Four considerations provide the foundation for China's policies toward Russia and the Central Asian Republics in the post–Cold War era: (1) China's desire for stability on its frontier and border provinces, (2) its desire to enhance the economic development of specific inland regions, (3) its growing energy needs, and (4) its concerns over its relative position in the post–Cold War strategic environment. The importance of each of these factors varies according to China's perception of each country's economic prospects, potential to affect China's domestic stability, energy resource endowment, and relative strategic significance. In this context, strategic considerations receive greater attention in China's policy toward Russia than they do in China's policies toward the Central Asian Republics. At the same time, issues relating to safeguarding China's domestic stability against outside threats are much more prominent in China's policies toward the states of Central Asia. These distinctions aside, the four considerations listed above provide a basic framework for understanding China's current and potential future policies toward Russia and the states of Central Asia.

The warming of Sino-Russian and Sino-Central Asian relations did not begin abruptly with the end of the Cold War. Rather, relations improved through a gradual process of rapprochement between China and the Soviet Union initiated by Mikhail Gorbachev in his famous “Vladivostok speech” of 1986. This speech indicated the Soviet Union's willingness to compromise on what the Chinese termed the “three obstacles” to improved relations. These compromises included withdrawing Soviet troops from Afghanistan, withdrawing troops from Mongolia, and reducing support for Vietnam. The last of
the “obstacles” was overcome with Vietnam’s April 1989 announce-
ment that it would withdraw its forces from Cambodia. China and
the Soviet Union normalized relations one month later during Gor-
bachev’s summit with Deng Xiaoping in Beijing.

Chinese and Soviet leaders reached agreement on 98 percent of their
7500-km common border in May 1991.1 The collapse of the Soviet
Union only a few months later delayed negotiations on the remain-
ing 2 percent of the border, now split among four countries, but did
not derail them. In October 1992, a joint delegation from Kazakh-
stan, Kyrgyzstan, Tajikistan, and Russia traveled to Beijing to reas-
sure Chinese officials of their commitment to the principles agreed
to in the 1991 agreement, thus setting the stage for future negotia-
tions.2 China and Russia announced the complete demarcation of
their border in 1997, although details of the demarcation remain un-
clear.3

Since 1992, China has negotiated a series of political, military, and
economic agreements with Russia and the Central Asian Republics.
The goals of these agreements were to reduce tensions around or re-
solve remaining border disputes, address other security concerns,
and foster economic development on both sides of their common
borders. The 1996 and 1997 Five-Party Military Agreements, signed
in Shanghai and Moscow, respectively, are the most important of
these multilateral security agreements. These agreements involve
China, Russia, Kazakhstan, Kyrgyzstan, and Tajikistan and place
limits and conditions on military activity within 100 km of the Sino-
FSU border. Russian officials describe the 1996 agreement as “in
effect a non-aggression treaty.”4

1James Clay Moltz, “Regional Tensions in the Russo-Chinese Rapprochement,” Asian
2Moltz, 1995, p. 517.
3Yuriy Paniyev, “Eternal Peace Declared on the Russian-Chinese Border,” Delovoy Mir,
Moscow, November 11, 1997, p. 1, appearing as “Russian-PRC Border Demarcation,
Economic Accords Detailed,” World News Connection, insert date: November 11,
1997, document id: 0ejk3dw015rp52. For a more detailed account of the border negoti-
tion process see: Yakov Zinberg, “The Vladivostok Curve: Subnational Intervention
into Russo-Chinese Border Agreements,” IBRU Boundary and Security Bulletin, Au-
tumn 1996.
4Agence France Presse, “Border Treaty with China Is ‘Non-Aggression Pact’: Deputy
Foreign Minister,” April 30, 1996 (downloaded from Lexis-Nexis).
The two Five-Party Military Agreements demonstrate geography’s significance in how China implements its policies toward the Central Asian Republics. Rhetorically, China’s policies apply to Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan equally. In practice, however, the bulk of China’s efforts in the security realm have focused on Kazakhstan, Kyrgyzstan, and Tajikistan. Their geographic proximity makes these countries natural security concerns for China. (See Figure 2.) Kazakhstan and Kyrgyzstan’s common borders with China make significant economic interaction with China feasible. Tajikistan participated in the Five-Party Military Agreements, but its domestic turmoil limits its prospects for developing a significant economic relationship with China.

Neither Uzbekistan nor Turkmenistan participated in the Five-Party Military Agreements. Sino-Turkmen relations are negligible in both security and economic terms. Uzbekistan, on the other hand, has enjoyed significant increases in trade with China in recent years. Recent improvements in regional rail transportation might allow for further growth in Sino-Uzbek and perhaps even Sino-Turkmen trade.
While it does not border China, Uzbekistan is home to a modest Uighur population. Its attitude toward the separatist movement in Xinjiang is, therefore, of some concern to Beijing.

**STABILITY ON THE BORDER**

China's diplomatic focus on reducing security tensions with its neighbors reflects one of Beijing's foremost security priorities in the reform era. With the disappearance of an immediate threat of invasion and the emergence of dynamic economic centers along its eastern coast, China's security policy in the 1980s shifted from simply ensuring survival in a hostile world to preventing international instabilities from undermining its prospects for continued economic development. In this context, minimizing the potential for conflict or instability along its border is a central goal of China's policies toward the Soviet Union's successor states.

Securing stable borders with Russia and the Central Asian Republics addresses slightly different concerns for Beijing. Russia represents a potential security threat in the conventional military sense. Although it can no longer claim superpower status, Russia remains a significant military power and the only country along China's land border that can pose a realistic military threat to China. Military clashes occurred on the Sino-Soviet border as recently as the late 1960s and early 1970s. Effectively resolving their remaining border disputes removes one of the largest potential sources of conflict from the Sino-Russian relationship. Furthermore, the less Beijing has to worry about security threats along its northern border, the more resources it can devote to economic construction or addressing security concerns off its east or southeast coasts.

Unlike Russia, the countries of Central Asia cannot threaten China in a conventional military sense. However, they can potentially affect conditions within China in a much more direct and dangerous manner than can Russia. This potential stems from the demographic similarities between the Central Asian states and China's Xinjiang.

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Uighur Autonomous Region (XUAR). Roughly 60 percent of Xinjiang's 16.6 million population is composed of ethnic minorities, who typically have far more cultural and ethnic affinity for the Islamic Turkic populations in Central Asia than they do for ethnic Han Chinese. The region's largest single ethnic group, the Uighurs, are ethnic Turks and number just over 7 million. Han Chinese are Xinjiang's second largest ethnic group, with a population of approximately 6 million. The autonomous region is also home to over one million Kazakhs and smaller numbers of Kyrgyz, Tajiks, and Mongols. Because of the heavy concentration of ethnic minority populations, the Chinese leadership views Xinjiang as particularly susceptible to foreign, anti-Chinese influences. Following the Soviet Union's collapse, Chinese leaders worried that transnational Islamic or ethnic Turkic forces operating out of the newly independent Central Asian Republics would actively encourage and support the separatist activities of minority groups within Xinjiang.6

Chinese concerns over minority unrest in Xinjiang are not without merit. While most minority groups in the XUAR remain relatively submissive to Beijing's authority, some elements within the Uighur population have engaged in violent opposition to Chinese rule and call for the reestablishment of an independent nation of East Turkistan in Xinjiang.7 Since the late 1980s, Uighur separatist groups have waged a campaign of sporadic violence against ethnic Chinese. As one reporter describes their activities, "Uighur terrorists specialize in three types of operations: planting bombs, killing police and soldiers, and robbing banks (in order to purchase weapons)."8 Since 1989, anti-Chinese rioting has occurred in the region's capital city of Urumqi as well as in major trading centers such as Kashgar and Yin-


7 A Uighur-led movement succeeded in establishing an independent nation of East Turkistan in the northern section of Xinjiang in 1944. However, its independence proved to be short-lived, as it was incorporated into the People's Republic of China in 1950. For details, see Felix Chang, "China's Central Asian Power and Problems," Orbis, Summer 1997, p. 406.

ing.\textsuperscript{9} Riots in Yining in 1997 left at least 10 dead, and were followed by a harsh crackdown by Chinese authorities and sporadic reprisals by Uighur groups.\textsuperscript{10} Perhaps most serious from the Chinese leadership’s perspective, Uighur activists claimed responsibility for a bomb attack in Beijing in 1997 that injured approximately 30 people.\textsuperscript{11}

Stability in Xinjiang is important to Chinese leaders for a number of reasons. The first is that instability in the XUAR could ultimately threaten China’s hold on the region, and thereby threaten the integrity and sovereignty of the People’s Republic of China (PRC) as a whole. Although few nations are ambivalent about their territorial integrity, China is particularly emphatic in asserting the historical legitimacy and inviolability of its declared borders. This sensitivity is part of the legacy of China’s “century of humiliation,” when imperial powers frequently violated China’s sovereign and territorial rights. In Xinjiang’s case, there are also fears that a loosening of Chinese control might encourage non-Chinese populations in other regions, such as Tibet or Inner Mongolia, to increase their own separatist activities, or weaken the credibility of China’s commitment to reunification with Taiwan.

Xinjiang’s stability also concerns Chinese leaders because of the region’s importance to China’s continued economic development and overall security. As a 1996 commentary in the region’s daily paper bluntly stated, “Xinjiang’s stability has a bearing on the stability of the whole country and Xinjiang’s development has a bearing on the development of the whole country.”\textsuperscript{12} In the security realm, Xinjiang has historically served as a buffer against potential aggressors from the mountains and steppes northwest of China. The region’s vast open spaces and relatively small population make it an area in which the People’s Liberation Army (PLA) can conduct both nuclear tests and large-scale conventional military exercises.

\textsuperscript{9}Anthony Davis, “Xinjiang Learns to Live with Resurgent Islam,” Jane’s Intelligence Review, September 1996.
Xinjiang's primary economic significance is as a domestic source of natural resources—115 of the 147 minerals located in China can be found in Xinjiang.\textsuperscript{13} The region's most prominent resource is oil. Three oil basins lie within Xinjiang's boundaries—the Turpan, Junggar, and Tarim.\textsuperscript{14} The Tarim basin is reportedly the largest unexplored oil basin in the world, with some estimates of potential reserves ranging as high as 147 billion barrels (bb),\textsuperscript{15} although the recent experience of Western oil firms there indicates that the region's recoverable reserves may be in fact significantly lower.\textsuperscript{16} Nonetheless, Chinese leaders consider Xinjiang's oil resources to be vital to China's future energy security, particularly as the PRC's large eastern oil fields—the Daqing, Shengli, and Liaohe—mature and begin to decline in production. In a recent article on China's future energy policy, Li Peng stated that China hopes only to stabilize production in its East China fields. Increases in total domestic production will have to come through expanded production in Western China.\textsuperscript{17}

**TRADE AS A TOOL FOR STABILITY AND DEVELOPMENT**

China's policy toward the Soviet Union in the 1980s focused primarily on how to counter the Soviet military threat. Even though the expansion of economic relations with the outside world was a defining characteristic of Deng Xiaoping's reforms, China made only modest progress in this aspect of its relationship with the USSR. Trade relations between China and the Soviet Union did expand during the


\textsuperscript{14}These three are listed by Li Peng in his recent article, “China's Policy on Energy Resources,” Xinhua, May 28, 1997; as “Li Peng on Energy Policy,” World News Connection, insert date: June 23, 1997, document id: drchi119_n_97001. Li also mentions the Qaidam Basin located nearby in Qinghai province as having significant oil reserves.


\textsuperscript{17}Li Peng, Xinhua, May 28, 1997.
1980s, reaching approximately $2.5 billion in 1987\textsuperscript{18} from only $389 million in 1982.\textsuperscript{19} However, they fell significantly short of the level of trade China enjoyed with the more economically vibrant countries of East Asia and the developed world, such as Japan ($23.7 billion in 1987) and the United States ($7.8 billion in 1987).\textsuperscript{20} This is understandable given the enduring security tensions in Sino-Soviet relations in the first half of the 1980s and the USSR’s economic collapse in the second half. Perhaps as important, China’s reform policies focused on expanding trade between China’s coastal provinces and countries that could provide the PRC with the capital, technology, and export markets it required to sustain a rapid pace of economic development. As the Soviet Union could not provide these in any abundance, there was relatively little reason for China to devote significant resources to increasing trade links across this inland border.

Strengthening trade ties with Russia and Central Asia gained new prominence in China’s policy in the post-Soviet era. By 1993, China’s trade with Russia was more than double Sino-Soviet trade totals in 1991, although it retreated somewhat in subsequent years (see Figure 3). In 1997, China and Russia set a target of $20 billion for bilateral trade by the year 2000.\textsuperscript{21} China and Kazakhstan, China’s largest Central Asian trading partner, set an ambitious, but perhaps more feasible, goal of $1 billion for the same period.\textsuperscript{22}

Increasing trade along its Russian and Central Asian borders serves a number of interests for the PRC. First, it broadens Sino-Russian and Sino-Central Asian relations beyond issues of security. Increased trade generally fosters greater economic opportunity and cooperation between the countries involved. Sino-Russian and Sino-Central

Asian relations will become more stable as each country plays a larger role in the economic development of the other.

Certain Chinese policymakers view expanding trade links with Russia and Central Asia as means to enhance economic development in China’s interior regions. They argue that this is not only consistent with the general economic policy of “opening up,” but also a way to address growing problems of uneven development among China’s diverse regions. According to Gaye Christoffersen, regional Chinese leaders have pushed hard for the creation of “regional economic circles” of Chinese border regions and contiguous states “for the purpose of trade and economic development.”23 An article in the journal of the Institute of South Asian Studies of Sichuan University emphasized the need for such policies. It noted that the failure to increase development in areas of “backward social and economic

\footnotesize{23Christoffersen, 1993, p. 134.}
development” will prevent the “stabilized and concerted development of the national economy.” This will eventually have an adverse impact on “national unity and frontier stability.” While this particular article’s recommendations focused on enhancing links between South Asia and China’s Southwest region, its fundamental argument is applicable to China’s Northwest and Northeast regions as well.

Greater economic development, fueled by increased trade with Central Asia, is a central component of Beijing’s approach to fighting separatism and maintaining long-term stability in Xinjiang. A 1996 meeting of Xinjiang’s provincial party’s central committee identified “national secessionism and illegal religious activity” as the primary danger to Xinjiang’s stability. While the committee called for tightened control of religious activities in the province and increased propaganda and education efforts to reduce the appeal of secessionism and religion, it cited greater economic development in Xinjiang as vital to effectively addressing this problem. The committee declared, “we must seize the opportunity to accelerate Xinjiang’s economic development and improve the living standards of the people of various nationalities. This is the most important basis (emphasis added) for maintaining Xinjiang’s stability.”

Finally, Beijing believes increased trade will enhance stability within the potentially volatile countries of the FSU. This goal is more relevant to China’s policy toward Central Asia than its policy toward Russia. As discussed earlier, unrest in Central Asia holds a much greater potential for affecting China’s own internal stability than does unrest in Russia. Chinese leaders hope that increased economic interaction with Central Asia will strengthen the secular-minded governments of the region against religious or ethnic-based groups who might actively support separatist groups in Xinjiang.

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Beijing’s policy emphasis on promoting trade is reflected in the dramatic growth in infrastructure links between China and Russia and China and Central Asia. In 1986, China’s northeastern border province, Heilongjiang, had only a single station on the Soviet border. By mid-1993, 13 river ports, three airports, and four road bridges linked Heilongjiang to the Russian Far East (RFE). More recently, China and Russia included Mongolia in an agreement to increase trade and cooperation among the three countries’ rail networks. The purpose of the agreement is not only to spur trade among the three signatory countries, but to also increase the volume of trans-Eurasian rail trade.

A similar expansion of links occurred along China’s Central Asian border, perhaps the most significant being the opening of the Urumqi–Almaty rail-line in 1992. This rail-line not only gives the various states of Central Asia access to China’s domestic market and eastern ports, but also opens a potentially important overland route between China and Europe and the Middle East. In addition to the rail link, 14 other ports of entry were open in Xinjiang in April 1993. Most are simple road routes, but two are airports. In 1998, China, Uzbekistan, and Kyrgyzstan agreed to open a new highway from Kashgar through Kyrgyzstan to Tashkent in Uzbekistan. According to Xinhua, the road is intended to stimulate increased trade among the three countries and lay the foundation for the eventual construction of a new railway along the same route.

Li Peng’s 1994 tour of the Central Asian Republics (except civil war–wracked Tajikistan) highlighted trade’s prominent role in China’s policy toward the region. Li’s trip was the first of a major Chinese official to the newly independent Central Asian states. Notably, a large

group of Chinese entrepreneurs accompanied him. This marked the first time representatives of Chinese commercial interests officially accompanied a PRC official on a formal state visit. In a speech to the parliament of Uzbekistan, Li stated that improved “economic cooperation” is a primary goal in China’s policy toward the Central Asian Republics.31

The significance of China’s trade with Russia or the Central Asian Republics is not fully captured in statistics depicting the official dollar value. As discussed earlier, Sino-Russian and Sino-Central Asian trade is considered particularly important to the economic development and political stability of bordering Chinese regions. Moreover, China may receive goods of particular economic or strategic value through its trade with these countries. Russia’s arms sales to China are a current example of this. Future Russian and/or Central Asian energy supplies to China may also fit into this category. Finally, unofficial transactions, often referred to as “suitcase trade,” are quite common in China’s trading relationship with Russia and the Central Asian Republics. There are no figures for the amount of “suitcase trade” that goes on between these countries, but the total volume may represent a significant percentage of the official trade.

In the immediate aftermath of the Soviet collapse, the decision to promote trade with the new Central Asian states was the source of some debate among the Chinese leadership. In 1992, Wang Enmao, the former head of Xinjiang’s regional government, reportedly called for the construction of “a great iron wall” along the Sino-Central Asian border to protect Xinjiang from hostile foreign elements.32 Wang’s call reflected the desires of much of the Chinese leadership to prevent the combination of Pan-Turkic nationalism and Islamic radicalism from provoking greater unrest in the XUAR.33

A pamphlet published by the China Youth News (Zhongguo Qingnian Bao) in early 1992 argued that in the aftermath of the Soviet collapse China’s domestic and foreign policies should use “stability” as “the

32 Craig Harris, 1993, p. 118.
basic point of departure.” Although this suggestion was less extreme than Wang Enmao’s, it was, nonetheless, an essentially cautious and reactive approach to dealing with the new national entities of Central Asia.

Deng Xiaoping’s historic “Southern Journey” of early 1992 settled the debate over what kind of policy China should pursue toward the Central Asian Republics. Deng’s forceful promotion of more rapid economic reform in China effectively rendered the cautious approach to expanding economic ties between Xinjiang and Central Asia politically untenable. Evidence of this can be seen in a September 1992 article in Xinhua that criticized decisionmakers in Xinjiang for allowing their “preference for stability” and “fear of chaos” to prevent them from pursuing more aggressive economic and trade policies. The article declared that these leaders were able to “emancipate their minds” and “boldly lay down a new strategy” of “letting trade take the lead” in the region’s development only after “studying the talks of Comrade Deng Xiaoping during his southern tour.”

For their part, the governments of Central Asia share many of Beijing’s concerns about the dangers that transnational ethnic or religious groups pose to regional stability. Their secular policies and sensitivity to Chinese concerns over “separatist” groups operating out of their countries have made it easier for China to pursue more open economic policies. Sino-Central Asian joint declarations uniformly stress the need to oppose all forms of “ethnic separatism,” and prohibit “organizations and forces from engaging in separatist activities in the respective countries against the other side.”

36 “Text of Sino-Kyrgyzstan Joint Declaration,” Xinhua, July 4, 1996; World News Connection, insert date: July 9, 1996, document id: 0duasadf032psrpm. Similar expressions with regard to other Central Asian states can be found in “Sino-Kazakhstan Joint Declaration,” Xinhua, July 5, 1996; World News Connection, insert date: July 9, 1996, document id: 0duasdf03psrpm. Also see “China and Tajikistan in Bilateral Pact on Military Cooperation,” Jane’s Defence Weekly, October 9, 1996, Vol. 26, No. 15, p. 22.
Ironically, the longer-established states of South or Central Asia—Pakistan and Afghanistan—have proven much more of a problem in recent years as sources of radical Islamic elements entering Xinjiang than the Central Asian Republics. Beijing has been disappointed with Pakistan’s inability to prevent Islamic groups, such as the Jamaat-e-Islami, from assisting separatists in Xinjiang. China reportedly erected a fence along its 750-km border with Pakistan in 1997 to reduce the assistance such groups might provide militant Uighur elements in Xinjiang.

Chinese leaders are concerned about conditions in Afghanistan for a number of reasons. Like many in the region, they are concerned with the implications of the Taleban’s rise, and are keen to prevent radical Islamic elements there from assisting Uighur separatist groups. The French newspaper al-Watan al-‘Arabic reported in 1997 that the notorious anti-U.S. terrorist, Osama Bin-Ladin, was planning to move to Xinjiang to participate in a jihad against Chinese rule there. This report has proven to be inaccurate, but it does suggest that Chinese concerns about radical outside groups assisting Uighur separatists may have some foundation. Aside from preventing terrorists from crossing China’s borders or providing assistance to Uighur separatists, Beijing is also concerned about the flow of drugs and other illicit goods into Xinjiang from both Pakistan and Afghanistan.

China’s policy of promoting trade with Russia and the Central Asian Republics has not met with unmitigated success. Although trade has increased significantly since 1991, the total volume of trade remains relatively low and is subject to volatility. Sino-Russian trade soared to $7.7 billion in 1993, more than twice the $3.8 billion total for China’s trade with the entire Soviet Union in 1991. However, it dropped to little over $5 billion the next year, largely because of a tighter visa regime adopted to address Russian concerns over Chinese immigration. Although Sino-Russian trade recovered to $6.8 billion in 1996, it fell to just over $6 billion in 1997. Given these erratic trends, the goal

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of Sino-Russian trade reaching $20 billion in the year 2000 appears wholly unrealistic.

Trade flows between China and Central Asia demonstrate similar volatility, although the total volumes involved are significantly less. For example, Kazakhstan’s bilateral trade with China reached $435 million in 1993. In 1994, it dropped over 20 percent to $336 million. Sino-Kazakh trade recovered faster than Sino-Russian trade, however, surpassing its 1993 trade level in 1996 with $460 million in total trade (see Figure 4). Overall, China’s official trade with the Central Asian Republics in 1997 totaled only $872 million.

The volume of China’s trade with Russia and Central Asia is relatively insignificant compared with its trade with countries like Japan, the United States, and South Korea (see Figure 5). Russia’s trade with China in 1997 represented only 2 percent of China’s total trade (see Figure 6), and absorbs 1 percent of China’s total exports. China’s trade with the Central Asian states in 1997 was less than half a percent of China’s total trade. As discussed earlier, trade with Russia and Central Asia benefits a range of Chinese interests. However, its relative importance to the continuing development of China’s overall economy is marginal.

Apart from the one-time shock resulting from the tighter visa regime between China and Russia, Sino-Russian and Sino-Central Asian trade is constrained by an inadequate physical and financial infrastructure. Establishing effective transportation links is only one step in the process of creating stable trading relationships between China and the FSU. Inadequate financial institutions in all of the involved countries also contribute to the volatility of Sino-Russian and Sino-Central Asian trade. An article in Heilongjiang province’s daily newspaper argued that the low quality of Chinese export products and the failure to effectively develop more advanced, nonbarter trading systems are to blame for the enduring problems in Sino-

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Russian border trade. Although China and Russia can resolve these problems over time, they limit the prospects for dramatic increases in Sino-Russian or Sino-Central Asian trade in the near term.

The potential for growth in trade between China and Russia and China and Central Asia is also limited by the weaknesses inherent in the Russian and Central Asian economies. Russia’s economy, for example, is of moderate size, but has experienced massive dislocation since 1991 and continues to face severe challenges in its transition to a market-based economy. Aside from military equipment and natural resources, few Russian goods are sought after in China. This was poignantly illustrated in 1997 when Russian firms failed to win the bid to supply power generators to the massive Three Gorges

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Because much of China’s hydroelectric industry is based on technology and designs provided by the Soviet Union during the 1950s, Russian firms believed they would have a decisive edge in the bidding competition. Instead, contracts worth $740 million were awarded to a consortium of European firms. The Moscow paper Trud reported that failure to be awarded the bids was due, in part, to Chinese complaints that Russian firms are often unable to meet their commitments in terms of “quality or timeliness.”

Over the long run, Russia’s economy may revive and its products become more competitive. However, for the foreseeable future neither Russia nor Central Asia will be able to offer China the kinds of opportu-

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Figure 6—China’s Top Ten Trading Partners as a Percentage of Total Trade, 1997

China’s Top Ten Trading Partners as a Percentage of Total Trade, 1997

Russia 2%  
Japan 18%  
Hong Kong 15%  
United States 14%  
South Korea 7%  
Taiwan 6%  
Germany 4%  
Singapore 3%  
UK 2%  
France 2%  
Rest of World 27%  

China’s Energy Needs

Russia is an important supplier of oil and gas resources in the international energy market. Provided they can successfully develop pipeline routes to the outside world, a number of Central Asian countries will become major suppliers of energy resources in the
next ten to fifteen years. Estimates of the Caspian region’s potential oil reserves, including Azerbaijan, range from 70 to 200 billion barrels (reserves of 100 billion barrels would allow for production levels roughly equivalent to that in the North Sea). These potential reserves cannot compare to those of the Persian Gulf, but they are significant nonetheless.

In contrast, China is increasingly reliant on energy imports to fuel its economic growth. China became a net importer of oil in 1993. In 1995, China imported roughly 400,000 barrels of oil a day. Estimates place China’s demand for oil imports by the year 2000 at 1.3 million barrels a day. By the year 2010, this figure could be as high as 3.6 million barrels a day. How China attempts to meet its shortfall in energy resources has important implications for the stability of world energy markets as well as for the regional security environment in Asia.

In an article on China’s energy security strategy, Li Peng declared that China must face the reality that its domestic oil production will not be able to “meet the demands of economic development.” Li stated that China will have no choice but to augment domestic energy sources through “vigorous” cooperation with foreign governments and energy companies for exploration and development of oil and gas resources abroad and the maintenance of a “stable market for the import and export of crude oil” in the international economy.

Li’s comments presaged some truly “vigorous” cooperation between China and Central Asia and China and Russia in the area of energy policy. On June 4, 1997, China’s National Petroleum Corporation (CNPC) outbid American and Russian competitors for the right to own and operate the Uzen oil field in western Kazakhstan over the

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next 20 years. The agreement is worth approximately $4 billion and provides the CNPC with 60 percent ownership in the Kazakh share company Aktobemunaygaz.\textsuperscript{46} This deal proved to be the precursor to a larger basket of agreements signed during Chinese Deputy Prime Minister Li Lanqing’s September 1997 visit to Kazakhstan. The package of deals is worth roughly $9.6 billion and includes an agreement to construct a pipeline from western Kazakhstan to western China (see Figure 7). Kazakhstan already supplies China a modest amount

\textsuperscript{46}“Chinese Oil Corporation Signs Deal with Kazakh Oil Company,” ITAR TASS World Service, June 4, 1997; World News Connection, insert date: June 6, 1997, document id: 0ebdi9701xleuy.
of oil by rail. The CNPC also agreed to construct a pipeline from Kazakhstan to Turkmenistan. Should the Iranian and Turkmen governments agree, this pipeline will be extended through Turkmenistan to Iran. In late June 1997, China and Russia agreed to jointly develop the Kovyktinkoye gas field, located in the Irkutsk Oblast near Lake Baykal, and construct a pipeline from there to China. This deal is reportedly worth around $8–$10 billion and is supposed to eventually supply China with 20 to 30 billion cubic meters of gas annually. The route would involve over 3000 km of pipeline through Russia, Mongolia, and China. The pipeline is envisioned to be extended, eventually, to South Korea and Japan.

As large as these energy investments are, particularly for a developing country like China, they may represent only components of a larger, more ambitious Chinese energy strategy. In June 1996, a group of Chinese oil experts outlined a plan for meeting a significant percentage of East Asia’s oil needs through the construction of a massive “Pan-Asia continental oil bridge.” This “oil-bridge” would consist of a network of pipelines stretching from the Middle East, Central Asia, and Russia into China and potentially to South Korea and Japan. Construction of a number of segments of the proposed “oil bridge,” such as a Central Asian-Chinese or Russian-Chinese pipeline, may begin in the near future. The Chinese vision calls for the incorporation of these individual projects into a single, compre-

49 “Chernomyrdin Meets with Li Peng, Pipeline Agreement Signed,” Moscow Interfax, June 27, 1997, World News Connection, insert date: June 30, 1997, document id: 0edcz1s01ucaoy. Lao Xi Sici writes the deal may be worth as much as $10 billion in “China to Sign $10 bn Gas Deal,” Asia Times, Beijing, June 18, 1997.
51 For more detail on China’s energy policy as it applies to Central Asia and Russia, see Gaye Christoffersen, “China’s Intentions for Russian and Central Asian Oil and Gas,” National Bureau of Research Analysis, Vol. 9, No. 2, 1998.
hensive system. Chinese experts predict the “oil bridge” could meet up to 20 percent of East Asia’s oil needs.52

The construction of a comprehensive network of oil and gas pipelines stretching from the Persian Gulf to the Sea of Japan is probably excessively ambitious, particularly in light of conditions in the international oil market and the Asian economic environment. Nonetheless, Beijing’s commitments to multibillion dollar investments in Russian and Kazakh energy projects demonstrate its resolve to make at least a modest version of the “Pan-Asian oil bridge” a reality. They also show that Russia and Central Asia figure prominently in China’s long-term energy strategy. Maintaining stable Sino-Russian and Sino-Central Asian relations, therefore, takes on added significance for China as long as it is unable to meet its energy needs through domestic sources.

There are a number of challenges confronting China’s ambitions for constructing a transnational oil and gas pipeline network: the most serious is how to pay for it. As daunting as the technical demands of building many thousands of miles of pipeline from Central Asia and Siberia to China’s coast are, they could be managed if the projects themselves were economically viable. Officials at CNPC apparently believe the Sino-Kazakh pipeline would be economically feasible if international oil prices rose above $16 per barrel. Although oil prices are currently over the $16 barrier, they have recently been as low as $10 per barrel. Should consensus and production discipline within OPEC break down, oil prices are likely to drop once again.53 The economic turmoil in Asia also complicates China’s plans for pipeline construction. China expected assistance from other East Asian countries, South Korea and Japan in particular, in funding the proposed pipelines from Central Asia and Russia.54 The economic troubles experienced in these countries since 1997 call into question their

52“Experts Call for a Pan-Asian Oil Bridge,” Xinhua, June 16, 1996, World News Connection, insert date: June 18, 1996, document id: 0dt7tt303s348w.
willingness or ability to participate in such massive pipeline projects, at least in the next few years.

China may yet proceed with the construction of any number of pipelines from Central Asia and/or Russia despite their current dismal economic prospects. If Beijing believes that it is in China's strategic interest to develop secure, land-based energy supply routes, it could simply decide to subsidize the construction of the Central Asian or Russian pipelines. Guang Pan, a Middle East scholar at the Institute of European and Asian Studies in Shanghai, notes that for the foreseeable future China will be unable to build an "oceangoing navy" capable of defending its sea-lanes to the Middle East. He contends that this presents a risk to China's energy security and provides an important incentive to Beijing to develop energy resources in Central Asia and Siberia.\(^5\) Aside from strategic concerns, China might subsidize pipeline construction to stimulate economic development in the regions the pipelines would pass through, such as Xinjiang, or to strengthen its relationship with the supplier country. China may also simply believe the price of oil will rise sufficiently in the future to ensure the eventual profitability of the various pipelines.

**STRATEGIC VULNERABILITY IN THE POST–COLD WAR WORLD**

**Toward a Multipolar World**

China's post–Cold War security environment is the most benign the country has faced in the last 160 years and offers an excellent space in which the PRC can focus on economic development.\(^6\) Chinese leaders describe international conditions as becoming "more relaxed," with "peace and development" serving as the main "themes of the present era."\(^7\) According to Chinese rhetoric, world politics

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\(^5\) Guang Pan, “China’s Success in the Middle East,” Middle East Quarterly, December 1997, p. 38.


are in transition from the Cold War bipolar structure to a multipolar one. As a 1995 article in a prominent Chinese international relations journal described the world situation, “Great nation relations are undergoing a crucial structural adjustment, with multipolar progress obviously accelerating, and a new state of mutual dependence, benefit, and restraint among all major forces already starting to form.”

However, despite positive trends toward a multipolar world system, Chinese analysts view the United States’ current position as the world’s preeminent economic, political, and military power as threatening to a wide range of China’s interests. Throughout the 1990s, the United States has taken or threatened action over issues ranging from human rights to economic access to the political status of Taiwan that many Chinese leaders believe undermine China’s international status, territorial integrity, and political stability. This is particularly troublesome in the post–Cold War era because there is no single state or group of states of sufficient strategic weight to counterbalance U.S. pressure. As Bonnie Glaser explains, following the Gulf War “the United States was perceived in Beijing as in an unprecedentedly strong position from which to impose a new world order based on American values, including human rights, democracy, and capitalism.”

Even prior to the Gulf War, the U.S.-led movement to sanction China following the 1989 Tiananmen incident demonstrated Washington’s willingness and ability to isolate China internationally and undermine its economic development over issues Beijing considers to be of purely Chinese domestic concern.

Chinese worries regarding the United States’ dominant position in the post–Cold War world underscore the fact that the world has not made the transition from the bipolar structure of the Cold War to a multipolar structure as quickly as Beijing expected. The Chinese media frequently accuse the United States of acting in a “hegemonic” fashion and practicing “power politics.” These two terms refer to U.S. actions that “apply political pressure on other
countries to force them to act according to the United States' will." The presumed purpose of this is "to build a new world order that safeguards U.S. interests and has the United States at its center." Many Chinese believe the PRC has been marked for special consideration by "hegemonists" in Washington. As one Beijing journal asserted, U.S. actions toward China "are essentially all aimed at opposing and eventually causing the collapse of socialist China through the peaceful evolution of China." It should be noted that China does not view itself as the sole target of these kinds of policies. In 1997, Jiang Zemin declared "hegemonism and power politics to be the main source of threat to world peace and stability," not simply to Chinese interests. The Chinese media frequently cite the Helms-Burton Law and D’Amato Act, which do not directly relate to China, as examples of U.S. "hegemonism." Chinese analysts identified multipolarity as an important trend in international affairs as early as the mid-1980s. This trend was the product of the declining relative power and influence of the two superpowers and the emergence of economic power centers in Europe and Asia. It was expected to produce a world where many large powers, or "poles," exist and no single power is able to impose its will on others. A "pole" is a country that possesses powerful "comprehensive strength"—a combination of "political stability, solid economic

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60°The United States’ interference in other countries internal affairs is unpopular,” Yunan Ribao, Kunming, March 29, 1997, appearing as “Commentary criticizes U.S. foreign policy,” World News Connection, insert date: April 1, 1997, document id: 0e72cyk035wx3c.  
61°Hong Ye, "The Western nations have started a smokeless war," Zhenli de Zhuiqiu, Beijing, November 11, 1995, appearing as “On West’s smokeless war of containment,” World News Connection, insert date: December 22, 1995, document id: 0dk00040461g17.  
strength, strong military power (particularly nuclear armaments), as well as well-developed scientific and technological capabilities.” It must be able to influence its region and international organizations, and ensure that other countries take its interests into account when dealing with global or regional issues.65

From Beijing’s perspective, a truly multipolar international system offers a number of benefits to China’s overall security. Interaction among states in a multipolar system, while mutually beneficial, is mutually constraining as well.66 Multipolarity, therefore, reduces the ability of powerful, developed nations, like the United States, to pressure or coerce less powerful, developing countries, like China. Although the reforms of the Deng era have spurred unprecedented economic growth, they have also increased the PRC’s vulnerability to outside pressure. The United States has demonstrated its willingness to exploit China’s economic needs to compel China to alter its foreign and domestic policies. The U.S. ability to do this in a truly multipolar system would be significantly reduced. There would simply be too many alternative sources of capital, technology, and export markets for the U.S. threat of economic sanctions to be credible.

Events in the early 1990s seemed to validate the Chinese view that a multipolar international system was rapidly replacing the old bipolar one. The collapse of the Soviet Union, apparent economic decline of the United States, and continued growth of economies in Europe, Japan, and the developing world marked the end of an era where only the two superpowers could exercise significant influence over world events. Although less dramatic than the Soviet Union’s, the United States’ decline was viewed as no less certain. A 1990 article in Beijing Review predicted that Japan would surpass or at least equal U.S. economic power by the end of the decade. The article also predicted that the United States would eventually lose its position as the

66Yan Xuetong, “Forecasting International Politics at the Beginning of the Next Century.”
sole head of the international economic order to accommodate the rising Japanese and European powers.67

The U.S. performance in the Gulf War did little to alter Chinese views of America's declining power. As one Chinese journal wrote in 1991, "The Gulf War has also not changed the historical tendency which sees the United States in a gradual decline." The article listed such factors as the loss of industrial and technological competitiveness, the inability to reduce public and private debt, and low savings and investment rates as important causes of the U.S. decline. It concluded, "In the long run these factors are bound to diminish U.S. economic strength and cause it to gradually retreat from its superior position in the international arena."68

By the mid-1990s, a number of the trends driving the transition to a multipolar system became much less pronounced or reversed themselves outright. Perhaps the most dramatic of these reversals were the economic resurgence of the United States and economic and political stagnation in Japan and Europe. By 1995, at least some Chinese analysts accepted that the United States had effectively addressed many of the economic problems that plagued it in the 1980s and early 1990s. Japan and Europe, on the other hand, did not gain much "headway in developing their national strength."69 The United States was again recognized as the undisputed world leader in terms of economic, technological, and scientific strength (its superior military strength was never questioned).

A number of Chinese analysts recently concluded that the United States is the only true "pole" in the current international system.70

69Da Zhou, "Does the United States Have a Principal Rival?" Shijie Zhishi, March 1, 1996, appearing as "Article Sees United States as Its Own Worst Enemy," World News Connection, insert date: June 27, 1996, document id: 0dtoh9100ksav.
70See Da Zhou, "'Multipolar' or 'One Superpower and Four Big Powers'," Shijie Zhishi, January 1995; Da Zhou, "Does the United States Have a Principal Rival?" Shijie Zhishi, March 1, 1996, appearing as "Article Sees United States as Its Own Worst
Japan, Germany (or the European Union (EU) in general), Russia, and China are “big powers.” They are important, particularly in their respective regions, and may possess capabilities comparable to those of the United States in a particular aspect of comprehensive strength. However, they cannot match the overall national power of the United States. As one Chinese analyst declared, “the United States has no principal rival in the world today.”

Most articles in the Chinese foreign policy literature continue to argue that the United States’ power and influence in the international arena is declining relative to that of the developing world. However, authors now accept that it will be a much more gradual decline than predicted in the early 1990s. As one Chinese journal noted, “there are few people holding that Japan or Germany will soon narrow its economic gap with the United States.” Instead of having its position as the world’s premier power challenged by the end of the decade, Chinese writers now speculate that the United States might reign as the world’s sole superpower for as long as the next 30 years.

The continued decline of the United States’ relative power, as Chinese analysts view it, is primarily a function of the rapid growth of developing countries. Wang Jisi, director of the American Studies Institute of the Chinese Academy of Social Sciences, writes, “When we say that the U.S. position in the world has weakened relatively, we chiefly refer to the fact that the rise of many developing countries..."
poses a strategic challenge to the United States.” 74 As these coun-
tries continue to develop, they will gradually offset the United States’
economic, political, and military power. However, because of their
current low level of economic development, it will take considerable
time before their comprehensive power begins to approach that of
the United States. Moreover, the recent economic turmoil in Asia
calls into question the validity of the description of the United States
as a declining power in even a relative sense. It will be decades be-
fore China, assuming it avoids a major economic slowdown, will
have sufficient economic, political, and military weight in the inter-
national system to counter the long-established U.S. power. Until it
or some other country is able to do this, China will be vulnerable to
American economic, political, and military pressure.

There is not a complete consensus within the Chinese literature re-
garding trends in the U.S. position in the international system. An
article in the Shanghai paper Liberation Daily (Jiefang Ribao) differs
markedly from many of the articles described earlier in arguing that
the “current ‘U.S. rise and Japanese fall’ will not last long.” The arti-
cle contends that Japan will accelerate its drive to become a political
power and will eventually compete for dominance in Asia.75 There is
undoubtedly a range of opinions on the U.S. position in the inter-
national system within the Chinese Communist Party as well as
within various Chinese state institutions. Nonetheless, the argument
described earlier generally reflects the views of Chinese foreign pol-
cy analysts and leadership as they have been expressed in China’s
major foreign policy publications.

Beijing’s Strategic Response

China’s diplomatic response to the U.S.-led unipolar world began to
emerge in 1992 through what is referred to as the “good-neighbor”
policy. This policy holds that national interests rather than ideologi-
cal criteria will dictate China’s relations with other countries,
particularly those on its borders.\textsuperscript{76} Specifically, China has tried to strengthen ties with other countries in the Asia-Pacific region, lower tensions surrounding maritime or land-based territorial disputes,\textsuperscript{77} and strengthen or develop relations with countries in Europe and Latin America.\textsuperscript{78} As James Hsiung describes it, the good neighbor policy is “an attempt to operationalize the idea of a ‘collegial sharing of power among nations’ to counter the threat of a unipolar world.”\textsuperscript{79} In other words, China is attempting to address the potential danger posed by U.S. unipolar power by developing a broad network of secure regional and global relationships. These relationships may not be able to completely offset the U.S. economic, military, and political power for the foreseeable future, but they should be able to offer China alternative sources of trade, technology, investment, and international political support should China's relationship with the United States deteriorate. It is in this context that the strategic aspects of China’s relationship with Russia and the states of Central Asia must be understood.

The Sino-Russian “strategic partnership,” announced during the five-nation summit held in Shanghai in April 1996, is an echo of China’s “strategic triangle” diplomacy during the Cold War. The “partnership” is the product of China and Russia’s mutual concerns with American global power and influence. Beijing hopes that its closer strategic relationship with Russia will prompt the United States to moderate its behavior toward China. In a joint statement released during Jiang Zemin’s visit to Moscow in 1997, the two countries asserted their purpose to promote “the multi-polarization


\textsuperscript{77}It should be noted that two PRC actions in that same year undermined the country’s attempts to reduce tensions surrounding territorial disputes in the South China Sea. The first was the adoption of a revised National Law of the Sea that included sweeping claims of Chinese sovereignty over many disputed areas in the South China Sea. The second was contracting the Crestone Energy Corporation to explore and develop oil fields in an area that is subject to conflicting claims by Vietnam.

\textsuperscript{78}James Hsiung, “China’s Omni-Directional Diplomacy,” p. 577.

\textsuperscript{79}Ibid., p. 575.
of the world” and oppose “hegemonism and power politics.”

A summary of the “strategic partnership” appearing in Beijing Review noted that neither China nor Russia “accepts a single-polar world.” The article also stated that the two countries would work for the establishment of a “new equitable and reasonable international order in which no one country dominates another.”

The recent Sino-Russian declarations do not specifically name the United States as the world’s hegemon. Both governments emphasize that their “partnership” is not aimed at any “third country.” Nonetheless, their new strategic relationship clearly reflects their mutual discomfort with the United States as the dominant global power and their desire to see it decline. Indeed, it is difficult to see how references to “rejecting hegemonism and power politics” do not refer to the United States when China’s state-run media publish articles with such titles as “Symposium Reviews 1996, Highlights U.S. Hegemonism,” or “U.S. Power Politics Continuously Challenged.”

Thus far, the most troubling aspect of the Sino-Russian relationship is Russia’s sale of weapons systems to China. Since 1991, Chinese arms purchases have included at least 48 Su-27 multipurpose fighters, four Kilo-class submarines, two Sovremenny-class destroyers, and eight S-300P surface-to-air missile systems. Between 1991 and 1995, Russian arms sales to China may have totaled over $3 billion. These purchases do not radically alter the East Asian military balance in China’s favor, but they do grant China greater power projection capabilities than China would have if left to its own weapons systems and technologies. The effective incorporation of

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these advanced Russian weapons systems into China’s existing forces does not seriously threaten U.S. security or the security of its primary allies in Asia. However, in the context of a limited regional crisis—in the Taiwan Straits, for example—the weapons systems do have the potential to increase the risk to U.S. forces, and therefore raise the political stakes of U.S. military intervention in East Asia if Chinese forces are involved.

Perhaps more serious than Russia’s sale of military hardware to China is the transfer of production technologies. China and Russia signed a memorandum on defense technology cooperation in 1996 in which Russia agreed to assist China’s development of new weapons systems.85 China and Russia have signed a licensing agreement granting China the right to domestically produce up to 200 Su-27s.86 China has also attracted a significant number (the actual number is not known) of Russian scientists to work in China’s defense industry.87 These elements of China’s military relationship with Russia have long-term implications for China’s overall military modernization program in that they may facilitate a comprehensive upgrading of Chinese defense research, development, and production capabilities.

There are similarities between Beijing’s current policy toward Russia and the PRC’s Cold War diplomacy toward Moscow and Washington, when it aligned with what it perceived to be the less threatening superpower to deter the more threatening one. When the immediate threat from both superpowers neared parity, Beijing pursued an “independent” foreign policy. At the present time, the United States poses the greatest potential threat to Chinese international and domestic interests. Chinese policymakers recognize that Russia does not carry the same strategic weight as it did at the height of its power during the Cold War.88 Nonetheless, Russia remains a major power

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because of its enormous geographic size, military-technological capabilities, and nuclear arsenal.

There are, however, important differences between China’s current policy toward Russia and the policies it pursued toward the Soviet Union during the Cold War. The deepening of ties with Russia and the countries of Central Asia is not an attempt to create a formal strategic bloc to openly oppose U.S. power. Rather, it represents Beijing’s desire to lessen to whatever extent possible its vulnerability to U.S. power and pressure without directly confronting Washington. Unlike the earlier Sino-Soviet alliance of the 1950s, the new “partnership” between Beijing and Moscow does not include explicit security guarantees or commitments to actively oppose U.S. interests on a regional or global level. As mentioned earlier, China’s relations with Russia are improving in the context of Chinese diplomatic efforts to improve relations with a number of countries. During the 1990s, China also normalized relations with South Korea, Singapore, and Israel, reflecting Beijing’s recognition of the limits to Russia’s power. Russia alone can simply no longer act as a balance to the United States in terms of comprehensive national power.

Russia’s continuing economic difficulties render it particularly unsuited to assist China in countering U.S. power in the post–Cold War era. Whereas military capabilities and technology remain important aspects of a nation’s overall security, Chinese analysts cite economic strength as the most crucial component of national power.89 Among the world’s large powers—the United States, Japan, the EU, Russia, and China—Russia’s economy is the weakest. An article in the Chinese foreign policy journal Contemporary International Relations (Xiandai Guoji Guanxi) notes that Russia’s prospects for economic development are uncertain. If Russia is unable to effectively address its economic problems and restore growth to its economy soon, it will “bound to be the weakest of the five major powers.”90


90Yan Xuetong and Li Zhongcheng, June 20, 1995, pp. 2–8.
Finally, Chinese leaders are not interested, at this time, in alienating the United States. Although serious conflict with the United States is possible, it is neither desirable nor inevitable. China needs American technology, investment, and market access for its economic development, and will continue to do so for the foreseeable future. The active promotion of an explicitly anti-U.S. alliance would clearly call into question China's continued access to these resources. As Henry Kissinger put it in an op-ed piece appearing in The Washington Post, “neither China nor Russia can afford to jettison its relationship with the United States.” According to Kissinger, their rapprochement signifies “not so much a break with the United States (at least not yet) as a rebalancing.”

Despite their negligible economic and military power, the Central Asian states do have a role to play in China's strategic calculus. Central Asia may emerge as an area of transit through which material can be moved between China and Europe and China and the Middle East. It is already possible to transport goods by rail from China's eastern port of Lianyungang to Rotterdam in Western Europe. Chinese proponents of the Lianyungang-Almaty-Rotterdam route's economic potential point out that the rail-line is 8000 km shorter than corresponding sea routes between Asia and Europe via the Suez canal, and considerably faster. China hosted an international conference on the “New Silk Road” in 1996 at which Li Peng trumpeted the “key role” the emerging Eurasian rail links could play in promoting economic development in countries from China to Western Europe. Rail connections have also been completed between Iran and the Central Asian rail network, which links China via Almaty. Work is progressing on a rail-line between Turkmenistan and Turkey, which will provide a third Euro-Asia rail link. As promising as these land-based routes appear, significant problems remain, such as varying tariff rates and rail gauges in individual transit countries. According to one estimate, the cost of moving cargo from China to

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Europe by rail is as much as 20 percent more expensive than alternative sea-based methods of transportation.94

Although their immediate impact, strategic or otherwise, is likely to be minimal, rail links through Central Asia to other economic and political centers in Europe and the Middle East reflect China’s long-term economic and strategic interests in developing continental channels through which it can interact with other economic and political centers in Eurasia. The United States is the world’s premier maritime power. Should China and the United States come to military conflict, China’s export economy and growing thirst for energy imports will greatly amplify its vulnerability to American naval power. Whether China seeks to move consumer goods, vital natural resources, or materials related to the proliferation of weapons of mass destruction, a functional land transportation system through Central Asia can significantly reduce the risk of American interdiction in Chinese activities. Repeats of the 1993 Yinhe incident, when the United States searched a Chinese vessel suspected of carrying technology related to chemical weapons en route to the Persian Gulf, become much less likely if questionable cargoes are carried by rail through Central Asia to Iran rather than through international waters.

94Agence France Presse, “China Eyes Closer Ties with Central Asia, Europe with New ‘Silk Route,’” May 9, 1996; downloaded from Lexis-Nexis.