

# Russian President's Trip to China Advances the Eurasian Alliance

by Mary Burdman

Russian President Dmitri Medvedev's May 23-24 visit to China represents a strong affirmation of the increasingly confident Eurasian alliance against the global British threat, an alliance which was put forward at the Russia-India-China meeting of foreign ministers held in Yekaterinburg, Russia May 15-16. Noting that it was symbolic that he chose China as his first destination as President outside the former Soviet Union, Medvedev asserted, in response to a student's question, that "Russian-Chinese cooperation has today emerged as a key factor in international security, without which it is impossible for the international community to take major decisions.

"Maybe not everybody likes the strategic cooperation between our two countries, but we understand that this cooperation is in the interest of our people, and we will boost it whether or not it pleases some people. . . . Our [joint] activity is not directed against any other country, but serves to maintain an international balance."

Implicit in the Russian President's comment was the fact that these Eurasian giants, representing one-third of humanity, are fully aware of the intention of the Anglo-Dutch oligarchy to destroy not only their sovereignty, but their physical existence, especially in this period of ongoing financial-economic breakdown. They know they are facing the threat of World War III.

All that's missing in the asymmetric countermove by the Eurasian powers is a decision to join by the fourth world power, the United States, which is essential to building a new world monetary system along the lines envisioned by President Franklin Delano Roosevelt.

## Realizing a Promise

A decade ago, then-Chinese President Jiang Zemin gave an extraordinary speech to Russian scientists at Akademgorodok, the Science City near Novosibirsk in Siberia, in which he called science and technology the "driving force for economic development and social progress" and a "shining beacon" for humanity's future (see box). This, Jiang said, must become the basis of Russian-Chinese cooperation.

At an international conference in Germany at the same time, November 1998, American economist Lyndon LaRouche stressed the importance of Jiang's speech, which, he said, demonstrated that the leaders of China realized that mo-

bilizing the enormous science potential of Russia, is key to creating a scientific-technological revolution for the development of Eurasia. That speech had implications far beyond Russian-Chinese relations, LaRouche said, adding that India should be brought into a scientific-technological partnership with Russia and China to develop Eurasia. A month after Jiang's speech, then-Russian Prime Minister Yevgeni Primakov first publicly proposed a "strategic triangle" of cooperation among Russia, China, and India, in New Delhi Dec. 21.

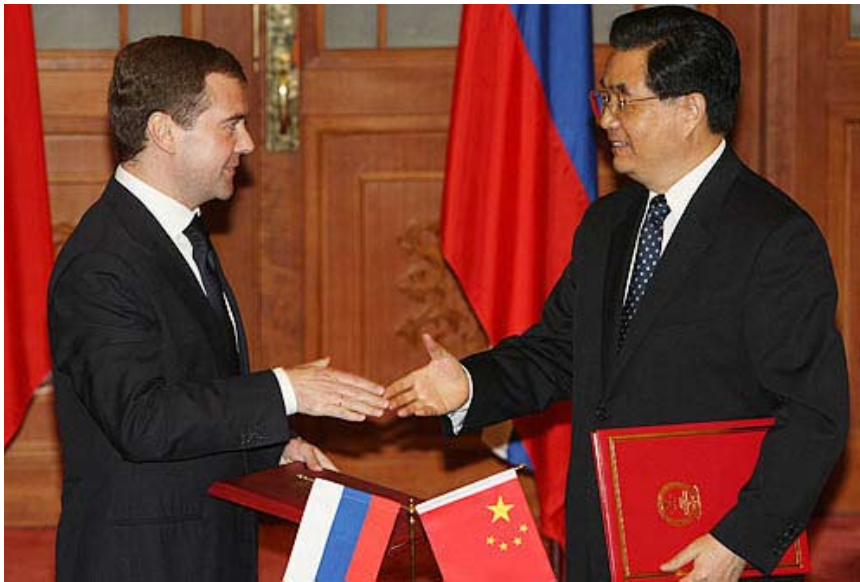
More recently, the United States has been invited, most directly, into this Eurasian development program, with the Russian government-sanctioned proposal for construction of a tunnel under the Bering Strait, which would physically link North America and Eurasia for the first time in history.

The world financial system nearly crashed completely in 1998, but the opportunity put forward at that time, by LaRouche and others, was not taken up. There have been numerous twists and turns of policy, including on the Strategic Triangle idea. Now, ten years later, the collapse presents another opportunity. The world's food and energy supplies are in the grip of hyperinflation, and mass starvation looms. The world needs this scientific-technological revolution far more urgently than even a decade ago.

## Economic Transformation

This principle of economic transformation, was an underlying theme of the three-day trip which took Russian Medvedev to Kazakhstan and China, and was seen in some circles as moving ahead the agreements made by the Russian, Chinese, and Indian foreign ministers in Yekaterinburg. Medvedev's trip "should focus attention on the yet insufficiently explored potential of the tripartite India-Russia-China relationship," former Indian Foreign Secretary Salman Haidar wrote in the Indian magazine *The Statesman* May 22. Charting a "shared course on important strategic issues affecting the vast area that lies" among the three nations, "is a real test for all of them," Haidar wrote.

President Medvedev and his host, Chinese President Hu Jintao, signed a seven-page joint statement on strategic and economic development issues after their discussions on May 23. It was the next day, in his speech to students and faculty at Beijing University, that Medvedev developed the idea that both nations' commitment to making scientific and techno-



*The two Eurasian giants, Russia and China, represent one-third of humanity. Here, Russian President Dmitri Medvedev (left) with Chinese President Hu Jintao, after signing a joint resolution on key international issues, May 23.*

logical breakthroughs, could help solve the greatest challenges humanity faces, including food and energy security, and the crisis of the world financial system.

Both Russia and China face enormous economic challenges, and both nations are committed to making a strategic shift in economic policy, away from dependence upon exports, to internal, technology-based, sustainable real development. Russia exports hydrocarbon raw materials; China, consumer goods assembled in “processing trade” factories, to U.S. and European markets. Both Beijing and Moscow know there is no future there. China’s real economy has not benefited from the processing trade, which uses up key resources, energy, and labor, while contributing nothing to its industrial or infrastructural capacity. The U.S. market is contracting fast, and Europe will follow.

While the effects of international hyperinflation and credit collapse are making this shift much more difficult, at the same time, leaders in Beijing and Moscow know that the crisis poses a critical opportunity. This question was addressed by both sides before and during Medvedev’s time in China—perhaps most clearly by Prof. Ji Zhiye, vice president of the China Institute of Contemporary International Relations (CICIR), who said in a published interview May 23, that Russia has the scientific capability to make a strategic economic shift to an “innovation-based” or “mobilization” economy. This idea of a “mobilization economy” resonates with Russia’s own economic debates of the past 16 years, in which that term is associated with the Academy of Sciences proposals of the late Academician Dmitri Lvov, economist Sergei Glazyev, and certain emergency measures for industry, taken by Primakov’s government in 1998-99, after Russia’s decade of deep

depression, and its August 1998 state bond default.

In Beijing, after their discussions May 23, Medvedev and Hu told the press that their “dialogue has stated our views on many acute international problems including missile defense systems, military blocs, and a number of other issues.” In their Joint Statement, the two Presidents carried forward the challenge to the Anglo-Dutch oligarchy, already made at Yekaterinburg. Their statement called international security “comprehensive and inalienable,” and warned that some countries’ security cannot be guaranteed at the cost of that of other nations. “All countries should abandon the ‘Cold War mentality’ and clique politics; and promote equality, democracy, and collaboration. As the world is undergoing tremendous changes, the era requires all countries to pursue peace, seek development and promote cooperation.” The world economy

is becoming increasingly unbalanced and new threats and challenges are constantly emerging, the statement said.

The Presidents warned specifically against the Bush Administration’s determination to deploy ABM facilities in central Europe. “Both sides believe that creating a global missile defense system, including deploying such systems in certain regions of the world, or plans for such cooperation, do not help support strategic balance and stability.... It harms the strengthening of trust between states and regional stability. In this respect [the two sides] express their concern.” Hu and Medvedev also asserted their commitment to peaceful use of outer space and opposed space weaponization, and called for peaceful settlement of the nuclear issues of Iran and on the Korean peninsula.

The two nations said they are committed to maintain global energy security and to stabilize international energy markets, and called for “perfecting” the world trade and financial system. Russia and China are ready to strengthen such international cooperation mechanisms as the Golden BRIC (Brazil, Russia, India, and China); the strategic dialogue of the foreign ministers of China, Russia, and India; and that between the G-8 and developing countries.

### **Science Will Drive the Future Economy**

On May 24, Medvedev told the students and faculty of Beijing University, that Russian and Chinese commitment to education and science, have the potential to help solve “the serious global challenges facing humankind today. They include the availability of energy, overcoming poverty, the sustainability of world financial markets, and ensuring food security.”

“[E]ducation, culture, new knowledge and technology will allow humanity to follow the path of progress,” Medvedev said. Chinese civilization is founded on the love of learning; it is of greatest importance for Russia as well. Both countries “are actively preparing for a powerful future breakthrough, a breakthrough which is based on the technological modernization of our entire societies and with a view to being accepted as equals by the leaders of global economic development.... [Russians are] well aware [of] those historic milestones in Russia’s development, its great scientific discoveries, that were made by the best minds of our country. Moreover, this shared curiosity and desire for innovation, the efforts of both our peoples to constantly learn new things, should constitute the basis for our joint work today, for realizing truly breakthrough projects in the economy and other spheres of our lives.” Such projects would not only be a basis to meet the world crisis, but also could create “an understanding of the huge responsibility we bear for the sustainable economic development of the region and the world at large, for the maintenance of stability and security in the world.”

CICIR vice president Ji Zhiye outlined how Russia can use its scientific capability to transform its economy, in an interview with the official news agency Xinhua, published the day Medvedev arrived in Beijing. The CICIR, founded by China’s great international diplomat Zhou Enlai (prime minister, 1949-76; foreign minister, 1949-58), is a key security policy institution. Russia’s “very important task,” Ji told Xinhua, is to transform its economy from dependence upon energy exports, to being “innovation-based,” and thus able to raise its domestic production capacity. The task is very difficult, but the potential is real. At this point, Russia can take advantage of high oil prices and the long-term growing demand from China and India. This is why Russia should make the transformation now, and President Medvedev announced this policy, which will take tremendous effort, soon after he took office.

Russia has also made a detailed plan for the development of science, Ji said. There is a good basis for this: Russia accounts for 17 of the world’s 53 advanced scientific and technological fields today. If it takes full advantage of this capacity, Russia will be able to combine scientific research with production, so as to establish an innovation-based economy, Ji said.

To do this, the government must be able to control the economy, and mobilize the entire nation’s economic strength to develop the most strategically important areas. Therefore,



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*President Medvedev is welcomed by Beijing University students; he told them that the Russian and Chinese commitment to education and science has the potential to help solve “the serious global challenges facing humankind today.”*

“I would like to refer to it as mobilization economy,” Ji Zhiye said.

Former President (now Prime Minister) Vladimir Putin practiced “mobilization economy,” with the government taking a guiding role, and channeling the economy on the necessary course, Ji said. Many Western experts think that Medvedev will adopt a more liberal approach, but Ji questioned this. “I believe that Medvedev has already seen the special situation in Russia—in recent years, its economy had depended heavily on energy export, coupled with a serious decline in domestic production capacity. Russia would increasingly depend on energy [exports] if it followed the rules of market economy, with complete liberalization and *laissez-faire*.”

Therefore, Ji said, “Russia must act in accordance with Putin’s vision—practicing mobilization economy, if it wants to change the status quo and be able to catch up with, and even economically surpass the developed countries.”

In terms of technological cooperation, after the Presidents’ meeting, Medvedev announced that the “two countries will spur their energy cooperation. We will also give priority to such high-tech branches as aircraft-building, nuclear power production, space exploration, information technologies, and nanotechnologies.” The Chinese-Russian joint statement said that they “consider cooperation in nuclear power to be a priority area of economic cooperation, and express their satisfaction with the success that has been achieved in this sphere, and the readiness of the two countries to continue mutually beneficial cooperation.” The two sides signed a contract, worth well over the equivalent of U.S. \$1 billion, to build a uranium en-

richment plant in Lanzhou, China—an important city on the Eurasian Land-Bridge route, Rosatom head Sergei Kiriyenko announced May 23 in Beijing. He said that the agreement includes deliveries of Russian uranium over the next ten years. Last November, Atomstroyexport, Russia's nuclear energy export agency, had signed deals to build two more nuclear reactors at the joint Russia-China Tianwan power station project, in addition to the two already built. Other Russia-China nuclear projects include the construction of the fourth stage of a gas centrifuge plant in China and the construction of an experimental fast neutron reactor. Medvedev was accompanied, among others, by the new Russian Energy Minister Sergei Shmatko, formerly head of Atomstroyexport, and a large delegation of entrepreneurs.

Russia has also been a key source of aid to China in the incredible effort underway to deal with the Sichuan earthquake, whose death toll has now officially reached over 60,000. Russia has sent a special team of earthquake experts, a mobile hospital, special equipment, and many paneloads of relief material.

## Bridge to the Asia-Pacific

Before leaving for Beijing, Medvedev told Chinese journalists in Moscow May 20, that "Russia regards China as one of its foremost partners in its foreign policy." While bilateral trade is growing fast, he said, the two sides should emphasize optimizing trade structures. Current Chinese imports from Russia are mainly products from the energy and technological sectors, he said. Russia has paid close attention to the development of the Chinese economy, and its demands are totally different from those of 10-15 years ago. To meet these demands, Russia has to strengthen the competitiveness of its en-

terprises, and manufacture higher-quality products. "Such cooperation is beneficial for both sides," Medvedev said. Chinese Deputy Foreign Minister Li Hui said at a Beijing press conference that day, that "Russian exports of machinery and electronics [to China] have slowed down in recent years. China is ready to work with Russia to find a solution to this issue."

Two Russian scholars also pointed out how Russian-Chinese relations affect the entire Eurasian-Pacific region. Xinhua also interviewed Gennadi Chufrin, deputy director of the Institute for World Economy and International Relations of the Russian Academy of Science, who said that there is "a common interest between Russia and China: the development of Russia's Far East, Siberia, and the neighboring Chinese northeastern regions, which are all rich in economic potential." Russia and China have also carried out substantial cooperation in the Shanghai Cooperation Organization (SCO). "The SCO has become, undoubtedly, an important factor in preserving the stability in the region," Chufrin said.

Andrei Ostrovsky, deputy director of the Institute of Far East Studies of the Russian Academy of Science, told Xinhua in an interview published May 21, that the Russian policy to shift and optimize its economic structure, would contribute to improved economic relations with China. "Russia is determined to transfer its economic drive force from natural resources to innovation, which will increase its exports of high-tech products to China and tap cooperation potential in joint research and development," Ostrovsky said, adding that China could even help Russia as "a window or bridge" to the Pacific-Asian and Southeast Asian markets, as well as those of Central Asia, where most nations are members of the Shanghai Cooperation Organization.

## Jiang Zemin: Creativity Is the Soul of a Nation

In Akademgorodok, Russia, on Nov. 24, 1998, where he visited after meeting then-President Boris Yeltsin and Prime Minister Yevgeny Primakov in Moscow, President Jiang Zemin told his Russian colleagues, of his conviction that the progress of human civilization had proven the importance of science and technology as a "driving force for economic development and social progress.... Human wisdom is inexhaustible. Science and technology are a shining beacon of this wisdom....

"Creativity," Jiang said, speaking Russian, "is the soul of a nation and an inexhaustible source of a country's prosperity. The key to creation and innovation lies in human

resources, whose development depends on education." For China as well as Russia, education and science "have a glorious history," and China's leaders follow the conclusion of Deng Xiaoping that "science and technology constitute a primary productive force."

Lyndon LaRouche reflected that the only way to meet the challenge of development for all the people of Eurasia, "lies in a rapid explosion of scientific and technological progress, which has to be based, at the same time, on a large infrastructural base." In the West, the net level of technological progress was becoming *negative*; international relations based on current practices were worse than useless. There must be investment in infrastructure, but this must be the foundation for a scientific-technological revolution, to transform the world economy. The future belongs, LaRouche said, to those national leaderships which are capable of grasping that the world needs a global technological revolution to survive. —*Mary Burdman*