of these three countries. The U.S. and Israel have been on the same side for the last couple decades,\textsuperscript{130} and the U.S. and China have been both enemies and allies for about the same span of time.\textsuperscript{131} The U.S. is alarmed today because China has the world’s largest manned army with a continuing Communist governing body. In the 1970s, when the U.S. and China began their development of contact, the U.S. did not perceive China as a risk because of its lack of technology and military capabilities.\textsuperscript{132} In the 1980s, when the U.S. began helping China gradually build its military, the two countries had a common threat in the Soviet Union.\textsuperscript{133} Very few American leaders thought of the future ramifications of building up the Chinese military.\textsuperscript{134} The reason for this lack of concern in the 1980s was that the U.S. leaders realized that China was very intent on strengthening

\textsuperscript{126} Id. at 8. “[I]n 1980, the United States and China secretly began joint operations of two stations in northwest China to monitor Soviet missile tests . . . (a fact not reported in the U.S. press until mid-1981).” Id.
\textsuperscript{127} Id. at 10. At that time, there were formulated guidelines expressing exactly which types of arms would be sold to the Chinese. Id.
\textsuperscript{128} Id. at 11.
\textsuperscript{129} Id.
\textsuperscript{130} ORGANSKI, supra note 21, at 16.
\textsuperscript{131} See generally SCHALLER, supra note 48. This book outlines the chronology of the U.S. and Chinese relations from the beginning of the Mao era to the end. During this time, Mao viewed the U.S. as both a friend at times and as an enemy at other times.
\textsuperscript{133} Id.
\textsuperscript{134} Id.
its economy, and the possibility of a threat to U.S. security seemed distant in everyone’s mind.\textsuperscript{135}

Ever since the U.S. stopped considering China as a viable threat in the early 1970s, China has quietly been increasing and modernizing their military by purchasing military equipment and weaponry from Israel and other countries.\textsuperscript{136} The leaders of China assert that they pose no threat to regional security and are not pursuing any sort of arms race with any other country by making those purchases.\textsuperscript{137} The Chinese leaders assure the rest of the world that they are only increasing and modernizing their military as a defensive maneuver to ensure their own security in the 21st century.\textsuperscript{138} Despite this assurance, the U.S. leaders remain skeptical about the Chinese assertions of self-preservation and view this build-up as an imminent attack upon the U.S. in the years to come.\textsuperscript{139}

A. Role of Chinese Military

The leaders of China are aware that they cannot become an isolationist country again if they want to achieve national security.\textsuperscript{140} The Chinese leaders realize that security comes from more than a build-up of a home army.\textsuperscript{141} However, the cause for concern arises out of America’s and China’s sharp dissent on national security goals.\textsuperscript{142} As history has shown, China has been known to make aggressive movements upon smaller countries,\textsuperscript{143} giving credibility to what is known as the realist theory.\textsuperscript{144} According to this theory, “China is the quintessential ascendant power that

\textsuperscript{135} Id.
\textsuperscript{136} Id. They have been building up their forces with “advanced fighter aircraft; transport planes outfitted with Airborne Warning and Control Systems (AWACS) capabilities; modern destroyers equipped with anti-ship cruise missiles and air to air missiles; more advanced tanks, helicopters, and surface to air missiles; and modern diesel electric submarines . . . several versions of short range ballistic missiles capable of targeting Taiwan; . . . in flight refueling capabilities for their combat aircraft; . . . new solid fuel ballistic missile with a range of approximately 5,000 nautical miles.” Id. They also “appear intent on substantially advancing their intelligence, surveillance, and information warfare assets, with particular attention to space based programs.” Id. “In examining the PRC’s military modernization program, they claim that Beijing’s military expenditures may have reached as much as $87 billion per year, if not more.” JIAN, supra note 10, at 1.
\textsuperscript{137} Pollack, supra note 132.
\textsuperscript{138} Id.
\textsuperscript{139} Id.
\textsuperscript{140} Id.
\textsuperscript{141} See id.
\textsuperscript{142} Id.
\textsuperscript{143} SCHALLER, supra note 48, at 133.
\textsuperscript{144} Pollack, supra note 132.
will ultimately seek to supplant American hegemony over the international system. To simplify this theory, one could say that China is the only country in the world right now that could upset the balance created by the U.S. in the international perspective. If China continues to grow economically and militarily and experiences a change in leadership that is not as friendly to the Western world, the U.S. may have a formidable foe in China. China will become that foe if they make a push to become an international superpower much like the U.S. America is presently the world's only superpower since the collapse of the Soviet Union, and strategists predict that the U.S. will remain the world’s only superpower through the year 2015. However, because of China’s “size, strategic autonomy, extant military capabilities, geographic position, latent power potential, and economic growth over the past twenty years,” they may be the most credible rival to the U.S. in the years to come.

This is not to say that right now China cannot be trusted. In fact, in extremely recent developments, China has pledged its support to the U.S in the war against terrorism. The U.S. should be slightly wary of this support because “[f]or a very long time, the Chinese have said they don’t want America to overact to terrorism because they didn’t want too much of a U.S. presence in the region.” This act of support is quite a switch from a December 2000 vote in which China opposed tighter sanctions on the Taliban, the government that was known to harbor terrorists. In fact, China has been known to sell arms to several Middle Eastern countries

145. Id.
146. Id.
147. Id.
148. Id.
149. Kelly Beaucar Vlahos, China Playing Along With U.S. Anti-Terror Efforts (Oct. 1, 2001), available at http://www.foxnews.com/story/0,2933,35432,00.html. On September 11, 2001, the U.S. fell victim to the worst act of terrorism that has ever occurred on American soil. More people were killed on that day than were killed by the Pearl harbor bombing. On that day, terrorists flew commercial airplanes into the World Trade Center Twin Towers causing approximately 2,800 deaths and the collapse of the two 100+ story towers. As a result of that terrorist act, the U.S. waged a war against terrorism, with a man named Usama bin Laden labeled as the main suspect. As a result of this attack, the U.S. has sponsored a U.N. resolution that would sanction countries that don’t help fight this war against terrorism. China has joined the U.S. in that effort. Id.
150. Id.
151. Id. The Taliban was the militant sect of the Islamic faith that has continued to hide the leaders of several terrorist networks. They have had the majority of power in Afghanistan, and have had substantial influence in several other Middle Eastern countries. See id.
that supported the Taliban. 152 One would have to wonder why China would suddenly turn about face on that which it has been doing for years. The answer is quite simple to some: personal gain. 153 With this presumption, the question arises as to whether China can be truly trusted as an ally, and more importantly as a friend. Without the ability to trust China, the U.S. should not blindly allow it to build up its military might, especially, if it is building up its military by way of a close ally of the U.S.

The worries surrounding this massive economic and military growth that China is experiencing can be based on three observations: 1) “[T]he continuing reign of the Chinese Communist Party and its questionable human-rights record,” 154 2) “China’s military build-up over the past decade, suggesting an offensive capacity that can be used far beyond the country’s shores,” 155 and 3) “[T]he country’s existence as an ‘outsider’ in the international community, continuing to rely on the possible use of force to settle the Taiwan issue, and . . . exporting arms to other ‘outsider’ states such as Iran, Syria, and Pakistan.” 156 The author of The China Challenge in the Twenty-First Century: Implications for U.S. Foreign Policy, Chen Jian, suggests that China should not be looked at as a threat to the U.S., but as a challenge that should be embraced to make the world better for everyone. 157 Although that thought is noble, it does not appear to be realistic with the way that the countries of the world evolve. Common knowledge yields the presumption that if trust is not present, it must grow over a period of time.

One may wonder how these three observations can influence a foreign policy to be leery of China. Yet some may see these three observations as very self-explanatory as to why the U.S. has concerns with China. The first observation of “continuing reign of the Chinese Communist Party and its questionable human-rights record” 158 is very problematic to the U.S. This form of leadership causes worry in the U.S. because the whole direction of the country depends on the desires of one leader. Mao Tse-Tung took the country through an array of alliances and enemies. At the beginning of his reign, he thought that the U.S. was enemy number one, 159 and by the end

152. Id.
153. Id. According to its financial times, China may back the U.S. global counter terrorism efforts in exchange for the U.S. help in combating the Tibetan movement for independence in the Xinjiang region, which is in northwestern China. Id.
154. JIAN, supra note 10, at v.
155. Id.
156. Id.
157. Id. at 3.
158. Id. at v.
159. GREGOR, supra note 47, at 54.
of his reign, the Soviet Union was enemy number one and the U.S. was China's best friend. With the form of government that they currently have in place, the leader of the country has far too much power, and a change in leadership may precipitate a change in foreign policy. In fact, with the Communist form of government still in place, danger for the U.S. can arise when "leaders in Beijing at a future point judge their vital national interests at risk." The leaders in Beijing, maintaining their power, are the cause for concern with the continued Communist form of government.

The second observation that causes concern is that China has a "military build-up over the past decade, suggesting an offensive capacity that can be used far beyond the country's shores." This offensive capacity is very much a concern for the likes of Taiwan and other countries in the vicinity of China's borders. If Taiwan were to make a serious push for independence, China would be able to use the force necessary to make sure that Taiwan does not gain that independence. Before the build-up of the military technology, Taiwan hardly needed U.S. military forces because the U.S. was selling highly technical military devices to Taiwan. China has also begun the build-up of a large arsenal of nuclear weapons by obtaining both short-range and long-range missiles. Some of those long-range nuclear missiles are capable of reaching selected U.S. targets. Although China claims that it believes nuclear weapons are necessary for the safety of its country, the U.S. believes the opposite. The White House Press Secretary, Ari Fleischer, has said, "We will tell the Chinese that it is unnecessary and that it is not good for regional stability or for peace," when referring to the arsenal of nuclear power that China has obtained. The cause for concern in military build-up is quite evident by China's unpredictability in foreign relations. When a country's actions cannot be predicted, that country must be trustworthy, and China has yet to prove itself trustworthy to the U.S.

The third observation that raises concern is China's "existence as an 'outsider' in the international community, continuing to rely on the

160. See id. at 90.
161. Pollack, supra note 132.
162. Jian, supra note 10, at v.
163. Id. at 23. The U.S. sold F-16 fighters to Taiwan, and Beijing thought that act was a threat to their national security. Id.
165. Id.
166. Id.
167. See GREGOR, supra note 47, at 47.
possible use of force to settle the Taiwan issue, and . . . exporting arms to other ‘outsider’ states such as Iran, Syria, and Pakistan." 168 Under the rule of Mao, China was an isolationist country. 169 This behavior has continued even until the present time, although recently, China has continued to make efforts to become more of an insider country. 170 However, until China becomes a complete “insider,” the U.S. must be skeptical of China’s actions. 171 This presumed skepticism is valid because China can still be a very unpredictable country, and history has shown that sometimes China is very trustworthy and sometimes they are not. 172

The U.S. must also be careful about China’s military build-up because of the Taiwan issue. As long as China stays on the fringes as only a partial insider country in the international realm, they remain unpredictable with respect to how Taiwan is presently regarded. If a change of heart should occur at the top of the chain of command, Taiwan could be in serious danger of invasion. In the past, the U.S. could soundly defeat any Chinese movement toward Taiwan. Some would even say that China would defeat itself if it made a movement toward Taiwan. 173 China’s build-up of its

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168. JIAN, supra note 10, at v.
169. Id. at 7.
170. Associated Press, Negotiators Give Go-Ahead for China to Join WTO (Sept. 17, 2001), available at http://www.foxnews.com/story/0,2933,34519,00.html. According to this article, China will now be a member of the World Trade Organization. As a member of the WTO, “China will have to abide by international trade rules, creating a more stable climate for commerce.” Id. As a sign that they are willing to work in a global trade organization, “China . . . made a firm commitment to the rest of the world to open its markets and adhere to international, market-based rules, which will help” many other countries including the U.S. Id.
171. JIAN, supra note 10, at 8. Although China has come a long way from being the revolutionary country that it was under Mao, it still is not an “‘insider’ in the international community.” Id.
172. See GREGOR, supra note 47, at 47.
173. JIAN, supra note 10, at 19.

The regime in Beijing today has many reasons not to use military means to resolve the Taiwan issue. If a war were to erupt between mainland China and Taiwan, it would have grave consequences in addition to its disastrous effects on the Asia-Pacific region and worldwide peace and stability: China’s coastal areas (the country’s most economically developed) are exposed to a retaliatory attack from Taiwan and allied forces; international financial and trade ties, which are crucial to mainland China’s continued development, would be severely damaged; and the Communist regime would risk its own existence, especially if the People’s Liberation Army failed to win a clear-cut victory. Even if Beijing were able to crush Taiwan’s military resistance, winning the ‘hearts and minds’ of the people on the island would remain a tremendous challenge.
military might with high technology equipment may present a danger if it desires to take military action to secure Taiwan as part of mainland China.

Additionally, the U.S. has cause for concern with respect to China being an outsider country because of its arms sales to other outsider countries. Through China’s sales of arms to other outsider countries, China could be tipping the balance of power in the whole region and quite possibly the whole world. China defends its actions by asserting that so long as the U.S. continues to supply Taiwan with military aid, it will continue to make military sales to whomever they please. However, the U.S. is not supplying Taiwan with military aid for a possible aggressive attack, but more as a defense of a possible Chinese attack. The U.S. has good reason to believe that China will use military force if Taiwan wants to declare independence. Therefore, the U.S. is not selling weapons to Taiwan for aggression, but for a defense against invasion. On the contrary, China is selling weapons to countries that are aggressive and may continue to be aggressive in advancing their ideals and radical agendas.

All of these concerns do not lead to a total distrust of China. These concerns are merely a warning and guidance for the existing foreign policy with China. The relationship between U.S. and China has been strained in the past, but it has also been beneficial to both countries at times. That historical roller coaster fuels the need for a policy that will work now. That policy should not allow a country with an extremely close relationship with the U.S. to sell weapons and other military equipment to China, possibly muddying the waters of an already unclear relationship. The U.S. should attempt to treat China as a challenge rather than a threat, but the U.S. should not let themselves be totally trusting of a country with whom it has a less than perfect track record of foreign relations. The U.S. must

Taiwan could thus become ‘China’s Northern Ireland.’ In sum, Beijing’s leaders would probably find that the reunification of mainland China and Taiwan, no matter how desirable in their view, could not be properly achieved by military means. Id.

174. Id. at v. Some of these outsider states are enemies of Israel; they include countries such as Syria, Iran, and Pakistan. Id.

175. Id. at 23. The U.S. has tried to persuade China to discontinue the sales of nuclear technology to some of these outsider states. In 1995, the Chinese government suspended an agreement with Iran for nuclear energy cooperation and stopped selling Silkworm missiles to them. However, they have continued to supply Pakistan and Iran with tactical missiles and nuclear technology. Id.

176. Id.

177. Id.

178. Id.

179. JIAN, supra note 10, at 3.
be wary of the actions of a country that has, especially in recent history, had an adverse position to its own with regard to human rights and foreign policy.  

The U.S. strategy under President Bill Clinton was one that seems very appropriate for the current relationship with China.  

The strategy was a "constructive engagement" in which the U.S. would help China achieve an insider status.  

The main idea behind this strategy was to "actively engag[e] China and maintain[] a dialogue with Beijing's leaders" so that China can become the insider country that the U.S. can deal with more easily. This plan helps the U.S., and it helps China by the U.S. "demonstrat[ing] a desire to understand China" along with showing that the U.S. is learning "to trust the Chinese people." This strategy also demonstrates that the U.S. is willing "to live in peace with China in the next century." This strategy can be achieved with a long-range vision, but for now, the U.S. must still be careful of the present reality.  

B. Israel's Economy—Freedom to Sell

Now that the role of the Chinese military is known, the discussion turns to the impact that Israel is having on the Chinese military. While it is necessary for Israel to build up its economy, its economy should not thrive on sales that threaten a balance of power. One can wonder if the U.S. should have an influence on how Israel's economy grows or develops or if the U.S. should leave Israeli leaders to form their own policy and stand accountable for their decisions. The issues regarding Israel's economy will be addressed in this section.

Since Israel became a country in 1948, it has taken steps, as most countries do, to form a self-sufficient economy. Each country must have a self-sufficient economy to survive. The economies of countries consist of exports and imports. Some countries receive very little assistance and others receive large amounts of assistance to help develop their countries.

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180. See id. at 8.
181. Id. at 17.
182. Id.
183. Id.
184. Id. at 17.
185. JIAN, supra note 10, at 3.
186. See id.
187. Id. at 8.
188. Bard, supra note 22. President Truman said, in a speech given on October 28, 1948, "[Israel] must be large enough, free enough, and strong enough to make its people self-supporting and secure." Id.
The U.S. has been the largest donator of economic and military aid to Israel since its statehood in 1948. Since 1949, the U.S. has given over $90 billion in assistance to Israel. As an added bonus to Israel, they receive their aid from the U.S. on much more favorable terms than other countries receiving U.S. aid. For instance, many countries receiving aid must give an accounting of how the aid will be used—but Israel is not required to do so.

Despite the aid given to Israel since 1949, Israel still attempts to develop into a more self-sufficient country. This self-sufficiency takes shape as Israel develops a source of income consisting of more than just receiving aid. In 1996, the Prime Minister of Israel, Benjamin Netanyahu, pledged that Israel would begin to reduce U.S. aid and become a more self-sufficient country at the same time. Israel still acknowledges the need for the U.S. for security purposes, and they desire military aid just as much as they have in the past. Israel's economy has surged forward tremendously since 1985, and Netanyahu realized when he made his statements that the time was right to begin a phase-out period of U.S. economic aid. This growth of economy was achieved despite the fact

189. Id. Israel is the recipient of large amounts of aid. Id.
190. ORGANSKI, supra note 21, at 16. "Israel has received more direct aid from the United States since World War II than any other country...." Bard, supra note 22. The majority of this aid has come after 1973. Id.
191. Bard, supra note 22. This dollar amount does not include various joint military projects like that of the Arrow Missile Project which has its funding through the U.S. defense budget. Id.
192. Id. An example of this is that the Israeli government receives the economic aid directly as opposed to being designated to a special program. Id.
193. Id.
195. Id.
196. Id.
197. Id. "Inflation was cut from 400% in 1985 to 7% in 1997, trade barriers have been eliminated, and changes in capital rules and a more welcome business climate have led to a huge expansion in foreign investment... Congressional supporters of aid can share in these achievements." Id.
that Israel is a country with very limited natural resources, and they have
to import “crude oil, grains, raw materials, and military equipment.”

Israel has developed many branches to its self-sustaining economy. These branches include industry, agriculture, construction, transportation and communications, commercial financial and personal services, and public services. The largest percentage of its gross national product is public services, which is comprised mostly of tourism. The largest percentage of their exports comes from the industry branch. The industry branch has changed from a traditional branch producing textiles, furniture, fertilizers, pharmaceuticals, etc., to producing items along the lines of medical electronics, telecommunications, computer software and hardware, and diamond polishing and cutting. The high-tech area of the industry branch is the most highly exported of all the industry components. High-tech products account for 80% of all industry exports. These exports enter into the European Union and the U.S. duty free as the result of instituting a free trade agreement as well as “joining the General Agreement of Tariffs and Trade.” The high-tech firms of Israel spent over 90% of the research and development budget. This large amount of expenditures shows how dedicated the Israelis are to the development of new technologies.

The country of Israel has shown that they are “committed to serious efforts at economic reform.” The people have watched the growth of its economy expand to a gross domestic product of $57 billion, but they are

200. Id.
201. Id. Public services contain approximately 34% of the value of the GNP. Id.
202. Id. Industry contains approximately 60% of the value of all exports. Id.
203. Id.
204. Id.
205. Branches of Industry, supra note 199.
206. Israel's Status, supra note 198.
207. Branches of Industry, supra note 199.
209. Id.
still faced with two large demands: the military challenge of long-term threats and a vast immigration of hundreds of thousands of new people.\textsuperscript{210} The aid they have received from the U.S. has been subject to inflation and is not worth as much as it was when the aid began.\textsuperscript{211} This decreasing value is occurring at a time when their needs are expanding.\textsuperscript{212} Those factors show how Israel is establishing their economy despite the problems that they have to and are overcoming.\textsuperscript{213}

The Israeli economy has surged forward tremendously because the focus of the economy has changed from agriculture to a more high-tech economy.\textsuperscript{214} The only natural resources that Israel has within its borders are the Dead Sea minerals.\textsuperscript{215} Ever since the beginning of the 1990s, Israel has based its economy on knowledge in the form of high-tech and telecom companies.\textsuperscript{216} These high-tech and telecom companies are listed on the NASDAQ, and they ride the roller coaster of the U.S. economy.\textsuperscript{217} Israel even has software companies that specialize in security based in Singapore with operations across all Asia.\textsuperscript{218} Israel realizes that the future of its economy rests almost solely in the development and maintenance of its high-tech industry.\textsuperscript{219} Without the development of its high-tech sector, Israel's relatively fragile economy may collapse because there are very few other industries that it can participate in to keep the economy thriving or even alive.\textsuperscript{220}

The country of Israel encourages an entrepreneurial ideal in its people in several different ways so as to continue to grow the economy. The country believes that it can foster this atmosphere because a large percentage of its immigrants are college graduates from the former Soviet

\begin{itemize}
\item \textsuperscript{210} Id.
\item \textsuperscript{211} Id.
\item \textsuperscript{212} Id.
\item \textsuperscript{213} Id.
\item \textsuperscript{215} Id.
\item \textsuperscript{216} Id.
\item \textsuperscript{217} Id.
\item \textsuperscript{220} Id.
\end{itemize}
Union. Israel accomplishes this goal by not charging a capital gains tax. Another way is that the government gives a large amount of aid to start-up companies. The third way that the government is trying to encourage industry growth is to privatize those industries that are normally government-owned industries. Israel also allows for an easier transfer of financial investment from overseas thus growing investment capital for the companies of Israel. All these steps that the Israeli government is taking to grow the economy of the country are vital to the development and sustaining of a strong and self-sufficient economy.

One of the major sectors in the high-tech division to start developing into an economic factor is the sector of defense contracting. Not only have these defense companies contracted with China, but also with India to provide Israeli weapons and technology. In fact, "[a] lot of Israeli defense industries have been trying to get a bigger chunk of the Indian defense market." One piece of equipment that Israel Aircraft Industries (IAI) is producing for the purpose of selling to India is the same Phalcon plane that Israel attempted to sell to China. Obviously, the officials of IAI are hesitant to sell that plane because the U.S. interfered with the sale of the same to China. Israel will request American approval of this sale before they finalize an agreement with India in order to avoid the same result that happened in their failed agreement with China. Israel may

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221. Id. Up to 45% of the 880,000 immigrants are college graduates. Israel looks to this as an asset of people rather than the burden commonly associated with moving a massive group of immigrants into a country. Id.
222. Id.
223. Id. Entrepreneurs can apply for grants up to $300,000 per year for up to two years while they develop their ideas and companies. Id.
224. Id.
225. Hoekstra, supra note 219.
227. Bedi, supra note 218. Israel and India are forming a strategic partnership even though they have only had diplomatic ties for eight years. Id.
228. Id. Some of the weapons being sold are 155mm/39-cal, 155mm/45-cal, M-46, IAI/Barak missiles for its aircraft carrier and “Super Dvora Mk II fast attack craft.” Id.
229. O'Sullivan, supra note 226.
230. Id.
231. Id.
232. Id.
233. Arich O'Sullivan, Indian Delegation, Ben-Eliezer Meet Here, THE JERUSALEM POST, July 16, 2001, at 2, available at LEXIS, News Library, UPI File. The concern regarding the selling of the high-tech military equipment to India is because they have the fourth largest military in the world. Id.
assert that they are using total Israeli intelligence and technology, but the U.S. can make a valid point that because it has transferred so many weapons and technology to Israel, in essence, Israel is selling U.S. equipment to a country that may be an adversary of the U.S. The U.S. can reasonably believe that if this technology gets into the hands of the Chinese, and China becomes allies with a separate country, then the technology can slip to other countries that may be totally adversarial to the U.S. In short, the U.S. fears a slippery slope effect of selling high-tech equipment.

There is also speculation of nuclear relations between India and Israel, but both countries deny this speculation. Bilateral non-military trade between Israel and India has increased "from $640 million in 1998 to over $1 billion" in 2000, but the Israeli defense firms are reluctant to divulge the exact dollar amount of their weapons sales. With all the military equipment that is being sold to India, it is still only the second leading purchaser of Israeli military equipment. India runs second only to China as Israel's biggest military market in Asia.

IAI is trying to break into other markets with its technology. The IAI is even trying to break into the U.S. market to make sales to the U.S. The executives are aware of how difficult this will be to do, but some stand firm in the fact that they can penetrate the U.S. market. They are hoping to penetrate the U.S. market not only with military equipment, but also with training programs for pilots. This effort to grow shows Israel's increased knowledge on the technological front as it can begin to compete with the U.S. and other large countries for sales of technological devices. The high-tech industry is just one example of how the market of Israel is

235. Id.
236. Id.
237. Bedi, supra note 218.
238. O'Sullivan, supra note 226.
239. Id.
240. Bedi, supra note 218.
242. Id.
243. Id. "We haven't given up on the United States. We'll try our best to penetrate its market." Id.
244. Id.
245. Id.
thiving when a company out of the small country of Israel can even dream of competing with a company in a much larger country like the U.S.  

As previously discussed, Israel is a country that has its history documented in the Bible and it holds firm to the presumption that "[h]e who tills the land shall be satisfied with bread..." The Israelis interpret that scripture to mean that they know that they must work hard and develop their talents to be a self-sustaining country. That mindset helped Israel rocket to the highest growth rate of gross domestic product among Western economies through the years 1990-1996. Also, because Israel has such a small domestic market for many of its products, the only way that the economy can be boosted is by expanding exports. Those two factors combined are the major reasons why Israel, such a small country, can hope to compete in the world of trade and be rather successful at it.

C. The United States as the World Police

Today, the U.S. is renowned as the world police power of non-Communist states; a distinction that may have the U.S. being labeled as meddlesome in other countries’ affairs as well as protective of their respective independences. The U.S. could presumably have assumed this role because it is the only large superpower left that could sustain a valiant effort against any sort of evil in the world. The U.S. has been the faithful military protector for the post-World War II European continent, and Taiwan. In fact, "[o]ne senior Indian diplomat once went so far as to see the apartheid South African state as no more than an incidental beneficiary of this U.S. role." The governments of Europe have firmly planted themselves under the protection of the U.S. because of its position as a world power not to mention the fringe benefits of

246. See Branches of Industry, supra note 199.
251. Pollack, supra note 132.
252. Sivaramakrishnan, supra note 250.
253. Bard, supra note 22.
254. See JIAN, supra note 10, at 18.
255. Sivaramakrishnan, supra note 250.
America's thriving economy. However, not all of these countries and governments have enjoyed a strong American presence in their lands, perhaps thinking the U.S. was being too meddlesome in their affairs. The U.S. began to reduce its stance as the world police power with the inception and development of the European Union. The EU now has begun to fill in the gaps by forming diplomatic relationships with countries that the U.S. takes a harsh stance toward, a thought that would have been unimaginable just a short while ago. This is not to say that the U.S. does not involve itself as the world's policeman anymore, but rather to say that the EU is beginning to step into that position as well. This opinion stems from President Bush's "thinking that America should not be viewed as the world's lone police officer." Although that opinion is the current view of the White House, several people criticize it because they fear the role of co-policeman could be filled by the likes of China or Russia.

This meddlesome behavior on the part of the U.S. has its pros and cons. One of the pros that can be attested to by Israel is the benefit that arises from having a close relationship with a superpower such as the U.S. One of the cons Israel can attest to is the issue of whether they should be free to sell whatever they desire to whomever they desire without fearing U.S. interference. The issue stems from the realization that independent countries "must be large enough, free enough, and strong enough to make its people self-supporting and secure." The U.S. has seemed to infringe upon the main thrust of that quote by meddling with Israel's affairs in an effort to maintain some sort of level as the world police. Most people know that a common duty of a police officer is to monitor the activities of those that may cause harm to others. As the self-appointed world police officer, the U.S. has chosen to fulfill those duties by infringing upon other countries' rights to conduct normal (although possibly dangerous) business transactions. The U.S. has definitely

256. Id.
257. See generally id.
259. See id.
260. Id.
261. Id. "I'm afraid that others will fill the vacuum. At best it will be the Europeans. At worst, it will be Russia and China." (quoting Sen. Joseph Lieberman, D-Conn.). Id.
262. See Bard, supra note 22. The U.S. has given much aid to Israel. Some of which does not always get recorded in the normal Israeli aid budget. Id.
263. Id. Truman made this statement in a speech on October 28, 1948. Id.
264. O'Sullivan, supra note 226.
265. Israel Heeds Advice, supra note 3.
exerted more of a policing and protecting role over Israel than they have to any other country.

Another example of U.S. protection of Israel has come not only through military threats to other countries, but also through threats of boycotts of world conferences. In particular, the U.S. said that it would not attend a U.N. racism conference because of hostile language toward Israel in the U.N. charter with respect to Israel. President George W. Bush takes the stance that the U.S. will not attend the conference "so long as they pick on Israel." As in regular police protection, the police officer gives up something of convenience to him in order to protect the people that he is supposed to protect. The action taken by the U.S. to refrain from attending this racism conference was criticized by many other countries, as well as the American Civil Liberties Union members within the U.S. The U.S. gave up a chance to have a mighty impact on the countries that make up the United Nations, in order to make sure that Israel gets full protection from the U.S. This action by the U.S. affected many countries and it was not done by treaty or special writing, but rather by the power of persuasion vested in diplomatic relations. The other countries attending the conference wanted the U.S. to attend because the U.S. is still the most powerful country in the world.

As stated earlier, the U.S. has been an advocate of Israeli self-sufficiency and has yet to form any formal guidelines with its disbursement of aid to the Israeli government. The U.S. has a large number of treaties with Israel governing everything from agriculture to weather stations. The two countries have approximately 18 separate signed treaties governing defense and national security, only two of which govern trade

267. See id.
268. Id.
269. Id.
270. See id.
271. Id.
275. Treaties in Force, supra note 272, at 144.
and commerce.\textsuperscript{276} However, none of these treaties address the selling of arms to countries that may potentially become enemies to the other country involved.\textsuperscript{277} The lack of actual guidelines set a framework for the potential hazard that was discovered in April of 2000.\textsuperscript{278} Had there been actual guidelines about what sort of trade could be conducted by Israel, the U.S. leaders would presumably not have had another national security concern to worry about. The U.S. would have been aware of exactly what military equipment the Israelis had been selling to the Chinese. The U.S. could then point to the guidelines immediately if it felt that the equipment was in conflict with its national security interest and then rely upon those guidelines to solve the problem before it started.

However, to reduce the potential guidelines of the U.S. to writing may cause extremely hard feelings between the U.S. and any other country that appears on that list. A country that appears on the list may feel as though they are being made an example of by the U.S. and develop a deep dislike for the U.S. because they were set apart from unlisted countries. Also, a country listed as dangerous may always come back to aid the U.S. in some way and the more formal restrictions would make this process more difficult in times of emergency. In the case of China, it has yet to do anything so terrible that would the imposition of an embargo by the U.S. Right now, the U.S. has more flexibility to enact temporary embargoes, which is very important with a country as unpredictable as China.

One could raise the point that as an independent nation, Israel has the right to conduct any sort of business that it desires without foreign interference.\textsuperscript{279} Under most circumstances, the idea of an independent country conducting its own business is an extremely legitimate rationale. However, because the U.S. is the country that literally held Israel's hand and nurtured Israel as it has developed into its present state, the U.S. is and should be in a position to interfere if Israel makes a business deal that may infringe upon U.S. security interests.\textsuperscript{280} Such is the instance with the events that have unfolded in 2000\textsuperscript{281} and 2001.\textsuperscript{282} The people of Israel have

\textsuperscript{276} Id. at 146.
\textsuperscript{277} See Treaties in Force, supra note 272.
\textsuperscript{278} See generally Morris, supra note 1.
\textsuperscript{279} Weiss, supra note 8. This writer asserts that the U.S. is like Israel's mother-in-law because, like a mother-in-law, the U.S. seems to come around Israel when the U.S. is not wanted around, but Israel cannot rid themselves of the U.S. because of the tight relationship between the two countries that has formed since Israel became a country in 1948. Id.
\textsuperscript{280} See generally Bard, supra note 22.
\textsuperscript{281} Israel Heeds Advice, supra note 3.
\textsuperscript{282} Morris, supra note 1.
expressed displeasure that the U.S. has meddled in their affairs. Opinion editors in Israel have likened the relationship between the U.S. and Israel as that of a mother-in-law relationship. Those editors have a legitimate cause for complaint because Israel should make deals that it sees fit to help their economy and then be held accountable for those decisions.

D. Implications of High-Tech Arms Sales

Previously, the current status of the Chinese military was discussed at length to illustrate the danger that lurks in the event that the U.S. and the rest of the world close their eyes to future high-tech arms sales to China. China has the world's largest manned army, a Communist government, and an uncanny ability to be unpredictable in many confrontational circumstances. If Israel's military sales consisted of old tanks, guns, and other simple equipment, the U.S. would not have a need to intervene because China's ability to be the aggressor would be quashed by a country with a much more technologically advanced military. But the equipment that Israel has been selling is not obsolete equipment. As shown by Israel's economic figures, the high-tech sector of their economy is the driving force behind its whole economy. China's extremely large army and influx of high-tech weaponry may allow them to be in control of whatever military action that it desires to embark upon.

With the high-tech weaponry being delivered to China, the world balance of power that was created after World War II, becomes more volatile. With Israel as the supplier, the U.S. has a little more room to interfere because of the political and diplomatic pressures they can exert upon Israel. One can be assured that if these weapons were not high-tech, China would not be considered a threat to the security of the U.S. because they are still a Pacific Ocean away from the U.S. In essence, the high-tech weaponry that China may buy from Israel could build a bridge from China to Taiwan and maybe even a large bridge from China to the U.S. Technology has shrunk the size of the world in which we live; and sometimes, militarily, that is not always the best path to take.

283. Weiss, supra note 8.
284. Id.
285. JIAN, supra note 10, at v.
286. GREGOR, supra note 47, at 55.
287. Id. at 47.
289. See Ryan, supra note 214.
290. Israel Heeds Advice, supra note 3.
291. Id.
The U.S. has taken steps within its own borders to monitor the sales of high-tech equipment manufactured by American companies in the form of a control process for international sales. This process is implemented upon computer makers in the U.S. because the government and most people agree that a supercomputer can almost be more dangerous than many weapons. The U.S. realizes that it would be extremely simple to publish a list of countries that are dangerous buyers, and they also realize the ramifications that can arise out of that publication. This list would speed up the exporting process, but it would also reveal too many intelligence sources as well as cause many diplomatic conflicts between the U.S. and any country whose name would appear on the published list. Some people realize that it is more important to establish a solid foreign policy than to establish and build economic trade. These same people believe that it is "easier, safer and more economical to stop dangerous exports than to defend against the weapons they produce." In short, they believe that the benefit gained is not worth the risk.

The explanation of the U.S. policy can help explain how an Israeli policy should be handled. The main difference between the two countries is that Israel does not have to defend against the weapons and high-tech equipment that it produces, and it does not have any threat to its security by making its sales. The U.S. has a responsibility to guard against Israeli sales because of its role as the world police officer resulting in a large cost to the U.S. without seeing any compensatory revenue. As one author has suggested:

Israel may be excused for taking the U.S.—Chinese former ‘strategic relationship’ at face value, but the current U.S. position has great merit.

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292. Gary Milhollin, *A Look at . . . Exporting Trouble; With Looser Computer Controls, We're Selling Our Safety Short*, THE WASH. POST OUTLOOK, Mar. 12, 2000, at B3 [hereinafter Exporting Trouble]. This plan consists of the U.S. manufacturer notifying the U.S. government if it desires to sell high-tech equipment to a country. They then must wait 10 days before any sales can be made. If the government views the buyer with suspicion, then a formal license is necessary. Although this author addresses the sales of computers, the similar concerns can be raised with high-tech military equipment. *Id.* As a side note, approximately 90% of sales gain no objection from the government yielding little impedence to exports. *Id.*

293. *Id.*

294. *Id.*

295. *Id.*

296. *Id.*

297. *Id.*

298. Exporting Trouble, supra note 292.

299. See *id.*
In a multipolar world—unlike the bipolar Cold War—sharing advanced military technology with other nations—even close allies—is generally unwise.\textsuperscript{300}

Today, many opportunities exist worldwide for a country to create a shift in the balance of power and possibly disrupt the current level of peace in the world.\textsuperscript{301} Countries realize that ad hoc coalitions are the best form of containment for regional conflicts.\textsuperscript{302} With a free trade of weapon systems and high technology equipment, not only does the buying country become stronger militarily, but also the selling country as well as other non-buying countries becomes weaker as a result of the new position occupied by the buying country.\textsuperscript{303}

The free flow of weapons trading does not necessarily make the world any safer in which to live.\textsuperscript{304} The trading does make the selling country a significant amount of money, but also yields way to a more dangerous place to live.\textsuperscript{305} There is a saying “that advises a country to ‘keep your powder dry’;”\textsuperscript{306} some say that should be “updated to read: ‘keep your high-tech powder dry and locked up.’”\textsuperscript{307} That may be the best advice that could be given to countries such as Israel, that rely heavily upon the exportation of high-tech equipment to other countries. However, up to this time, Israel has not stopped its quest to grow the high-tech aspect of its economy.\textsuperscript{308} For Israel, high-tech development and exportation is vital to the survival of its recently thriving economy, and to give that up may be almost too much to ask.\textsuperscript{309}

IV. CONCLUSION

When the U.S. and Chinese planes collided in 2001, the U.S. became more aware of its hunches about how Israel, a very close ally, was achieving its goal of becoming a more self-sufficient country. That goal was being achieved by selling military equipment to countries both adversarial and friendly to the U.S. The U.S. has encouraged Israel to
become more self-sustaining, but at the same time has still supplied Israel with both military and economic aid. Newly-elected Israeli officials have begun to implement a plan to phase out the economic aid, but are still expecting to receive military aid indefinitely. The focus of the U.S., while interfering in other military sales between Israel and China, has not been one of a meddlesome mother-in-law\textsuperscript{310} like some people believe. Instead, it has been more of a protector of its own security interests as well as those of smaller nations, such as Taiwan. The U.S. has assumed the role of world police officer for non-Communist countries in part because it is the only superpower in the world today.

The U.S. feels that it is in its best interest if the military capabilities of "outsider" countries do not rival its own military capabilities.\textsuperscript{311} Ironically, Israel is helping adverse countries achieve the goal of matching the U.S. military by selling and marketing its high-tech equipment to those countries. The U.S. could publish a list of these outsider countries but to do so would be detrimental to foreign relations that the U.S. has with these countries.\textsuperscript{312} A formal treaty would achieve the same result as a published list. All factors considered, the U.S. should meddle in Israel's affairs and economic independence only when its national security is at risk. Any other meddling brings merit to the claim of Stewart Weiss when he says: "[t]he price tag for marrying the favorite and enjoying a smooth, free ride is a steep one: the loss of our independence."\textsuperscript{313} Israel must realize that U.S. infringement upon its economic independence helps it maintain its independence. The U.S. longs to make the world as safe as possible, and in turn keep its own interests equally as safe. If Israel desires U.S. protection, it should realize the responsibility it owes to the U.S. for that protection.

\textsuperscript{310} Weiss, \textit{supra} note 8.  
\textsuperscript{311} See \textit{Jian}, \textit{supra} note 10, at v.  
\textsuperscript{312} \textit{Exporting Trouble}, \textit{supra} note 292.  
\textsuperscript{313} Weiss, \textit{supra} note 8.
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