

# Russian Prime Minister Putin visits Beijing

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Russian Prime Minister Vladimir Putin wrapped up a two-day visit to Beijing Wednesday during which he met with Chinese Premier Wen Jiabao and Chinese President Hu Jintao. Accompanied by the CEOs of major Russian energy and mining firms, Putin signed \$7 billion in energy, agricultural and financial contracts.

This was Putin's first major trip abroad since it was announced on September 24 that he will run in next year's Russian presidential elections amid declining support for his United Russia party.

It comes amid rising international tensions, notably over the mass popular protests shaking the Middle East. On October 4, Russia and China vetoed a UN Security Council resolution backed by the US, Britain and France that would have imposed international sanctions against Syria. On Tuesday, Washington alleged that Iran—a key energy supplier to China and a state with long-standing political and military ties to Russia—was plotting a terrorist attack in the US to assassinate Saudi Ambassador Adel al-Jubeir.

Chinese and Russian officials both made statements implicitly critical of the US's role in world politics. Wen called for a “comprehensive strategic partnership” with Russia to safeguard “world stability and development.”

After having proposed plans for a Eurasian Union earlier this month, Putin criticized the US policy of pushing down the value of the dollar, saying, “The US is not a parasite for the world economy, but the US dollar's monopoly is a parasite.”

Nonetheless, the summit in Beijing was marked not by the formation of a Russo-Chinese axis to

counterbalance the Western imperialist powers, but rather continuing tensions between Moscow and Beijing. The two did not finalize the main contract under discussion—a \$1 trillion, 30-year deal to supply China with 68 billion cubic meters of Russian natural gas per year.

If signed, such a deal would give China some protection against a potential Western naval blockade of its natural gas imports. Russian gas would arrive in China via overland gas pipelines instead of being transported by sea as is currently the case for Chinese gas imports from Africa and the Middle East.

The two sides could not agree on a price. Russia wants the Chinese price to be indexed to world oil prices, as is the case for Russian gas exports to Europe. According to Reuters, this raises the price roughly 30 percent, or \$100 per thousand cubic meters, beyond what China would like to pay.

Prior to the summit meeting, Gazprom officials had told Reuters that negotiations might not end this year, pushing back initial deliveries beyond 2016.

In another move highlighting Sino-Russian tensions, Russia's Federal Security Service (FSB) announced October 5 that it was pressing espionage charges against Tun Shenyun. The FSB had held Tun, a Chinese translator working in Russia, since October 28 of last year on allegations that he tried to buy secret information on Russia's S-300 anti-air missile system. However, it did not formally charge Tun until shortly before Putin's visit to Beijing.

This points to broader Russian concerns about Chinese reverse engineering of Russian military hardware that Moscow has sold to Beijing.

In the run-up to the Beijing summit, there was much media discussion of Putin's call for a Eurasian Union—issued in an October 3 column he wrote in the Russian daily *Izvestiya*. This was not, however, a call for closer strategic ties with China, but rather an attempt to reassert Russian influence over ex-Soviet republics, especially in Central Asia.

After the fall of the USSR, which led to an economic and industrial collapse in Central Asia, these countries developed ties to the US and the European imperialist powers as well as to China. The US war in nearby Afghanistan has allowed the NATO powers to deepen their military relations with the Central Asian countries and Russian influence over the region has declined.

Putin explained his plan for a Eurasian Union as “a supra-national union capable of becoming a pole in the modern world, and at the same time an effective connection between Europe and the dynamic Asia-Pacific region.” He said it would be based around the customs union that currently includes Russia, Belarus and Kazakhstan. Future members could include other former Soviet republics, Putin indicated, naming the Central Asian republics of Tajikistan and Kyrgyzstan as likely candidates.

Such plans place Russia in a struggle for regional influence not only with NATO, but also with China. Beijing has sought to develop the region as a market for Chinese exports, a transit route for Chinese imports of Middle Eastern energy, and a source of substantial oil and gas deposits. It has built a network of gas pipelines connecting Turkmenistan, Uzbekistan and Kazakhstan to China.

The recent discovery of massive gas deposits in the South Iolotan field in Turkmenistan will raise that country's profile as a competitor to Russia for China's natural gas market.

Putin said no country would be “pushed or rushed” into joining a Eurasian Union. Apparently to deflect criticism of his proposals, he added: “There is no talk of rebuilding the USSR in one way or another... The Eurasian Union will be built on universal principles of

integration as an integral part of greater Europe, united by common values of freedom, democracy, and market laws.”

In fact, the main feature of post-Soviet Central Asia is that its wealth is monopolized by various transnational corporations and corrupt cliques of newly-minted local capitalists. Rising popular opposition emerged most clearly in the collapse last year of the Kyrgyz regime of President Kurmanbek Bakiyev amid mass protests. This event, a foretaste of the revolutionary struggles that forced US-backed dictators from power in Tunisia and Egypt this year, was taken as a warning by the Russian and Chinese regimes, which also faced mass strikes in 2010.

Amid rising popular opposition, neither Beijing nor Moscow feels it can oppose the policy of the imperialist powers—even though the US response to the “Arab spring” makes clear that it intends to use military force to reestablish its positions at their expense. Both powers stand to lose billions in Libya, where the new US-backed regime is reconsidering Russian and Chinese contracts signed by Colonel Muammar Gaddafi.

On Tuesday, Beijing announced that Syria should speed up its implementation of reforms and dialog with opposition parties, which the Western powers have broadly supported against the regime of Bashir Assad. The French daily *Le Monde* noted that this was “the first time that Beijing strayed from its doctrine of non-interference in Syria.”



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