U.S. Needs a Broad Response to China-Iran Moves

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A new China-Iran economic and military agreement and this fall's expiration of the global arms embargo on Iran could dramatically upend international relations by expanding China's global reach, empowering Iran to threaten America's regional allies, undercutting U.S. efforts to pressure both nations and further destabilizing the Middle East.

From their agreement—which both nations plan to finalize and ratify in the coming months—China will get a greater foothold in the Middle East, threatening traditional U.S. big-power supremacy there. Iran, meanwhile, will receive an important economic lifeline through Chinese investments and oil purchases, and added security from a tighter military relationship with Beijing.

From the arms embargo's expiration, Iran will get unimpeded global access to sophisticated weaponry—weaponry that it can use to continue building its own threatening arsenal, as well as to arm its allies like Syria's Bashar al-Assad and terrorist proxies in Syria, Iraq, Lebanon, Yemen and elsewhere.

These converging developments demand a thoughtful response from the West. The United States and its allies now need to develop a broad strategy to contain Beijing and Tehran and thwart their ambitions.

"Two ancient Asian cultures," Beijing and Tehran declared in the opening sentence of their draft agreement, "two partners in the sectors of trade, economy, politics, culture and security with a similar outlook and many mutual bilateral and multilateral interests will consider one another strategic partners."

Their decision to come together could prove particularly consequential, since it formalizes a partnership between two powers that seek to undermine America's roles in their respective regions, and which each face U.S. pressure campaigns.

Under the emerging 25-year agreement, China will not only invest $400 billion in Iran's energy, telecommunications, transportation and other industries, but it also may extend its influence in the region more broadly as the two nations invest in joint projects with Syria, Iraq and elsewhere.

Along with the influx of Chinese investment dollars, Iran will benefit economically as China commits to import "sustainable" amounts of Iranian oil, enabling Tehran to sidestep U.S. efforts to fully shut down Iran's oil business by sanctioning other countries and businesses that invest in that sector.

China, the world's largest oil importer, will benefit as well, as it continues to buy most of the oil Iran exports, ignoring U.S. pressure to stop. The oil that it will buy from Iran over the next 25 years reportedly will come at a discount.

On the military front, China and Iran will conduct "joint training and exercises, joint research and weapons development and intelligence sharing," The New York Times reported after obtaining the 18-page draft agreement.

Through this presence, China will be able to more directly challenge the United States in a traditionally U.S.-led region, inserting a dangerous new dynamic into the occasional U.S.-Iranian flare-ups in Middle Eastern waters.

And while China may provide more weapons to Iran as part of the new agreement, Iran's regime will also have more places to shop for them once the global arms embargo, which was included in the 2015 U.S.-led global nuclear agreement with Iran, ends in October.

Once that happens, Iran will no longer need U.N. Security Council approval to do what, in some places, it's been doing clandestinely: acquire and distribute weapons. With its proxies operating in Syria, Iraq, Lebanon, Yemen and elsewhere in the Middle East, Iran will be able to better arm them with guns, mortars, tanks, missiles and other weaponry, raising the potential for still greater bloodshed.

Facing an emboldened Iran, America's regional allies likely won't stand put. Among other things, we should expect more sabotage at Iranian nuclear sites of the kind we've seen in recent weeks, though the source of these disruptions remains unclear.

The larger question, however, is whether Washington can craft a grand strategy that can counter the coming global developments which will position Beijing and Tehran to expand their influence and undermine the West. On that score, the jury is still out.