

Eurasian Cooperation Is Needed to Meet the Crisis

by Mary Burdman

The extraordinary measures made by Eurasian nations to develop Eurasian strategic and economic cooperation over recent months, are being taken to a new level since the beginning of September. In June, the Shanghai Cooperation Organization (SCO) of Kazakhstan, Russia, China, Kyrgyzstan, Tajikistan, and Uzbekistan, was founded in Shanghai; in July, Russian President Vladimir Putin and Chinese President Jiang Zemin signed the Russia-China Good Neighborly Treaty of Friendship and Cooperation; Russia and India, which have long had close military and strategic relations, will sign a friendship treaty at the beginning of November.

Western Europe, where the leaders of both Germany and France are publicly indicating concern about the rapidly deteriorating financial situation, is increasingly looking to Russia and Asia. President Putin is scheduled to visit Germany during the week of Sept. 24 with an entourage of 200 officials and entrepreneurs, and go to Berlin, Dresden, and the important German industrial cities of Düsseldorf and Essen, where he is to meet on Sept. 26 with German business and political leaders and at the Krupp industries' Villa Huegel. In October, a high-level Russian-German conference on economic cooperation is scheduled for Berlin.

During Sept. 2-15, Chinese Prime Minister Zhu Rongji visited Europe and Russia, and then went to Kazakhstan, where he met his counterparts at the first prime ministerial meeting of the SCO nations. The SCO was founded primarily to foster security cooperation and joint economic development.

Just as Zhu Rongji was in Russia, former German Chancellor Helmut Kohl, who remains an éminence grise of German foreign policy, visited both Russia and China. In Moscow, he met with President Putin, and from there flew to Beijing, where he met with Chinese President Jiang and

the head of the Chinese Parliament Li Peng, before speaking on the multipolar world at the Sept. 10-12 International Forum on China and the World in the 21st Century, sponsored by the Chinese People's Institute of Foreign Affairs. At this meeting, attended also by Vladimir Lukin, Vice-Chairman of Russia's State Duma (lower house of parliament), former Japanese Prime Minister Toshiki Kaifu, and other international leaders, Qian Qichen, China's foreign policy éminence grise, made a comprehensive and very diplomatic proposal for the reunification of Taiwan with China. These proposals reflect the reality, that Taiwan, already in the worst economic-financial crisis in 30 years, because of its crippling dependence upon the crashing U.S. market, is only being saved from worse collapse by its ever-growing economic ties with the mainland.

These comprehensive measures are being taken in an effort to consolidate Eurasian relations in the face of the world financial and security crisis. The horrific events inside the United States on Sept. 11 demonstrated the dimension of those threats. The *existential* question, for the nations of Eurasia, as well as the United States, is how Eurasian strategic influence can be brought to bear to deal with the enormous crisis within the United States.

China, Europe, And Russia

China's Prime Minister made a four-nation trip, visiting Ireland, Belgium (currently president of the European Union [EU]), Russia, and Kazakhstan. Zhu headed an entourage of 135, including a dozen government ministers. Among them were State Councillor Wu Yi, China's senior trade official, and Foreign Minister Tang Jiaxuan. The delegation included the heads of the departments for railway, science and technol-



The three main lines for Lyndon LaRouche's conception of the Eurasian Land-Bridge. Cooperation among Eurasian nations to bring the Land-Bridge to fruition is being targeted by pro-IMF financiers and geopoliticians such as Zbigniew Brzezinski.

ogy, communication and informatics, culture, trade with foreign countries, aeronautics, and civil aviation.

In Brussels, Zhu Rongji met with European leaders for the fourth EU-China summit on Sept. 5. The EU has a \$36 billion trade deficit with China, its biggest in the world, which it wants to reverse, and a new EU policy paper emphasizes the growing importance of China and India—the two economies in the world which are actually growing—for European economic relations.

In the face of the world crisis and slowing domestic growth, Indian Prime Minister Atal Behari Vajpayee, on Sept. 5, announced that the “crisis can be ended only by dramatically stepping up public investment and enabling private investments to ride on the back of public investment. We have decided to mobilize large-scale additional resources for investment in various developmental projects and programs through a combination of non-budgetary and budgetary sources. . . . We will make full use of the availability of surplus credit in our banks and financial institutions. . . . We recognize that at the heart of the slowdown is the crisis of productive investment in the economy.” Rail and other transport infrastructure, and energy development, will be the focus of this investment.

On Sept. 7, Zhu Rongji arrived in St. Petersburg, and went on to Moscow on Sept. 9 for three days, where he met President Putin. The visit, announced Chinese Ambassador to Russia Zhang Deguang in Moscow on Aug. 30, was to “give a strong impetus to the expansion of multifaceted cooperation between Russia and China, in particular in the economic field.” China and Russia, Zhang said, have tremendous potentials for cooperation in energy, space, telecommunications,

forestry, and other fields.

Zhu Rongji was greeted by Russian Deputy Prime Minister Ilya Klebanov, responsible for the Russian aviation and military technology sector. On Sept. 8, Zhu and Prime Minister Mikhail Kasyanov held the sixth regular China-Russia prime ministerial meeting in St. Petersburg, the sister-city of Shanghai. Both leaders stressed the importance of the Russia-China Friendship Treaty, and said that their current meeting was to implement the principle, spirit, and agreements of this treaty.

China-Russia bilateral cooperation has grown rapidly in the past year, Zhu said, calling for a balanced development of mutual trade. While the value of Sino-Russian trade has almost doubled in the past two years, it remains, at \$8 billion worth, inconsiderable in the context of the two nations’ level of strategic cooperation. Both sides agreed to optimize the trade structure by increasing the trade of machinery and high-technology products, and increasing cooperation in machine-building and energy development, including nuclear power.

After they met, Zhu and Kasyanov held a ceremony to sign their joint declaration, and other officials signed six cooperation documents. These included a contract to deliver five Russian Tupolev-204 commercial airliners, with potential to buy ten more in the future. “We talked about the possibility of jointly creating new airline models and organizing production in the future,” Kasyanov said. “We could make all kinds of high-tech products together.”

There was also an agreement on a feasibility study for a long-discussed 2,400 kilometer pipeline to carry oil from Siberia’s Kovykta field to northeastern China. Plans should be finalized for the pipeline in the coming year, and it should

be finished by 2005, at a cost of \$1.7 billion. The agreement creates “a new direction for Russian oil exports and the diversification of energy sources for China,” stated Russia’s Yukos CEO Mikhail Khodorkovsky. Now, 60% of China’s oil imports come from the Middle East. Another pipeline, to Russia’s Pacific province, is also under consideration.

In Moscow, during his meeting with Zhu Rongji on Sept. 11, President Putin said he was “very satisfied that relations between Russia and China are developing so intensively,” and noted “the absolutely positive development of cooperation” in trade and military-technical cooperation. After this meeting, Zhu Rongji visited the cosmonaut training center at Star City, outside Moscow.

As he has on previous visits, Zhu Rongji met Russian entrepreneurs. “Trade and economic cooperation must soon be brought to the level that would correspond to our relations in the political field,” Zhu Rongji said—a theme he has consistently emphasized on visits to Russia. Zhu said the Siberia-to-China oil pipeline could increase Russian exports to China by as much as \$10 billion a year. He also called for help to increase Chinese exports, worth only \$2.2 billion last year. The Chinese side is focussing on seriously improving the quality of goods exported to Russia. Many cheap Chinese consumer goods, worth up to \$10 billion, are going to Russia through semi-legal channels each year, he said, and this is not beneficial to either side. In addition, Councillor Wu Yi met with Minister Klebanov on Sept. 5 to set up a working group to resolve China’s trade deficit with Russia.

Transport Corridors

Before Zhu Rongji’s arrival in Russia, high-level Russian and Chinese transportation officials held discussions to develop both east-west and north-south international transport corridors, in the context of the fifth session of the interstate commission for trade, economic, financial, scientific, and technical cooperation, held in Moscow the week of Sept. 2. Russian Railways Minister Nikolay Aksenenko and Fu Zhihuan, his Chinese counterpart, signed a memorandum of cooperation to draft a plan to increase the capacity of Russian-Chinese railway border crossings as early as next year. This will also give China access to Russia’s Pacific seaports. Akse- nenko stated, “Russian and Chinese railways have plenty of common problems, which require a joint solution.”

Energy cooperation in the nuclear field is also on the agenda. Russian Deputy Minister of Atomic Energy Yevgeni Reshetnikov said in an interview on Sept. 4 with Itar-Tass, that cooperation with China in peaceful nuclear energy is highly productive and promising. In addition to the two nuclear power units which Russia is currently participating in constructing in China, Reshetnikov said that it is possible China might order new units, and that construction of the nuclear plants would be launched when the current projects, one in Lianyungang, are completed. They are to come on line in 2004 and 2005.

Central Asia

Zhu Rongji then went to Kazakstan, by far the largest nation in Central Asia. Here, the Shanghai Cooperation Organization prime ministerial meeting opened on Sept. 14 in Almaty. Kazak Prime Minister Kasymzhomart Tokayev stressed the importance of trade with China, and said that Kazakstan hopes to participate in China’s development of its western regions. Tokayev said that SCO nations’ “cooperation in various fields such as economy and transportation should be strengthened so as to combine its political mission with economic cooperation.”

Earlier, on Sept. 3, Kazakstan President Nursultan Nazarbayev told the Parliament in Astana, that both the national and international political situations require Kazakstan to focus on increasing regional cooperation, both in security matters and economically. Of first importance are the Eurasian Economic Community of Russia, Belarus, Kazakstan, Kyrgyzstan, and Tajikistan, he said, and the Central Asian Economic Community of Kazakstan, Kyrgyzstan, Uzbekistan, and Tajikistan. The nation must have broader interaction within the Shanghai Cooperation Organization and must strive to increase cooperation around the Caspian Sea region. State investment in infrastructure is needed to expand the economy, Nazarbayev said.

A concrete part of Eurasian economic cooperation, was the announcement on Sept. 7, that construction will begin in three years on the China-Kyrgyzstan-Uzbekistan section of the long-awaited “Paris to Shanghai” railroad. This was announced by Wang Linshu, general engineer of the Ministry of Railways, at a Forum on Western Development held in Xi’an, the ancient eastern terminal city of the Silk Road.

Wang also said that China is considering building a rail line linking Yunnan in the southwest to Malaysia and Singapore, to give Yunnan access to international seaports, but funding is a problem for this project.

Wang said that China, Kyrgyzstan, and Uzbekistan had recently reached a preliminary agreement on building the 300-km-long rail line from Kashi in China’s Xinjiang province, through Kyrgyzstan, to Andizhan in Uzbekistan. This will be the second rail link of China’s hinterlands to Central Asia and Europe, after the Lianyungang-Xinjiang-Kazakstan Euro-Asian Continental Bridge. In the coming five years, China will invest more than \$15 billion—half its expenditure—in developing its western railroads, including the rail line to Tibet.

China’s own 4,000 km west-east Xinjiang-to-Shanghai gas pipeline project, a pillar of its “develop the west” strategy, will also soon be launched, it was announced in Xi’an.

The Multipolar World

In a statement more explicit than any he has made so far, former German Chancellor Kohl announced in Beijing that we “are now in a multipolar world.” He told the International Forum on China and the World, that people in the United

States must understand, that in addition to the United States, there are many powers, including Europe, Russia, China, and India. The EU will not become a world superpower, Kohl said, but it aims to be a reliable partner for China, Russia, and America. A powerful, stable, and liberal Europe, both economically and politically, is in the interests of these nations.

The Asian market has become more and more important for European countries, he said, and the European market has become more and more important for Asia. Asia has become the second-largest market next to North America for EU commodities, while Asian countries, except Japan, send 30% of their exports to Europe, and are likely to export more in the future.

China has maintained a 7-9% annual economic growth rate in the past years, and this has led to a sharp rise in Sino-EU trade, Kohl said. In 1999, China amended its Constitution, and stipulated that private enterprises are also an important element of its economy, a positive step, said Kohl. China's economic development faces difficulties, such as state-owned enterprise reform and economic restructuring, he said, but he wished it all success, which will contribute to the prosperity of the Chinese people, and to the EU-Sino relationship.

Russian Duma Vice-Chairman Lukin, who emphasized the unprecedented positive level of Russian-Chinese relations at the Beijing Forum, several days later strongly discounted the Western "aggressive forecasts" of geopolitical conflicts between the two nations for influence in Central Asia. Geopolitical intrigue has no place in Russian-Chinese interaction, he said in a statement on the Shanghai Cooperation Organization on Sept. 12. The SCO, he said, is a basis to improve relations, and economic growth in China and Russia will provide a basis for economic integration of Central Asia with its neighbors.

A Proposal For Reunification

In his keynote speech at the Forum, former Chinese Foreign Minister Qian Qichen said that "peace and development complement each other. Peace is the prerequisite for development, which is in itself one of the important foundations for peace." In this context, he emphasized the importance of the complete reunification of China, under the "One-China" principle. If a "one country, two systems" policy even "more flexible" than the one already functioning in relation to Hong Kong and Macao is eventually adhered to, China has the "patience to wait," Qian said. He then outlined just how flexible the "two systems" would be. Taiwan would retain its own currency, its own armed forces, its own government structure, and remain an independent customs zone, Qian said. The way of life of the Taiwan people would remain unchanged, and entrepreneurs will keep their property and assets intact. China would neither levy taxes on Taiwan nor take funds out, and would not send its officials to take office in Taiwan.

While these proposals have been made over some years

by the Beijing government, to be made so openly at such a high-level international forum, was an important step forward. Qian Qichen called for resumption of political dialogue and negotiations, and near-term opening of the "three links" of direct cross-strait transport, commerce, and communications. Cross-strait links are already very real. In 2000, the volume of trade, through Hong Kong and other ways, was worth \$30.5 billion.

While Taipei, for public consumption in any case, said Qian's proposals are not new, reality is having ever-greater influence on cross-strait relations. In late August, as month after month exposed the collapse of Taiwan's high-tech exports to the United States, bringing on economic crisis and unemployment, Taiwan's Economic Development Advisory Conference recommended measures to increase direct economic exchanges in trade and investment, which Taiwan President Chen Shui-bian has pledged to carry out. On Sept. 11-12, for the first time in five years, a Cross-Strait Sea Transport Seminar, organized by shippers of both sides, was held in Shenzhen, attended by Chinese Vice-Transport Minister Hong Shanxiang.

The Failure Of Geopolitics

At least one ugly geopolitical voice was raised at the Beijing Forum, from top-level U.S. troublemaker Zbigniew Brzezinski. But there is every indication that his provocative remarks on cross-strait relations were not well received, and were quite sternly reprimanded by senior Chinese military spokesmen. Brzezinski, while praising the level of Chinese development, attempted to dish out geopolitical disruptions, by predicting political crises in China within the next few years, and pronouncing that China must adopt "one country, several systems," rather than "two systems," policy for eventual reunification. Brzezinski's remarks also alluded to what he claimed were tendencies of the American population to consider China a potential enemy.

This is the urgent question to the nations of Eurasia, is that it is not the U.S. population, but U.S. geopoliticians who want to make them enemies and start wars in Eurasia. The Eurasian land-mass has the greatest potential for economic development in the world. But this can only be developed when the now-crashing financial system is replaced by a rational and just new system. The nations of Eurasia must foster the conditions, including in relation to the United States, so that this urgent task can be done.

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