

REGIONAL POLITICS**CENTRAL ASIAN AND
CAUCASIAN STRATEGY:
SEVERAL MODELS OF INTERRELATIONS AMONG
THE U.S., CHINA, AND RUSSIA****Shukhratzhon IGITALIEV***Researcher at the University of
World Economy and Diplomacy
(Tashkent)***Albina KARIMOVA***Post-graduate student at the University of
World Economy and Diplomacy
(Tashkent)*

Several development trends in global policy have stabilized recently, which makes it possible to put forward certain hypothetical models of interrelations among such major players in international relations as the U.S., Russia, and China. In turn, by creating models of the interrelations among these states at the global level, certain conclusions can be drawn that are beneficial for drawing up the paradigms of Washington's, Moscow's, and Beijing's Central Asian and Caucasian strategies.

This article makes an attempt to analyze certain aspects of this problem, taking into ac-

count the growing urgency of issues relating to cooperation among the indicated powers within the framework of their foreign policy strategy in Central Asia and the Caucasus. For example, the results of this study, which was conducted by means of a factorial and comparative analysis, make it possible to forecast the appearance of a new conception of world order in the near future, in which the balance will tilt in favor of U.S.-PRC interaction, while Russia will be pushed into the background. For example, the results of the analysis show that the model of the declared

strategic U.S.-Russia partnership is disintegrating and the U.S.-PRC dialog is gaining momentum in the face of the rise in Russia's demonstrative strategic support of the Islamist forces on the international arena. Moscow is thus trying to es-

tablish strategic interaction with the mentioned forces, which the Kremlin regards as its most "efficient" partners in counterbalance to the U.S. (and possibly to the PRC in the future) on the global scene.

Failed Model of Strategic U.S.-Russia Partnership

Formation of the model. In 2000, the outlines of a new model of strategic U.S.-Russia partnership appeared as the trans-Atlantic U.S.-EU partnership broke down due to the European Union's desire to play an autonomous role in world politics. The new model began taking shape during the meeting between presidents Vladimir Putin and George Bush at the American president's ranch. In 2001, when Vladimir Putin allowed U.S. armed forces to be deployed in the Central Asian countries, this model began to be viewed as one of the possible viable paradigms of the two major players' policy in the region.

The first steps toward implementing this model were reflected both in conceptual documents and in specific spheres of Russian-American cooperation. For example, the principles of a bilateral partnership dialog were enforced in the Moscow Declaration on New Strategic Relations signed by presidents Vladimir Putin and George Bush in May 2002. The priority areas of these relations were defined as joint efforts in ensuring international security and strategic stability, fighting international terrorism, opposing other new global challenges and threats, assisting in settling regional conflicts, developing economic trade relations, and expanding contacts between societies and people.¹

Summit and other top-level meetings are playing an important role in advancing Russian-American partnership and giving it additional stability. Since 2001, there have been 17 meetings between the presidents of the Russian Federation and U.S. (both in the bilateral format, and within the framework of multilateral forums), including Vladimir Putin's visits to the U.S. (November 2001, September 2003, and September 2005), as well as George Bush's visits to Russia (in May and November 2002, in June 2003 to participate in the jubilee celebrations in St. Petersburg, and in May 2005 to participate in the celebration of the 60th Anniversary of Victory in WWII in Moscow).

We will note that the National Security Strategy approved by George Bush in 2002 dealt with the *strategic partnership* with the Russian Federation, which "is in the midst of a hopeful transition, reaching for its democratic future and a partner in the war on terror."²

¹ For more on Russian-American relations see the Reference Information of the Department of Information and the Press, Russian Ministry of the Foreign Affairs, 18 April, 2006, available at [<http://www.mid.ru/nrsam.nsf/1f773bcd33ec925d432569e7004196dd/16dd0c29bd3ef47343256a2c0040bfb4?OpenDocument>].

² *The National Security Strategy of the United States of America*, THE WHITE HOUSE, Washington, 17 September, 2002, available at [<http://www.state.gov/documents/organization/15538.pdf>], p. iv (see also in this same document: "Having moved from confrontation to cooperation as the hallmark of our relationship with Russia, the dividends are evident: an end to the balance of terror that divided us; an historic reduction in the nuclear arsenals on both sides; and cooperation in areas such as counterterrorism and missile defense that until recently were inconceivable," p. 13; "With Russia, we are already building a new strategic relationship based on a central reality of the twenty-first century: the United States and Russia are no longer strategic adversaries. The Moscow Treaty on Strategic Reductions is emblematic of this new reality and reflects a critical change in Russian thinking that promises to lead to productive, long-term relations with the Euro-Atlantic community and the United States," p. 26).

In addition to fighting terrorism, cooperation in the energy sphere was also a component of this partnership. In 2002, Russia agreed with its Western partners that a free market and competition are the most important factors in ensuring global energy security. The outlines of a broad American-Russian energy partnership were designated keeping in mind that the U.S. will be able to satisfy approximately 20% of its demand for energy resources by means of the Russian Federation's deliveries of oil and liquefied gas.

For example, on 28 May, a working meeting was held between Gazprom's Chairman of the Board Alexei Miller and U.S. Secretary of Energy Spencer Abraham at Gazprom's central office.³ Questions of cooperation in liquefied natural gas (LNG) production technology and its delivery to the American market were discussed. Spencer Abraham confirmed the interest of the U.S. Administration in creating favorable conditions for developing business cooperation between Gazprom and American energy companies. Alexei Miller informed Spencer Abraham about the course of the talks and plans for joint efforts in 2004 with American partners regarding marketing questions and the sale of Russian gas in the U.S. Alexei Miller said that a discussion would soon begin with the Russian government about a Production Sharing Agreement for the Stockman gas-condensate field, which has been defined as the main raw material base for delivering LNG to America.

During the bilateral dialog, the sides noted frequently that access of Russia's hydrocarbon resources to the American energy market will promote opening up of Russia's oil and gas infrastructure to multi-billion investments from the U.S. The fact that as early as 2004 such oil and gas companies as Shell, Mobile, ChevronTexaco, and ConacoPhillips accounted for more than 50% of all U.S. direct investments in Russia shows America's special interest in Russia's energy resources.

All the same, because of several systemic factors, this model of U.S.-Russia strategic partnership could not stand up to the mutual mistrust and mutually exclusive interests of both sides, which in the initial excitement over the prospects of partnership turned out to be only temporarily pushed into the background. Neither Moscow, nor Washington were able to completely eliminate these factors, and as a result, the model under review began to rapidly disintegrate.

Disintegration of the model. One of the main reasons for the deterioration in the American-Russian dialog was the U.S.'s actions, which in most cases ignored Russia's interests in the key regions of the world, particularly those located along the Russian Federation's borders (including in Central Asia and the Caucasus), by carrying out its own foreign policy strategy of unilateral planetary domination. What is more, Washington stepped up its direct interference in Russia's internal affairs, which was mainly expressed in the U.S.'s systematic demands for decentralization of the Russian Federation government by liberalizing management in strategically important spheres. America insisted in particular that state monopoly of the mass media, as well as of management in the energy sphere, be slackened.

Several U.S. officials criticized Russia for its disagreements with America over Iraq, Iran, and Northern Korea, and for selling weapons to China, Syria, and Venezuela (to President Hugo Chavez). The U.S. criticizes Vladimir Putin for "curtailing the democratic reforms, for exercising state control over the mass media, and for appointing governors instead of holding direct elections."⁴ As Russian ambassador to the U.S. Yuri Ushakov notes, there is hardly a politician in Washington who has stayed away from attacking Russia lately.⁵ The surge in public rhetoric, a new barrage of anti-

³ For more on the results of the working meeting between Gazprom Chairman of the Board A. Miller and U.S. Secretary of Energy S. Abraham see the Report of Gazprom's press service, 31 May, 2004, available at [<http://www.mid.ru/ns-sam.nsf/1f773bcd33ec925d432569e7004196dd/432569d80021825ec3256ea50031257c?OpenDocument>].

⁴ Russian President Vladimir Putin's interview with the American television channel Fox News. Washington, 17 September, 2005. Report of the Russian President's press service, available at [<http://www.mid.ru/ns-rsam.nsf/1f773bcd33ec925d432569e7004196dd/432569d80021825ec32570820043c9e1?OpenDocument>], 20 September, 2005.

⁵ See: Yu.V. Ushakov, "Making Things Rough," *The Washington Times*, 19 May, 2006, available at [<http://www.washingtontimes.com/op-ed/20060518-091431-5583r.htm>], 19 May, 2006.

Russian charges regarding, in particular, the state of Russia's democracy and its alleged use of energy resources for political ends, can only invite, in the ambassador's words, mutual irritation. In any case, "such a talkfest can hardly facilitate Russian-American joint work on burning international issues." Yuri Ushakov pointed out that, "given the nature of our bilateral relations when the public sentiment and the mindset of the think-tank establishment are so heated, actions designed to hurt each other would only seem an easy and 'logical' option. Making things rough for Russia has nowadays become in vogue, all the more that stereotypes and habits dating back to Soviet times have all but disappeared."⁶

These actions by America had an impact on its strategic partnership with the Russian Federation, leading to an increase in Moscow's lack of confidence in Washington. This caused an abrupt cooling off in bilateral relations. The Kremlin tightened its control over the main elements of Russia's energy infrastructure. YUKOS head Mikhail Khodarkovsky was arrested. Gazprom's Chairman of the Board Dmitri Medvedev became first vice-premier, and head of the Presidential Administration Igor Sechin became chairman of the board at Rosneft, the most rapidly growing energy structure in the Russian Federation. LUKoil and other Russian companies essentially had free access to controlling blocks of shares in American energy enterprises operating in the Russian Federation (for example, Getty Petroleum).

What is more, new priority (eastern) directions for exporting Russia's energy resources were defined. For example, on 3 April, 2006, head of the Ministry of Industry and Power Viktor Khristenko said that the share of the APR countries in Russian oil export will rise from the present 3% to 30% by 2020, and in gas from 5% to 25%. In his words, the significant increase in deliveries was related to the plans for building the Eastern Siberia-Pacific Ocean oil pipeline with a branch to China.⁷ According to Viktor Khristenko, the new route will make it possible to export up to 80 million tons of oil a year to the APR states (up to 30 million tons a year of which will go to the PRC; these deliveries will begin in 2011).

The ongoing mutual lack of confidence between Washington and Moscow made it obvious that the model of Russian-American strategic partnership had failed. In so doing, the breakdown in this model led smoothly to the formation of a new model of interrelations—the model of U.S.-Russia strategic opposition.

Current Model of U.S.-Russia Opposition

The crux of the model. The crux of the current model of interrelations between the U.S. and the Russian Federation is defined by a tendency toward systemic, open American-Russian strategic opposition. The tenacity of this model is explained by the specific actions observed recently by Washington and Moscow aimed at dealing a serious blow to each other's interests.

High-ranking representatives of the Bush Administration, particularly Vice-President Dick Cheney, are speaking out in favor of taking a new tougher approach to the Russian Federation in the form of a small cold war. They are in favor of creating anti-Russian military alliances with Russia's neighbors and offering open support to President Putin's political opponents in the country itself. Everyone remembers Dick Cheney's impassioned speech in the Lithuanian capital, when

⁶ Ibidem.

⁷ See: M.V. Odintsov, «Perspektivnoe razvitiye neftegazovoi otrasli, magistralny truboprovodny transport,» *NefteRynok*, January 2006, available at [http://www.council.gov.ru/kom_home/kom_est/smi/oil.htm].

he battered Moscow with accusations of anti-democratism and energy blackmail combined with his attempts to knock together an energy alliance against Russia. After accusing the Russian Federation of anti-democratic tendencies, the very next day, Dick Cheney showered the presidents of Kazakhstan and Azerbaijan with compliments, which shows the influence of this model of interrelations between the U.S. and Russia on the geopolitical situation in the Caucasus and Central Asia.⁸

In this context, the series of velvet revolutions in the CIS led to the Russian Federation fundamentally reviewing its foreign policy with regard to the West as a whole, and to the U.S. in particular. In response, Russia has recently begun reinforcing its geopolitical position in the post-Soviet expanse and its own armed forces, as well as making active use of the energy component as a tool of influence.

In turn, the American Administration is gradually withdrawing from its close interaction with the Russian Federation and assuming a tougher stance toward Moscow in most of the controversial issues of bilateral and multilateral interaction. In so doing, the tension between Russia and America is rising, since both nations are playing a zero game in an attempt to have an impact on the post-Soviet states, as well as in their own military rivalry in Central Asia and the Caucasus. On the one hand, the representatives of official Russian circles often state that the American armed forces deployed in Central Asia should leave the region. While on the other, American officials are talking in favor of turning the Russian military out of the Caucasian republics, in particular, Georgia. Such statements are being voiced in both the SCO and the OSCE.

This strategic rivalry is giving rise to the main character traits of the new model of interrelations between the U.S. and Russia.

The model's basic operating principle. At the current stage of implementing this model, its main operating principle is characterized by asymmetry in the alignment of forces and positions of the two sides. For example, within the framework of the model, America is affecting Russia's vitally important interests by hinting at the removal of the current political regime in the medium term and the violation of Russia's territorial integrity in the long term. All the same, the reciprocal steps taken by Moscow can only pose a real threat to Washington's foreign policy strategy by restraining its ambitions in several geostrategically key regions of the world (including in Central Asia and the Caucasus), without affecting the U.S.'s vitally important interests in so doing.

According to some Russian experts, patent elements of the so-called Anaconda Plan can be seen in America's foreign policy strategy. This theory envisages geostrategically surrounding the Russian Federation with springboards of anti-Russian forces, as well as further penetration of direct Western influence into the depths of the country.

For example, Washington is openly and most actively supporting the pro-Western political regimes appearing on Russia's perimeter as a result of the Color Revolutions. In so doing, these efforts are particularly active with respect to Georgia, which is located in the direct proximity of Chechnia and potentially capable of manifesting the greatest activity in the hypothetically possible plans to dissect the Russian Federation in the future. This development of events is unacceptable to Russia. For example, this had an effect on the bilateral diplomatic relations between the two nations: for example, U.S. Ambassador in Moscow William Burns was handed notes of protest regarding Washington's Caucasian policy.⁹

⁸ See: St.L. Myers, "Strong Rebuke for the Kremlin From Cheney," *The New York Times*, 5 May, 2006, available at [<http://www.inosmi.ru/translation/227259.html>], 5 May, 2006.

⁹ For more on Russian Deputy Foreign Minister S. Kisliak handing notes of protest to U.S. Ambassador in Moscow William Burns see 661 Press-Report of the Russian Foreign Ministry, 18 April, 2006, available at [<http://www.mid.ru/ns-rsam.nsf/1f773bcd33ec925d432569e7004196dd/432569d80021825ec3257154004873a4?Open Document>].

America's policy regarding Georgia is showing its interest in the supply routes passing through the Caucasus (including from the viewpoint of ensuring the security of the Baku-Tbilisi-Ceyhan pipeline). But, in the opinion of certain Russian experts, Caucasian oil cannot be compared in any way (in terms of reserves) with Middle East oil, and is not of any strategic importance to Washington. In this respect, as several Russian analysts believe, America's Caucasian policy is most likely aimed at further geopolitical penetration into the Russian Federation by means of Georgia's membership in NATO and drawing the borders of the Alliance's member states closer to Chechnia. In the future, this would make it possible to internationalize the Chechen problem, thus justifying NATO's involvement, as well as the involvement of the international community, by the need to enlarge it and, in so doing, beginning an operation to dissect Russia.

Due to the rising disagreements between the Russian Federation and the U.S., Moscow is enhancing its interrelations with forces unfriendly to the United States, including Islamic.

Emerging Model of Strategic Russia-Islamic World Partnership

The idea of creating an anti-Western union of Islamist forces was first put forward by Khomeini, the leader of the Islamic revolution in Iran, in his letter to Mikhail Gorbachev (when the collapse of the U.S.S.R. was in full swing). Today, Moscow is offering a similar initiative that has been adapted to the new reality. For example, against the background of an increase in anti-American sentiments, Russia is taking measures to reinforce the Kremlin's positive image among the Arab-Muslim countries. The Russian Federation is rapidly developing its cooperation with these states in bilateral and multilateral formats. The Russian Federation became an observer in the Organization of the Islamic Conference (OIC) on 20 June, 2005. Under the Kremlin's patronage, a so-called Russia-Islamic World Strategic Vision Group has been formed called upon to expand cooperation between the Russian Federation and Islamic countries. The first meeting of this structure took place in Moscow in March 2006. On 30 August, 2006, the Group's second meeting opened in Kazan. Sergei Sobianin, head of the Russian Presidential Administration, his deputy, Vladislav Surkov, Alexei Grishin, Russian Presidential Administration Advisor, Evgeni Primakov, Chairman of the Russian Chamber of Commerce and Industry, and other high-ranking officials took part in this event.¹⁰

In addition to this, Russian Foreign Minister Sergei Lavrov noted that he is in constant contact with the foreign ministers of Arab states and maintains contacts with the League of Arab States. Sergei Lavrov is sure that "at present, the Arab countries see Russia as a true friend willing to come to their aid in times of trouble and openly and honestly cooperate and assist in the development of these states and the reinforcement of their position in the world."

Main idea. The main idea of this model of strategic relations is anti-Americanism. Moscow rendered Iraq and its now former president, Saddam Hussein, all kinds of political support right up until the last moment. The Russian Federation is also giving Tehran every possible political assistance (in spite of the demonstratively radical statements of President Mahmoud Ahmadinejad). Despite the strong pressure from the U.S. and European states, the Russian Federation is continuing to deliver arms to Iran¹¹ and a few other Arab countries, whose relations with America remain tense.

¹⁰ See: "Sobianina i Surkova zhduť v Kazani na zasedanie Gruppy strategicheskogo videniya," *Russia-Islamic World. MIGnews.com*, available at [http://www.volgapolitinfo.ru/news_priv/16996].

¹¹ Answer of M.L. Kamynin, the official representative of the Russian Foreign Ministry, to a question asked by ITAR-TASS about Russia signing a contract with Iran on arms deliveries. 2579-03-12-2005, available at [<http://www.mid.ru/ns-rasia.nsf/1083b7937ac580ac432569e7004199c2/432569d80021985fc32570cc003f74a5?OpenDocument>], 3 December, 2005.

The Russia's attitude toward HAMAS is more evidence of how serious its intentions are to use Islamist forces in its opposition to the U.S. In 2006, after inviting the leaders of this movement to the negotiation table, Moscow gave them the opportunity to emerge onto the international political scene independent of Washington, which considers HAMAS a terrorist organization. What is more, after HAMAS's ascent to power in Palestine, the U.S., along with Israel, halted the financing of the Palestinian national administration, while Russia continues to give it money, essentially subsidizing the Islamist formation.

Under these conditions, the strengthening of another trend is observed, which shows that a strategic dialog between the U.S. and PRC is being cultivated. In light of the formation of a model of a strategic Russia-Islamic World dialog, this trend is pointing to the formation of a model of interaction in the U.S.-PRC format as an alternative to the U.S.-Russia and/or Russia-Islamic World partnership models.

Emerging Model of PRC-U.S. Interaction

The first elements of the practical implementation of this model are seen in the latest changes in the policy of Washington and Beijing, which are sounding out the possibilities of expanding bilateral relations against the background of the growing anti-Americanism in Russia and Arab states, as well as the ever-present Sinophobia in Muslim societies.

In particular, China has recently been trying to show America its independence from Moscow in several international issues. Due to the tension in American-Russian relations, the PRC appears to be sounding out the U.S.'s viewpoint about bilateral rapprochement in global policy.

For example, China has recently been stepping up its cooperation with Washington's political satellites on the international arena. According to some data, at the end of 2005, Israel became the second country after the Russian Federation in terms of arms and military hardware deliveries to the PRC, after perceptibly downplaying the importance of the Chinese-Russian military-technical partnership.¹² What is more, during recent months, there has been an exchange of rather friendly official summit visits between China and such states as the Czech Republic, Poland, Lithuania, and Georgia, well-known for their active anti-Russian foreign policies. One of the most graphic examples of this approach by the PRC to strategic partnership with the Russian Federation is its policy in the Caucasus, in particular with regard to Mikhail Saakashvili's regime in Georgia.

In a joint statement signed by Chinese President Hu Jintao and Georgian President Mikhail Saakashvili, who made a visit to the PRC from 10 to 13 April, 2006, Beijing supports "Georgia's independence, appreciates and welcomes the efforts of the Georgian side to ensure domestic stability and develop the national economy."¹³ In this way, the PRC is officially supporting Tbilisi's position, which is not in harmony with that of Russia. According to the said document, Beijing considers the problems of Abkhazia and South Ossetia, which should be settled by means of peaceful negotiations "on the basis of respect for Georgia's state sovereignty and territorial integrity," to

¹² See: "Israel uvelichvaet ob'em 'kitaiskogo eksporta,'" 14 July, 2005, *MIGnews.com*. According to the reports of Globus, diamonds.net and MIGnews archives, available at [<http://www.waronline.org/forum/viewtopic.php?p=180965>].

¹³ "Kitai vydellil Gruzii grant v 2.5 mln doll. i prakticheski spisal gosdolg," 11 April, 2006, available at [<http://www.podrobnosti.ua/power/intpol/2006/04/11/304239.html>]. At the same time as Georgia, representatives of the other side "insulted" by Moscow were also in China. At the same time in 2006, Moldovan President V. Voronin paid a private visit to Beijing and discussed with the Chinese leadership the prospects of exporting wine, but, of course, Moldovan, to the PRC.

be the republic's internal affair. The PRC is "supporting all the efforts of the Georgian government in this area."¹⁴

After their talks, Mikhail Saakashvili and Hu Jintao signed a statement on the development of friendship and cooperation between Georgia and China, but the main event was Beijing's essentially complete writing off of Georgia's debt, which amounted to more than 3 million dollars.¹⁵ The sides agreed that Georgia should return only \$400,000, and the rest of the funds would be a grant from the Chinese government. In addition to writing off the debt, another important purpose of Mikhail Saakashvili's visit was to lobby the interests of Georgian winegrowers on the PRC market. After the Russian Federation introduced a ban on the import of Georgian wines, Georgia lost 90% of its wine export market. Mikhail Saakashvili announced at a press conference that "he gave Prime Minister Zurab Nougaideli instructions to take charge of the entire wine issue inside the country, as well as throughout the CIS. This will be his main task until the economic embargo on the delivery of Georgian wines to Russia is removed."¹⁶

Mikhail Saakashvili highly values "the PRC leadership's reform policy." But in his words, "China has made amazing achievements in opening up to the outside world, conducting reforms, and encouraging modernization;" Georgia is "willing to adopt the PRC's reform experience." Tbilisi is supporting Beijing's efforts to ascertain Hu Jintao's image as "a reformer striving for an open regime."

In this context, it is worth noting that the heads of the U.S. and the PRC have begun communicating more frequently than in the past. In particular, in 2005, George Bush and Hu Jintao met twice: in New York (at a U.N. function) and in Beijing (during the visit of the White House "boss" to China). In so doing, on the eve of his return official visit to the U.S. (from 18 to 21 April, 2006), Hu Jintao tried to position himself as a "reformer." The impression is created that the Chinese leader—"reformer" presented himself to Washington as the most suitable partner (in comparison with "authoritarian" Vladimir Putin).

During Hu Jintao's visit to America, the strategic dialog was reinforced between the two sides on issues of both domestic (particularly in trade and finances) and foreign policy. The exchange of information and mutual trust were strengthened and consent and cooperation between the sides were expanded.¹⁷ Summing up the results of the visit of Hu Jintao to the U.S., Chinese Foreign Minister Li Zhaoxing noted that this undertaking was a "significant event." He reminded everyone that the visit took place "at a time when China and America had new opportunities to develop bilateral relations." According to Li Zhaoxing, Hu Jintao pointed out that under the conditions of non-traditional threats to security which the contemporary world encountered, "the range of the PRC's and U.S.'s common interests has expanded."

In this way, it appears that Beijing has taken several steps toward improving relations with Washington (against the background of the increasing Russian-American strategic rivalry).

In turn, although it has a guarded approach to the actions of the PRC, the U.S. is nevertheless reconsidering its model of global policy with a view to strengthen relations with Beijing. As the Chinese information agencies noted, during the visit of the PRC President to America, President George Bush confirmed the consistency of his government's position with respect to the Taiwanese issue. In particular, he said that "the U.S. adheres to the one-China policy, understands China's concern on the

¹⁴ A. Krushensky, "Kitai speshno osvivaet SNG," *Parlamentskaia gazeta*, No. 26 (1912), 21 April, 2006, available at [<http://www.pnp.ru/archive/19120142.html>].

¹⁵ See: A. Gabuev, "Mikhail Saakashvili vzvalil vino na Kitai," *Kommersant*, No. 65, 13 April, 2006, available at [<http://www.kommersant.ua/doc.html?DocID=666056&IssueId=30067>].

¹⁶ *Ibidem*.

¹⁷ See: Report of the PRC Foreign Ministry, *President Hu Jintao Holds Talks with His U.S. Counterpart Bush*, 21 April, 2006, available at [<http://www.fmprc.gov.cn/eng/wjzb/zjzg/bmdyzy/gjlb/3432/3435/t248217.htm>].

Taiwan question and does not hope to see any actions by the Taiwan authorities to unilaterally change the status quo across the Taiwan Straits damage Sino-U.S. relations.”¹⁸

According to the reports of the U.S. State Department, Washington is reconsidering its diplomatic priorities by placing special emphasis on their Asian component. In particular, in the near future, there are plans to reduce the number of American diplomats in the Russian Federation to ten people, while another 15 politicians will be sent to the PRC. The intensification in the U.S.’s Asian strategy is also shown by President George Bush’s official visits to Mongolia, India, Pakistan, Afghanistan, and socialist Vietnam (2006), as well as Washington’s actions to sound out the possibility of obtaining the status of observer in the South Asian Association of Regional Cooperation (SAARC).

The U.S. is compelled to pay particular attention to relations with the PRC, which could have a negative effect on the vitally important interests of any regime in Washington, without necessarily resorting in so doing (in contrast to the Russian Federation) to military methods, including a hypothetically possible nuclear strike. What is more, the interdependence between the U.S. and PRC is much stronger than that between the U.S. and Russia. For example, the factor of interdependence in America’s and China’s domestic security is becoming stronger in leaps and bounds. The stability of the U.S.’s national currency depends on the ways the PRC’s gold and currency reserves are managed. Two thirds of China’s currency reserves, which according to some data amount to approximately 700 billion dollars, are kept in American currency, and approximately half of them in U.S. treasury bonds. In this respect, any hint by Beijing at a change in its currency reserves arouses corresponding concern in Washington.

In July 2005, the PRC carried out currency reform, which led to the yuan being less dependent on the dollar; China’s national currency gradually began to grow stronger. All the same, the re-evaluation rates controlled by the government are extremely insignificant. In almost eighteen months, the yuan to dollar exchange rate increased from 8.27 to 7.74 yuan.¹⁹ If, with respect to the above-mentioned, Beijing decides to convert one third of its gold and currency reserves into euros (for currency security), under the current unstable conditions in the American economy, such a step by the PRC, which despite pressure from the West, as well as the WTO and IMF regulations, is keeping the ratio of the yuan to the dollar under state control, would be a serious blow not only to the U.S. economy, but also to its political system.

Moreover, the volumes of Chinese-American trade turnover are dynamically increasing. According to the official data, the volume of bilateral trade between the two countries reached 200 billion dollars at the end of 2004, and 211.6 billion dollars at the end of 2005.²⁰ In this way, the indices of Chinese-American trade turnover volume are a great deal higher than those of Russian-American and Russian-Chinese goods exchange. At present, the U.S. is the PRC’s second trade partner and the PRC is the fourth market for U.S. export (for comparison: Russia is not among either China’s or America’s top five commercial partners).

In so doing, the trade balance deficit in U.S. trade with the PRC should amount to 229 billion dollars in 2006, which is 27 billion dollars higher than the same index of the previous year. In mid-November 2006, talking in Beijing about the balance deficit in U.S.-PRC commercial relations, U.S. Secretary of Commerce Carlos Gutierrez said that the solution to this question was not “in introducing restrictions on import from China, but in increasing export from the U.S.”²¹ Under these conditions, according to the consensus reached in August 2006 between Chinese President Hu Jintao and

¹⁸ See: Report of the PRC Foreign Ministry, *President Hu Jintao Holds Talks with His U.S. Counterpart Bush*, 21 April, 2006.

¹⁹ See: “V Pekine otkryvaetsia kitaisko-amerikanskiy strategicheskii dialog,” *RIA Novosti*, 14 December, 2006, available at [<http://www.rian.ru/world/relations/20061214/56895816.html>].

²⁰ See: “Trade with U.S., EU Tops US\$200 Bln in 2005,” *Xinhua Agency*, 12 January, 2006.

²¹ “V Pekine otkryvaetsia kitaisko-amerikanskiy strategicheskii dialog.”

U.S. President George Bush, since 14 December, 2006, Beijing and Washington have begun officially holding a “Chinese-American strategic dialog” on the indicated trade and economic and financial issues.²²

It seems that the high level of interdependence between the U.S. and PRC will not allow Washington to engage in sharp criticism of Beijing. In this respect, it is worth noting that in the press releases of the Chinese-American talks, “Washington positively assesses China’s shifts” in issues relating to “openness of the market” and “protection of intellectual property,” while the Russian Federation was asked these questions point blank during the talks on its membership in WTO, and the Russian authorities were accused of leaning toward authoritarianism.

On the whole, it should be presumed that today the U.S.-Russia-China triangle of relations mostly serves China’s interests, partially compensating for the failure of Moscow’s policy in the westerly direction. In so doing, America’s main attention is focused on the prospects of cooperation with Beijing, while the Russian factor is considered less significant and has a long-term downward trend, in particular taking into account the exhaustion of energy resources.

Russia’s position is also complicated by the fact that the main factor within the framework of the mentioned “triangle” are U.S.-China interrelations; Russia has little leverage on the ties between these two giants.

Moscow’s attempts to intensify the strategic Russia-China dialog (in particular, with the help of the SCO) are not as successful as Russia would like them to be. Within the framework of the SCO, China’s representatives are repeatedly emphasizing that the economic trade potential of their country is a great deal higher than that of all the other states put together, thus putting Russia on the same level as the organization’s other member states. In this respect, it can be presumed that Beijing regards the China+all the rest formula as the main model of cooperation within the SCO, while the China-Russia+the rest triad occupies a secondary position. Nevertheless, by taking advantage of the current euphoria aroused by “Russia’s revival as a great power,” Beijing is trying to gain the maximum benefit from the above-mentioned current model of U.S.-Russia opposition.

Furthermore, at the current stage, Moscow does not manage to compensate for the complications in interrelations with the U.S. by strengthening partnership with the key European states. Today, Russian-European relations are characterized by a certain cooling off due to the gas dispute, as well as the circumstances involving Belarus, Ukraine, and Georgia. In addition to this, on Europe’s political arena, the positions of the leaders who sympathize with President Vladimir Putin are becoming much weaker: for example, Gerhard Schroeder and Silvio Berlusconi, who were openly benevolent toward partnership with their Russian colleague (despite the strong pressure from public opinion), have left the stage. Romano Prodi and Angela Merkel have come to power in Rome and Berlin, respectively, who stress the differences between their foreign policy line and the policy of their predecessors, which has also had an effect on relations with Russia. What is more, the political position of Jacques Chirac, a European leader who supported the Russian side on the European political arena and who does not hide his own Gaullist anti-American sentiments, has become much weaker.

The aforesaid trends make it possible to forecast that, in the future, the Russian Federation will be interested in strengthening trusting interrelations with ally countries within the CIS and Islamic world. In particular, Russia is patently interested in retaining alliance relations with Uzbekistan, which is carrying out a foreign policy independent of the U.S. and its satellites.

²² Ibidem.