

behind The LINES

August 2005

Chinese Checkers or Russian Roulette?

The joint Russian-Chinese military exercises with the rather innocuous code name "Peace Mission 2005" concluded in August in the Far East. While they apparently did not evoke undue concern among intelligence analysts, they did provide a limited, but revealing clue to both countries' newly developing relationship and their national objectives for the next decade or so. Ironically, the warming relationship between the Russian Federation and the People's Republic of China is motivated not by any immediate military concerns, but rather by practical economic considerations, i.e. a viable market for Russian military hardware accompanied by China's quest for access to the vast energy resources in Russian Siberia and other nearby countries of the former Soviet Union. Representatives from Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, Mongolia, India, Pakistan and Iran were invited as observers at the war games.

Significantly, the live-fire exercises included sizeable elements from Russian ground, air, airborne and naval forces. Russia's defense industry used the opportunity to showcase its state-of-the-art military equipment and capabilities. President Vladimir Putin found an eager client for Russian weaponry in China's rapidly expanding economy with a GDP growth rate of 9.5 percent during the first half of this year. From President Hu Jintao's perspective, these first ever joint Russian-Chinese war games served to remind one of China's bold aspirations in the new century as it seeks to become a formidable player in South Asia and the Pacific Rim region.

Undoubtedly China's political signals were pointedly aimed at Washington at a time when Moscow and Peking are endeavoring to portray their new relationship as a counterpoise to the new U.S. strategic presence in Central Asia. Moreover, China has quietly embarked upon a determined course to exhibit its growing military power that could be called upon to ensure its vital external resource base at some point in the future. The major Russian oil and gas fields in Western Siberia at Urengoy, Yamburg and Medvezh'ye, as well as in Eastern Siberia, are the obvious objective due to their relative proximity and accessibility via pipelines to the Chinese market. Inasmuch as the People's Republic of China is the world's second largest consumer of energy after the United States, an assured and protected resource base is critical for support of its rapidly evolving economic engine. Russia as the world's largest exporter of natural gas and the second largest exporter of oil logically presents itself as a convenient economic ally for China. These two giant Asian neighbors share a historic border of approximately 2,100 miles.

In the end, the joint Russian-Chinese maneuvers are of minimal military significance. However, the symbolism of these fairly extensive war games involving close coordination has enormous political and economic implications for current U.S. military and diplomatic initiatives in the strategic crescent stretching from the steppes of Central Asia to the shores of the Far East.

In addition to the eventful joint military exercises by these two former adversaries, the Chinese communist leadership continues to display its flexibility and pragmatism on several other fronts. In July, after considerable pressure from the United States, China agreed to delink the yuan from the U.S. dollar. Then in August a Chinese state-owned firm announced a major economic coup with its acquisition of the controlling interest in a Kazakh firm to export oil from central Kazakhstan to western China via a pipeline beginning later this year or early in 2006.

Perhaps most notably these events come as a backdrop to Chinese President Hu Jintao's impending visit to Mexico, Canada and the U.S. and his scheduled meeting with President George Bush on September 7th.