



**China-Russia Relations:
Pollution, Politics, and Partnership**

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By any measurement, 2005 elevated China-Russian relations to a higher level across various fields: Presidents Hu Jintao and Vladimir Putin met four times; they issued a joint declaration on the international order in the 21st century; began strategic dialogues (February and October), held their first-ever military exercises (August), recorded trade of \$29 billion (up 33 percent), and coordinated foreign policy (30 consultations between the foreign ministers).

These high-profile and glittering interactions, however, were overshadowed at yearend by a serious pollution accident in the Songhua River, a tributary of the Heilong River (Amur in Russia) dividing Russia and China – a painful reminder that high-profile diplomacy is not the only priority between the two powers that share more than 4,000 kilometers of border. The China-Russian strategic partnership relationship, though far from derailed, was at times tested and strained by the accident.

Water, water everywhere, but not a drop to drink?

The environmental disaster began Nov. 13 after a huge explosion at a chemical plant in China's Jilin Province, 380 km from Harbin (population 3.8 million), capital of China's northernmost province bordering Russia, and 600 km from the Russian border where the Songhua River meets the Amur. Local officials in Jilin Province covered up the disaster for 10 days while some 100 tons of benzene and its derivatives leaked into the Songhua. As an 80-km (50-mile) belt of toxic benzene drifted downstream past Harbin, pollution levels on the river were 33 times above national standards at its peak, and millions of residents in Harbin had no running water for four days (Nov. 24-27).

The Russian side was genuinely alarmed by the prospect of toxic substances in the water supply of Russia's 70 population areas (and 1 million residents), a list that includes Khabarovsk, Amursk, and Komsomolsk-on-Amur. Legal experts, environmentalists, consumer activists, and lawmakers in Russia lost no time in assuming the worst for Russia's Far Eastern region. Some went as far as to threaten to sue China in the International Court in The Hague for compensation over the spill.

Chinese officials repeatedly sidelined the compensation issue, while emphasizing instead the need for a solution to the ecological problems. Meanwhile, Beijing took extraordinary efforts to contain the pollution and to coordinate with Russians at various levels to minimize the impact of this environmental disaster. On Nov. 22, China began to provide Russia with relevant information, and expert working groups from both sides started that same day. From Nov. 24, daily information on monitoring results were passed to Russia through a hotline set up between the environmental departments of the two countries. On Dec. 2, China supplied Russia with six water-quality testing systems (chromatographers) and 150 tons of activated charcoal to filter drinking water. A Chinese working team visited Moscow, Khabarovsk, and the Jewish autonomous region from Dec. 9-12, informing the Russian side about the pollution in the river, and discussing further efforts. An agreement for joint monitoring of the Songhua and Amur Rivers was signed in Khabarovsk Dec. 11 and joint monitoring began the following day. On Dec. 16, China started to send the second batch of two water-testing devices and 1,000 tons of activated carbon. And finally, at the request of the Russians, 4,000 Chinese workers hastily built a \$2.5 million temporary dam (443 m long and 4 m high) Dec. 16-21 on the Kazakevichev Channel on the Amur River to prevent the benzene slick from polluting Khabarovsk water supplies. For the longer-term, a subcommittee on environmental cooperation is to be established within the framework of the prime ministers' regular meeting.

While rapid measures were taken to address the cross-border pollution, Chinese leaders also took extraordinary steps to reach out to the Russians: Foreign Minister Li Zhaoxing apologized to Russian Ambassador to China Sergei Razov Nov. 26; Premier Wen Jiabao wrote to Russian Premier Mikhail Fradkov Dec. 4 pledging assistance in dealing with the aftermath of the toxic spill; and finally President Hu Jintao told visiting Russian First Deputy Prime Minister Dmitriy Medvedev Dec. 8 that the Chinese government would deal with the issue seriously and conscientiously with an attitude of being highly responsible to the two countries and the two peoples. "We will take all necessary and effective measures and do our utmost to minimize the extent of pollution and reduce the damage to the Russian side," promised Hu.

The emergency measures as well as the natural process in which the chemicals dissolved in the water and sediment on the river bottom seemed to work over time. The Amur did not show excessive levels of toxicity as feared. The medium- and long-term effects of the toxic spill to both nations, however, are yet to be determined. The Russians noted that the Songhua River, the upper tributary of the Amur, was already heavily polluted by 16 Chinese petrochemical factories, together with more than 2,000 other factories along the river. The Russian side therefore intended to monitor samples for the presence of other substances in addition to benzol and nitrobenzene released in the recent spill. The Chinese side, however, wanted to monitor the Songhua River for only benzol and nitrobenzene, at least for the time being.

For these reasons and others, Russian officials barely concealed their displeasure, despite the fact that the toxic spill did not lead to the worst case scenario. When Prime Minister Wen apologized to President Putin for the spill during the Dec. 13 ASEAN meeting in Kuala Lumpur, Putin reportedly only "noted" the efforts by China to contain the spill and agreed that the incident should not harm bilateral relations. A week later, Russian Foreign Minister Sergei Lavrov spoke of creating a "compensation mechanism" for damage caused to the Russian environment. The next day, Russian Natural Resources Minister Yuri Trutnev told reporters that any claims should

be filed after the situation was fully assessed. The crisis struck a nerve with some Russian officials who were long suspicious of China's motivations even with the construction of the temporary dam as requested by the Russians. Oleg Mitvol, deputy head of the Russian Federal Service for the Control of the Use of Nature, warned that the Kazakevichev Channel may dry up after being blocked by the dam, leading to a Russian-Chinese border change in favor of China. Although this possibility was quickly dismissed by other Russian officials as "utterly careless" and "ridiculous," there is no question that the political and social effects of the spill have been aggravating relations.

Ironically, the Jilin Chemical Plant, the source of the spill, was built in 1954-1957 with Soviet technical and financial assistance. The Chinese side initially planned to locate the plant at the confluence of the Songhua and Amur Rivers by the China-Soviet border. The Soviet planners and engineers, however, insisted on building it at the current site, which is 600 km away from the border and far enough to absorb any spill in the future.

Pillars of the Russian-China strategic platform

It has been a long time since the China-Soviet "honeymoon" and the subsequent open hostility of the 1960s and 1970s. Despite the chemical spill, bilateral interactions remained normal and busy, at least on the surface: the second round of China-Russia Strategic Security Talks was held in Beijing in October; Premier Wen made an official visit to Russia in October; the fourth annual meeting of the Shanghai Cooperation Organization (SCO) Council of heads of government was held in Moscow in October; Russian Prime Minister Mikhail Fradkov visited China for the 10th regular prime ministerial meeting; Presidents Putin and Hu met during the APEC meeting in Busan, South Korea (November); President Putin and Premier Wen met in Kuala Lumpur during the ASEAN conferences; major military sales to China were delivered including two *Kilo*-class submarines and one destroyer; etc.

The second strategic dialogue in October between Russian Security Council Secretary Igor Ivanov and Chinese State Council Tang Jiaxuan reportedly covered almost every aspect of bilateral relations, including security issues at regional and global levels such as the SCO, Korea, antiterrorism, military relations, nonproliferation, etc. These went beyond the more technical talks between the deputy foreign ministers (held since 1991) and the General Staff (since 1997) of the two nations. The goal is to enhance political trust and understanding of each other's strategic intentions. As a positive sign, Ivanov met with several other Chinese leaders, including Foreign Minister Li and President Hu.

The second dialogue in Beijing was followed by two other high-profile exchanges. One was Chinese Premier Wen's visit to Moscow Oct. 26-27 for the fourth SCO prime ministerial conference. This was the first time that representatives from India, Iran, Mongolia, and Pakistan were taking part as observers. It focused largely on economic coordination among SCO member states, particularly the importance and urgency of their cooperation in oil and gas exploration as well as the construction of oil and gas pipelines. They also approved the budget of the SCO in 2006 and discussed issues such as setting up the development fund, the business council, and the interbank interaction system within the SCO. Agreements on aid for disaster relief and on banking cooperation among the member states were signed.

Wen also held a meeting with President Putin, who expressed delight that the SCO was “gaining pace and political weight.” Putin and Wen, however, reportedly concentrated on trade and economic issues. While Putin continued to stress that the two sides should optimize trade structures (meaning China purchases more Russian high-tech products), Wen expressed the hope that existing agreements be well implemented and that the two countries sign an investment protection agreement at an early date.

While closely coordinating their policies within the SCO framework, China and Russia continued to pursue their respective national interests through different means: economics for the former and security/military for the latter. In the opening session with SCO heads of government, Putin maintained that the struggle against terrorism and questions of security “must remain among the main issues in the (SCO).” Meanwhile, the Russians apparently showed more interest in developing SCO military potential. Gen. Leonid Ivashov, vice president of the Academy of Geopolitical Problems, told reporters that the SCO should grow into an alliance with a military potential equaling that of NATO. And this could be done on the basis of its political and economic cooperation. “Such an alliance will be capable of constructive collaboration with the West on the whole and NATO in particular, on issues of international security because then it will be a cooperation based on equality and equal weightiness,” remarked Ivashov. “If such an alliance is a success, the world will be a safe and more stable place, and the world will be no longer unipolar,” noted the general. Political scientist Andronik Migranian from the Moscow State Institute of Foreign Relations also pointed to the possibility and desirability of forming a military alliance on the SCO basis, with the goal of supplanting the U.S. and NATO but not directly confronting NATO. The head of the State Duma committee for international affairs, Konstantin Kosachev, too, did not rule out that the SCO will further strengthen its collective security mechanism, but dismissed the West’s fear as “exaggerated and far-fetched.”

Without directly and publicly joining the deliberation over the SCO’s military potential, Prime Minister Fradkov pointed out that the SCO’s enlargement with observer members such as Mongolia, Iran, Pakistan, and India “will give it new geopolitical contours.” Defense Minister Sergei Ivanov clearly stated that Russia does not plan to form any military alliances aimed against NATO in the East. That said, Russia was making headway during the last quarter of 2005 in developing closer military ties with some member of the SCO, such as Uzbekistan and Tajikistan, and to a lesser degree, Kazakhstan.

There was no such policy debate among Chinese security experts regarding SCO’s military potential toward an alliance – at least, not publicly. SCO Executive Secretary Zhang Deguang told *Interfax* in Moscow Oct. 27, “I would like to state unambiguously that the SCO will never become a military bloc. It is neither our inclination nor aim.” In early November, Jia Xiaoning, deputy director general of the Foreign Ministry, also echoed that military cooperation among the SCO member states was not meant to build a military alliance. In Moscow, Premier Wen focused on China’s economic interactions with SCO states and proposed five measures to boost economic cooperation among SCO member states: improving institutional efficiency and coordination, upgrading informational and infrastructural mechanisms, closer agricultural cooperation, better exchange and cooperation among enterprises and localities, and more input from other regional organizations and international financial institutions. He urged member states to expand cooperation with observer states in the transport and energy sectors. To achieve

these goals, the Chinese premier said that China would train 1,500 technical personnel from SCO members with 75 million yuan (about \$9.3 million). China also announced \$900 million in preferential export buyers credit. The 20-year credit, with an annual interest rate of 2 percent, could be expanded.

Prime ministers meet: hard bargaining and things to cheer

The most important bilateral event for the last quarter was the 10th prime ministerial meeting between Premier Wen and Prime Minister Fradkov in Beijing Nov. 3-4. The talks focused on economic issues and trade structure; energy cooperation (oil, gas, power transmission, and nuclear power); investment and banking protection; science, space, and hi-tech joint projects; and information technology and transportation infrastructure. Issues of “humanitarian exchanges” were also on the agenda, covering various areas (language training, education, culture and arts, health, sports, tourism, movie, archive exchanges, etc.) in the coming “Years of Russia and China” in 2006 and 2007.

Wen put forward a seven-point list regarding the next step in the concrete cooperation between China and Russia: 1) improve the trade structure, standardize trade discipline, and promote steady growth of trade; 2) begin early discussion and reach agreement on the oil pipeline construction project to deepen cooperation in electricity and nuclear energy; 3) sign the “Sino-Russian Agreement on Investment Protection” as soon as possible, and expand the scope of mutual investments; 4) step up exchanges of scientific and technological personnel as well as the transfer of scientific and technological results to raise the overall level of cooperation in science and technology; 5) support mutual cooperation in the neighboring regions of the two countries; 6) promote exchanges in humanist areas such as education, culture, health, sports and tourism; and 7) exert all efforts to do a good job with activities related to the “Year of China and Year of Russia.”

Eleven documents were inked, including a comprehensive joint communiqué. They included agreements on studying the Russian language in the PRC and the Chinese language in Russia; on mutual understanding of the rehabilitation and treatment of Russian children affected by the Beslan terrorist act; on mutual understanding in implementing the intergovernmental agreement on cooperation in preventing unfair competition and implementing the anti-monopoly policy; on regulating banking activities; a credit agreement between Vneshekonombank (Foreign Economic Bank of Russia) and the State Development Bank of China; an agreement between Vneshtorgbank (Foreign Trade Bank of Russia) and the Bank of China to open a credit line of \$200 million for Vneshtorgbank; an agreement on cooperation between Vneshtorgbank and the Chinese processing company that issues China Union Pay plastic cards.

The two sides bargained hard. The Russians seemed genuinely frustrated by the unbalanced trade structure: its exports to China consist primarily of raw materials and the share of engineering products in Russia’s overall exports to China declined from 4.8 percent in 2004 to 2.4 percent in the first nine months of 2005. The Russian prime minister urged China to install more Russian-designed nuclear power plants, including floating and spaceship-based nuclear power plants to offset the imbalance. Wen insisted that Russia honor all its commitments to supply oil to China, which was behind schedule at the time of the meeting. Wen also pressed for an early decision

and agreement over the Russian oil pipeline to China. The two sides also failed to reach a final agreement on the price of electricity exported from Russia.

Despite these differences, agreements and positive elements still dominated the talks. Wen Jiabao, for example, described the bilateral relations as “unprecedented” in their depth and width. Fradkov also met with President Hu after the prime ministerial talks. Both leaders were upbeat about the talks and the generally healthy state of bilateral relations.

China’s Year of Russia: an early start

All these exchanges occurred before the toxic spill in mid-November. It also happened on the eve of China’s “Russia Year” in 2006, which will be officially inaugurated by President Putin when he visits China in late March 2006. Shortly before the spill, the sixth Session of the China-Russia Cooperation Committee on Education, Culture, Health, and Sports was held in Beijing. The two sides negotiated some 200 cultural, sports, educational, economic, and other events to be held throughout China for the Russia Year, which is unprecedented, even during the China-Soviet “honeymoon” years.

The chemical spill struck a deep and unpleasant note for the Russian and Chinese peoples, each of which has, since their reforms in the 1980s, largely looked to the West, not each other, for the betterment of their lives. It also brought to surface the deeply held distrust and suspicions between the two sides, particularly among the Russians. Despite unprecedented progress in the more tangible aspects of bilateral relations (political, strategic, and economic interactions), the intangible mutual perceptions/misperceptions and understandings/misunderstandings, are still unstable, and even negative. In that respect, the chemical spill kicked off a more difficult process of rediscovering, if not re-normalizing, the more subtle and indiscernible parts of the bilateral relations.

Chronology of China-Russia Relations: October-December 2005

Oct. 1, 2005: President Vladimir Putin sends a congratulatory message to President Hu Jintao on the 56th anniversary of the founding of the PRC.

Oct. 10, 2005: Economic and trade ministers of SCO states meet in Dushanbe, Tajikistan to prepare for the SCO prime ministerial meeting in Moscow in late October.

Oct. 15, 2005: China’s Foreign Ministry spokesman Kong Quan strongly condemns the terror attack in the city of Nalchik in Russia’s Caucasus region.

Oct. 17, 2005: Russia’s major aircraft producer Sukhoi opens office Beijing to provide better after-sale service of the company’s products in China.

Oct. 19-21, 2005: China and Russia hold second round of China-Russian Strategic Security Talks in Beijing. Russian Security Council Secretary Igor Ivanov meets President Hu, Foreign Minister Li Zhaoxing, and Vice Foreign Minister Dai Bingguo.

Oct. 19, 2005: Delegation of the Chinese People's Political Consultative Conference (CPPCC) visits Russia, at the invitation of Russia's Federation Council.

Oct. 20, 2005: President Putin and his wife meet with China-Russian Friendship Committee deputy chairman Deng Rong, Deng Xiaoping's daughter.

Oct. 24, 2005: Russian FM Sergei Lavrov meets the SCO Secretary General Zhang Deguang prior to the Oct. 26 SCO prime ministers' meeting in Moscow.

Oct. 24, 2005: Chinese FM Li talks over the phone with Russian FM Lavrov on the situation in Syria and Lebanon.

Oct. 26-27, 2005: Premier Wen Jiabao attends the fourth annual SCO Council of heads of government meeting in Moscow. Wen has Oct. 26 meeting with Putin.

Oct. 26-Nov. 1, 2005: State Duma Deputy Andrei Kokoshin visits China to attend a conference on regional security and bilateral relations. Kokoshin also speaks at the Chinese Institute of International Strategic Research and meets Deputy Chief of Staff of the Chinese Army Xiong Guangkai, Defense Minister Cao Gangchuan, and Deng Rong.

Oct. 29, 2005: Russian Vice PM Alexander Zhukov arrives in Beijing. Zhukov and Chinese State Councilor Chen Zhili chair the sixth Session of the Sino-Russian Cooperation Committee on Education, Culture, Public Health, and Sports on Oct. 31, and with Chinese Vice Premier Wu Yi the ninth Session of the Committee of the Sino-Russian Prime Ministers' Meeting.

Nov. 1-4, 2005: Col. Gen. Anatoly Perminov, head of the Russian Federal Space Agency, negotiates with the Chinese National Space Administration on cooperation in space. He joins PM Fradkov for the 10th regular meeting with Premier Wen on Nov 3-4.

Nov. 3-4, 2005: Russian PM Fradkov visits China for the 10th regular meeting with Premier Wen. Fradkov also meets President Hu and NPC Chair Wu Bangguo.

Nov. 7-16, 2005: Ministry of National Defense hosts a 10-day SCO Defense and Security Forum in Beijing. Participants include 26 military officers from Kazakhstan, China, Kyrgyzstan, Russia, Tajikistan, Uzbekistan, as well as observers from Mongolia, Pakistan, Iran, and India. The forum discusses the international situation, regional security, antiterrorism cooperation, and the role and the future development of the SCO.

Nov. 13, 2005: Some 100 tons of benzene leaks into the Songhua River after an explosion at a chemical plant in China's Jilin Province. The benzene slick flows downstream, passing Harbin (population 5 million) Nov. 23-26, entering the Heilong River (Amur for Russia) Dec. 15, and passing Khabarovsk (population 600,000) Dec. 22-27.

Nov. 15, 2005: Foreign Ministers Lavrov and Li meet in Busan during the annual APEC meeting. They discuss about issues regarding the Korean Peninsula, Middle East, Syria, and Iran.

Nov. 18, 2005: Presidents Putin and Hu meet on the sidelines of the APEC meeting. They discuss energy, trade, military-technology cooperation, SCO, and cultural exchanges.

Nov. 24, 2005: A hotline is set up between the Russian and Chinese environment protection agencies in border regions, according to Russian ambassador to China Sergei Razov who meets officials from China's State Environmental Protection Administration .

Nov. 29, 2005: First China-Russo Cooperative Narcotics Control Ministerial Meeting is held in Khabarovsk. Both nations agree to directly exchange information and coordinate operations against illicit drug activities.

Nov. 30-Dec. 2, 2005: The second Russian-Chinese-Kazakh oil forum opens in Beijing on issues of recovery, processing, and transportation of oil from Russia and Kazakhstan to China. Deputy head of the Federal Energy Agency (Rosenergo) Oleg Gordeyev heads the Russian delegation. Several hundred officials and business people from Russia, China, Kazakhstan, Great Britain, and other nations join the conference.

Dec. 8-9, 2005: First Deputy PM Dmitri Medvedev visits Beijing as president of the organizing committee of the "Russia Year in China" program. He and his Chinese counterpart and Vice Premier Wu Yi discuss programs for the Russia Year in China in 2006 and the China Year in Russia in 2007. Medvedev later meets President Hu.

Dec. 10, 2005: Russian FM Lavrov meets with Chinese counterpart Li Zhaoxing in Kuala Lumpur during the 11th ASEAN Plus Three conference, before the first East Asia Summit.

Dec. 13, 2005: President Putin and PM Wen meet in Kuala Lumpur. Putin reportedly "notes" efforts by China to contain a toxic chemical spill floating down river toward Russia. Putin and Wen agrees that the incident should not harm bilateral relations.

Dec. 20-22, 2005: National coordinators of the SCO states meet in Beijing to discuss issues on reforming the SCO's secretariat to enhance its functions, expand its competence, and increase the status of its leaders.

Dec. 23, 2005: Officials from SCO law enforcement authorities and financial institutions meet in the Uzbek capital of Tashkent to discuss measures to cut funding for terrorist groups.

Dec. 25, 2005: Russia's Transaero Airlines begins nonstop flights from Moscow to Sanya, China's southernmost resort of Hainan Island, which hosted 20,000 Russian tourists in 2005.

Dec. 30, 2005: President Putin congratulates President Hu on the New Year while expressing his belief that relations between Russia and China have entered a fundamentally new stage of development in 2005 and that the coming year of 2006 will open up new opportunities for Russia-China cooperation.