

In Focus Transatlantic Newsletter ***An Electronic Newsletter of the Atlantic Council of Canada***

#9, May 2, 2008

Editor: Luisa Sargsyan
Email: luisa.sargsyan@atlantic-council.ca

In this issue

- Canada lifts restrictions on arms sales to 11 countries
- Russia closes down plutonium producing reactor
- Pakistan Tests Nuclear-Capable Missile
- Bahrain and NATO sign security accord
- China's military build-up
- Turkey in talks for missile defense system
- Recommended Readings

Canada lifts restrictions on arms sales to 11 countries

Canada is lifting restrictions on the sale of automatic firearms to 11 NATO countries, hoping to bolster its arms manufacturing sector. The proposed changes would expand by more than half the number of countries to which defense contractors can sell automatic firearms. The move expands by 50 percent the number of countries to which Canada's defense firms can sell automatic firearms. Currently, Ottawa allows arms exports to 20 nations. According to a government statement, the additions would "improve access to potential market opportunities for Canadian firms in the defense sector" and "thereby potentially support increased production for Canadian firms in the defense sector". The move will also "demonstrate Canada's continued support to all of its individual NATO allies and to collective NATO security efforts by facilitating the transfer of prohibited firearms, prohibited weapons and prohibited devices," the statement said. All but three of the countries affected by the lifting of the restrictions joined NATO in the past decade: Bulgaria, the Czech Republic, Slovakia, Slovenia, Estonia, Hungary, Lithuania and Romania. The other three countries - Turkey, Iceland and Luxembourg - are older NATO members.

The government outlined its intentions in a publication of regulatory changes, saying this recognizes how important weapons makers are to Canada's economy. Some critics opposed loosening firearms export controls. "Canada should be curtailing the trade in small arms, not expanding it," **Rideau Institute president Steven Staples** said. "These small and lethal weapons often end up being transferred into the global arms trade, and fuel terrible conflicts around the world." Others welcomed the change: **Francis Bleeker, director of sales and marketing for Colt Canada**, the country's main small-arms maker, said it would allow NATO partners the same firearms that some allies already use. He said rifles that are standard in the armies of Canada, the Netherlands and Denmark are all made at Colt Canada in Kitchener, ON. **Ken Epps of Project Ploughshares** said the move is not as worrisome as years past when previous governments added Botswana and Saudi Arabia to the list of nations eligible for automatic firearm exports from Canada. **Alistair Edgar, a Wilfrid Laurier University political scientist** and an expert in small-arms exports said it's not surprising Ottawa is expanding the list to all NATO partners to create a common market of defense trade. He said the only potential problem he could foresee would be if the Turks used weapons against the Kurds - a situation in which Ottawa would need assurances from Canadian exporters that their shipments wouldn't be involved.

Russia closes down plutonium producing reactor

On April 20, Russia closed down a plutonium producing reactor in the Siberian town of Seversk marking a milestone in U.S. nuclear nonproliferation efforts. The United States and Russia have been working for years on arrangements to close Russia's three remaining weapons-grade plutonium producing reactors. Nuclear reactors in Russia have been plagued by a history of glitches that have raised safety concerns. Just weeks before its closure, the reactor was temporarily deactivated due to a power failure. A second reactor, also in Seversk, is expected to be shut down in June while a third reactor, in the central Siberian town of Zheleznogorsk, is expected to be shuttered at the end of 2009.

Closing the reactors has been a major U.S. nonproliferation goal. But the plants provide electricity and heat to the nearby towns, and the Russians had been reluctant to shut them down before two new fossil fuel plants are built. The U.S. Department of Energy has estimated the plant produced enough plutonium for several nuclear bombs a week. An agreement was reached in March 2003 between the U.S. and Russia in which Washington committed \$926 million to help build the fossil fuel plants. One in Seversk is almost completed. Aid from the United States was used to help refurbish a coal-fired power plant, reducing the community's dependence on the reactors for power.

Seversk is among 10 cities once at the heart of the Soviet Union's nuclear weapons production complex. The reactors were built in secret in the 1960s in the arms race with the U.S. After the end of the Cold War, weapons-grade plutonium was no longer needed for Russia's nuclear weapons program. Plants that supplied material for nuclear weapons were among the best-kept secrets in the Soviet Union. Known only by code names, they were closely guarded and not even shown on maps.

Pakistan Tests Nuclear-Capable Missile

On April 19, Pakistan test-fired a long-range ballistic missile capable of carrying nuclear and conventional warheads. The missile (**Shaheen II, or Hatf VI**) with a range of 2,000 kilometers (1,280 miles) was launched from an undisclosed location. This was the second test of the missile since February 2007. It is the longest range missile that Pakistan has produced. The test was conducted as part of technical improvements to verify Pakistan's land-based strategic missile systems, a statement of the Pakistani the military said. "Pakistan can be justifiably proud of its defense capability and the reliability of its nuclear deterrence," the statement added.

Pakistan's missile arsenal includes short-range, medium and long-range missiles. The country became a declared nuclear power in 1998 by conducting nuclear tests in response to those carried out by its rival India. Both countries routinely conducted missile tests since then to demonstrate their nuclear weapons capability. The two countries have a history of bitter relations and have fought three wars after gaining independence from Britain in 1947. However, relations have improved since 2004, when they launched a peace process to resolve outstanding disputes, including competing claims to the divided Himalayan region of Kashmir.

Bahrain and NATO sign security accord

On April 24, Bahrain and NATO signed a security accord that both parties see as a necessity to move forward in the fight against global threats. The **Agreement for the Protection of Classified Information** was signed by **foreign minister Shaikh Khalid Bin Ahmad Al Khalifa** and **NATO Secretary General Jaap de Hoop Scheffer** at the opening ceremony of an international conference on NATO-Bahrain relations and the **Istanbul Cooperation Initiative (ICI)**. The conference seeks to

promote a better mutual understanding between NATO and Gulf countries and to introduce fresh ideas from the region into the implementation of the ICI. Bahrain is one of four countries of the **Gulf Cooperation Council** (GCC) to have joined the ICI, a program launched by NATO in Istanbul in June 2004 to encourage military, security and civil cooperation with Gulf states. Kuwait, Qatar and the UAE also joined the initiative.

"Globalization brings an unprecedented interconnectedness of both threats and opportunities... Today's challenges can therefore be addressed only by broad, deep and sustained global cooperation in which our actions are well understood. Forging genuine partnerships between NATO and other countries is essential to addressing global challenges," said Shaikh Khalid, whose country is a major non-NATO ally. "What we need are global responses, innovative new approaches that extend across national, geographical and cultural boundaries," NATO Secretary General Jaap de Hoop Scheffer said, for whom geography no longer serves as a shield against global challenges.

China's military build-up

On April 30, **CIA chief Michael Hayden** said that China is building up its military with remarkable speed and scope, calling the buildup "troubling." According to him, the Chinese had fully absorbed the lessons of both Gulf wars, developing and integrating advanced weaponry into a modern military force. Hayden said while Beijing's new capabilities could pose a risk to U.S. forces and interests in the region, the military modernization was as much about projecting strength as anything else. "After two centuries of perceived Western hegemony, China is determined to flex its muscle." "It sees an advanced military force as an essential element of great power status," Hayden, once the highest-ranking military intelligence officer in the armed forces, said in a speech at Kansas State University. But it is the U.S. intelligence community's view that any Chinese regime, even a democratic one, will have similar national goals. The military buildup is troubling because it reinforces long-held concerns about Chinese intentions towards Taiwan. But even without that issue, according to assessments, the buildup would continue.

Taiwan and China split in 1949 at the end of a civil war, but Beijing still sees the island as part of its territory. The United States, obliged by law to offer Taiwan a means of self-defense if its security is threatened, is the leading arms supplier to the island. **A Pentagon Annual Report to Congress, "Military Power of the People's Republic of China"**, released earlier this year said that China had boosted total military spending in 2007 to more than twice its declared budget. The report, in particular, says "The pace and scope of China's military transformation have increased in recent years, fueled by acquisition of advanced foreign weapons, continued high rates of investment in its domestic defense and science and technology industries, and far reaching organizational and doctrinal reforms of the armed forces. China's expanding and improving military capabilities are changing East Asian military balances; improvements in China's strategic capabilities have implications beyond the Asia-Pacific region."

China dismissed the Pentagon report as an exaggeration, made in order to justify U.S. sales of military hardware to Beijing's rival Taiwan. The Pentagon estimated China's total military spending in 2007 at between 97 and 139 billion dollars, more than double China's declared budget of 45 billion dollars. Full report is available at <http://www.defenselink.mil/pubs>

Turkey in talks for missile defense system

Turkey has launched preliminary talks with the United States, Russia, Israel and China regarding its program to buy its first missile defense system, worth more than \$1 billion. Turkey has good relations with its neighbors with ground-to-ground missile capabilities, but among them Iran's increasing abilities are a particular source of concern for many officials. Ankara has launched its

medium-range, surface-to-air missile defense program as a first step toward building a modest but costly shield to protect militarily and strategically important locations. The Undersecretariat for Defense Industries, Turkey's main procurement office, recently gathered price and availability data on U.S., Russian, Israeli and Chinese offers and is now processing them. Turkey will then decide whether to launch a traditional acquisition tender among interested companies or to hold separate government-to-government talks with key suppliers. According to officials, the second option is more likely.

The United States proposed its **Patriot anti-missile defense systems**, developed by Raytheon. The U.S. missile used in that system is the Patriot Advanced Capability-3 (PAC-3) made by Lockheed Martin. The Patriot became the world's only combat-proven tactical ballistic missile defense system during the 1991 Persian Gulf War. Russia offered its **S300 and S400 systems**. Moscow has exported the S300s to at least six nations and recently developed the S400 particularly for Moscow's defense. Israel's **Arrow-2** is another option, jointly built by Israeli and U.S. companies. No details were available about the specific model China is offering. Defense analysts predict that the competition will most likely be between the U.S. and Russian alternatives.

The U.S. Patriot system is seen as the strongest candidate for Turkey, given the system's success and popularity and the close relationship between Turkey and the U.S. Russia's S400 is also considered a strong option, but has interoperability problems with NATO weapons systems. The Turkish system would include at least four anti-missile batteries meant to protect strategic targets from theater-range missiles, radar and related subsystems. After the purchase of the first missile defense system, Turkey plans to acquire a second system with major local industry contribution to the production.

Recommended Readings

North Korea's Syrian Connection

By Bill Powell, Time, April 25, 2008

Throughout his entire first term and most of his second, U.S. President George W. Bush has tried pretty much everything to get North Korean dictator Kim Jong Il to come out of his cage. He has tried to coerce him with economic sanctions and schoolboy bluster - a policy course that ended on in the autumn of 2006, when Kim tested a nuclear weapon, precisely the opposite of the result Bush intended. Since then, the Administration has tried bribery, offering blandishments like food and free fuel oil in hopes that in return North Korea would stand down its nuclear program. *Read the full article [here](#).*

Russia's seeks stronger Mideast role

By Sergei Blagov, ISN Security Watch Commentary, April 22, 2008

The Kremlin is pushing forward with its desire to retain its international decision-making prowess and sustain its clout overseas by means of arms exports, write-offs of old debts and energy maneuverings. President Vladimir Putin became the first Russian leader to visit Libya on 17 April, witnessing the writing off US\$4.5 billion of Libya's Soviet-era debt. In return, Libya is to grant Russia major energy, arms supply and other contracts. *Read the full article [here](#).*

"Merchant of Death" Arrested in Thailand

By Rachel Stohl and Doug Tuttle, Center for Defense Information, March 10, 2008

On March 6, 2008 Thai police arrested the notorious arms broker Viktor Bout on charges of supplying arms and explosives to the Fuerzas Armadas Revolucionarias de Colombia (FARC), a Colombian rebel group cited by the United States as a terrorist organization. Bout is among the world's most well-known arms brokers, credited with supplying weapons that have fueled some of the bloodiest wars in the last two decades. He has been accused of violating UN arms embargoes in Angola, Sierra Leone and Liberia, selling weapons to the Taliban, Hezbollah and al Qaeda, and supporting despots and dictators around the world. *Read the full article [here](#).*

Sources: Associated Press, Agence France Press, Reuters, Xinhua, Globe and Mail, Turkish Daily News, Global Security Newswire (www.nit.org), www.gulf-news.com, www.spacewar.com, www.defensenews.com, www.defenselink.mil

We would like to know your opinion. Please, [email us](#) with your comments and suggestions!

Disclaimer: Any views or opinions expressed in this newsletter are solely those of the authors and the news agencies and do not necessarily represent those of the Atlantic Council of Canada. This newsletter is published for information purposes only.

The Atlantic Council of Canada is an independent, non-profit, non-governmental organization dedicated to the idea that the transatlantic relationship between Canada and the United States, and the nations of Europe, is of critical importance to Canadians in cultural, security and economic terms. The Council's mandate is to promote a broader and deeper understanding of international peace and security issues relating to NATO.