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## THE CURRENT STATE AND THE PROSPECTS OF US –CHINA RELATIONS

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Since 2010 China has remained the world's second largest economy by nominal GDP after the United States with growth rates averaging 10% per year [1]. The paper addresses the question of the prospects of Sino-American relations given the recent economic growth and enhancing political power of the People's Republic of China in the world which pose a real challenge to the USA.

The history of links between China and the US shows that they don't have a sustained basis of steadfast relations. They are usually neither allies nor enemies. Therefore, the prospects of their interaction are vague with a variety of different models of development. So the aim of this paper is to consider the current state of Sino-American relations and to examine the most probable options of their development.

Background. The restoration of the U.S. ties with mainland China began with President Richard Nixon's breakthrough visit to China in 1972 followed by the formal revival of US-China relations in 1979. Strategically, the Nixon administration viewed reestablishing the diplomatic ties with China, both political and economic, as putting greater pressure on the Soviet Union and enhancing American power in East Asia. Later, as China began the economic reforms, it became central in manufacturing, which created an enormous market for American companies and which led to an exponential growth of Sino-American economic ties. However, while the U.S. and the PRC grew closer economically, their foreign policies diverged.

Nevertheless one may assume that today, the United States and the PRC bring back to mind the European great powers a century ago. They trade with each other, but do not trust each other. Washington and Beijing disagree fundamentally on how to deal with the states such as North Korea, Iran, and Syria. Nor do the U.S. and China agree on human rights.

The current state of economic relations. Investments in the economy of the PRC by the United States in 2012 year decreased by 22.32% to \$ 1.68 billion, compared to EU investments of \$ 3.46 billion (an increase of 1.17% on an annualized basis). But the more investments came from ten Asian countries (Japan, the Philippines, Thailand, Malaysia, etc) that rose by 23.88% to \$ 52, 53

billion. It follows that the USA is very cautious in the question of economic support of China, because a high rate of investment might lead to even stronger Chinese economy, which runs counter to the US geopolitical goals [2].

Given the complexity of US-China relations, let's look at some possible ways of developing Sino-American relations.

- 1) A standoff between the two countries. During the past decades the PRC seemed to have been choosing the position other than that of the USA. For example, China didn't support the resolution on humanitarian intervention in Syria and favored an alternative project of the UN Security Council reform. Besides, not long ago PRC and Russia created BRICS. The idea of such a consolidation emerged after Goldman Sachs economic research, which showed that the BRIC countries will play a leading role in the world economy. Then in 2006 these countries created BRIC Economic Forum which in the future may become a full-fledged international organization. However, some experts believe that the real reason of creating BRICS is a rivalry with the USA. As the economic statistics show, there is likelihood that the Group BRICS can really win the competition [3].
- 2) Convergence of US China policies. The US and China will attempt to overcome the main obstacles between them by converging their positions in different spheres (economic, political, scientific, etc.), although, there are some modifications of this variant. For example, closer economic ties will prevent them from waging a bilateral fight, i.e. these links would be vital for both countries. The convergence of US-China positions is possible provided the growth of China slows down soon, while the USA loses the residue of its image and power.
- 3) The current state of affairs. One can assume that the bilateral relations may have variable character, which means that on some issues the positions of China and USA could be similar, so they could cooperate quite efficiently, while in most cases the positions of the both countries would remain a bone of contention.

So which of these models are more likely to be implemented? It seems that the third option is most probable: each country has its national interests in the regions that do not overlap, so there are no crucial reasons for an open confrontation when your rival is on the other side of the world. The second option seems less probable because consolidation of developing countries (BRICS) is not only possible, but it can be viable under the circumstances. The least probable option of development as being unconstructive is the first one.

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