

The Uncertain Future

Sino-Russian Relations in the Twenty-First Century

HERMAN PIRCHNER JR.

Abstract: In the late 1960s, border skirmishes between the Soviet Union and the People's Republic of China led to speculation that a war between the two countries was possible. In 2001, however, a settlement over their long-disputed border reflected increasing and wide-ranging cooperation between Russia and China. Examples of this cooperation included sales of Russian military equipment, technology, and raw materials to China; joint military maneuvers; and common diplomatic initiatives. However, there are signs that the current closeness between Moscow and Beijing could be transient. Although the relationship is currently strong, the forces that brought Russia and China together are ebbing, and the future of their relationship is uncertain.

Keywords: border disputes, China, military sales, Russia, strategic cooperation, territorial disputes

Two countries top almost everyone's list of nations that are most important to the United States. One has been a rapidly ascendant power for more than twenty years. The other has only recently begun to recover from the collapse of its empire. One is important because of its size and fast-growing economic and military power. The other's importance is based on its impressive nuclear arsenal, huge petroleum assets, and strategic location. These countries are China and Russia.

The United States pursues its relationship with both countries in a bilateral fashion. However, the status of Russia and China's relationship with one another has the ability to dramatically impact the United States' relations with both countries. For example, the Nixon-era cooperation between China and the United States occurred in part because of China's fear of war with the much stronger Soviet Union. By the late 1990s, improved Sino-Russian relations led to a common diplomatic front against a variety of U.S. interests.

An Uneasy Alliance

A few years later, Russia's move toward the United States after the September 11, 2001, terrorist attacks was, to some degree, encouraged by Russia's interest in hedging its bets

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should relations with China sour. By 2007, however, the United States' preemptive war in Iraq and American support of the color revolutions in Georgia and Ukraine deeply alarmed Russia's national security establishment, which fears further American political or military action in the former Soviet republics—territories in which Russia wishes to be the dominant foreign power. Russia has sought to counteract this trend by drawing closer to China to offset U.S. unpredictability and “meddling” in former Soviet territory, which many Russians view as their backyard.¹ Nevertheless, however bold the Sino-Russian pronouncements on the need for a multipolar world may be, the countries' interaction in other areas reflects caution, if not deep-seated distrust. This wariness will continue to mitigate the intensity of Russia's cooperation with China in opposition to U.S. interests.

In formulating U.S. policy toward both countries, it is indispensable to know how the Sino-Russian relationship will evolve—and why.

Over the last decade, cooperation between Russia and China has increased dramatically. It now includes military sales, joint military research and development, common diplomatic positions (e.g., Chechnya, Taiwan, U.S. missile defense), nonmilitary trade, and the settlement of border issues. To a large extent, this cooperation was formally codified in the July 16, 2001, Russia-China Treaty on Good-Neighborliness and Friendly Cooperation.²

As in previous treaties, (e.g., the 1689 Treaty of Nerchinsk, the 1858 Treaty of Aigun, and the 1860 Treaty of Beijing), this agreement between China and Russia was driven primarily by a mutual need for:

- (1) *Peace on the border.* As long as a Sino-American conflict over Taiwan remains a possibility, China does not want to commit the resources necessary to protect its 3,645 km (2,264 mile) border with Russia. For Russia, after the Soviet Union's collapse, Moscow had neither the money nor the desire to station large numbers of troops along its border with China; and
- (2) *Increased trade.* In the 1990s, Russia was the only country willing and able to supply China with the sophisticated military equipment and technology it coveted. Additionally, China's shortages of lumber, various ores, and petroleum products were filled through Russian production. This was fully compatible with cash-starved Russia's need to keep key industries, such as aircrafts and lumber, viable through the sale of resources and arms to China.

These reasons do not completely explain the rationale for the treaty, however. According to Alexander Yakovlev, a China expert from the Russian Academy of Sciences: “Diplomats know any such treaty is always signed with a clear understanding about who is the real adversary. . . . The signatories claim they are fighting against hegemony. . . . Everyone in the world knows who the embodiment of hegemony is—the US and its allies.”³

Russia and China find it useful to have military cooperation and joint diplomatic initiatives (e.g., on Taiwan, the Balkans, Chechnya, missile defense, etc.) that could offset American policy. Accordingly, there are many Russian and Chinese voices supporting their new relationship. Then-Russian State Duma Chairman Gennady Seleznyov, for example, publicly extolled the 2001 Sino-Russian accord as the basis for long-term relations between the two countries.⁴ Then-Russian Foreign Minister Igor Ivanov described the treaty as “both a result of the deep positive changes in bilateral relations in recent years and a reliable foundation for the development of cooperation in the long term.”⁵ According to Ivanov, the basis of this treaty was “the commonality of the long-term strategic interests

of the two countries.”⁶ Then—Russian Prime Minister Mikhail Kasyanov also echoed this line of thinking by noting that the accord constituted an “epochal agreement” and “a powerful incentive to the development of our strategic partnership in all spheres.”⁷

Chinese leaders, at least in public, were no less effusive. In the aftermath of the agreement, then—Chinese President Jiang Zemin publicly announced to Kasyanov that “No matter how the foreign political situation changes, we are friends forever.”⁸

Despite such positive statements, Western analysts remain skeptical. According to former U.S. National Security Advisor Zbigniew Brzezinski, “Strategic partnership between Moscow and Beijing is no more than a slogan. In fact, Russia can be only a junior partner there, and it would never agree to that.”⁹ There is a basis for doubting Russia and China’s closeness. China’s army is twice as large as Russia’s, and Chinese officials have articulated their plans for a massive increase in defense spending. According to Jeremy Page, one Western diplomat described the Russia-China relationship as: “When they get together, it’s all smiles and bearhugs but beneath that, there is still profound mistrust between the two.”¹⁰

For instance, Major General Vyacheslav Eglit, chief of emergency services for the Federal Government’s Siberian Region, told me that although an agreement on cross-border cooperation in the event of natural catastrophes has been in place with Mongolia for some years and is updated annually, no such agreement was in place with China as of 2007, despite repeated efforts on the Russian side.¹¹

This skepticism is also evident in Russian academic and political circles. According to Dr. Vitaly Tsygichko, an academic from the Russian Academy of Sciences, “China is currently a friendly country, but in the future, as has already been the case before, its political and military reference points could change sharply and a truly realistic threat to our security could emerge.”¹² Others take an even dimmer view. In the words of the late Aleksandr Lebed, a one-time candidate for the Russian presidency and governor of Krasnoyarsk Krai: “The current Russian policy [toward China] is not understandable. Our brilliant minds in the military are selling them aircraft. These aircraft will bring bombs one day to our heads.”¹³ Russian-built aircraft are not the only cause for concern. China’s official figures and U.S. intelligence estimates show Chinese defense-related expenditures have quadrupled between 1994 and 2007.¹⁴

Why do Russian officials and academics worry about the Chinese military’s intentions? Simply put, many Chinese feel that Russia is occupying Chinese territory. Furthermore, Chinese overpopulation and resource deficiency creates pressure to find more habitable territory, especially if that territory also contains oil, timber, minerals, and water.

Territorial Issues

Although China collected tribute from various aboriginal tribes in Siberia and the Russian Far East, neither the Russian nor the Chinese people significantly occupied these territories until the seventeenth century.

The Treaty of Nerchinsk gave much of today’s Russian Far East to China in 1689. However, in the mid-nineteenth century, the Russian Empire began occupying the Far East, and its sovereignty over the area was codified by the Treaty of Aigun and the Treaty of Beijing—agreements that China never fully accepted.

By the late 1960s, tensions over the border led to speculations about war—most clearly articulated in *New York Times* correspondent Harrison Salisbury’s 1969 book, *War between China and Russia*.¹⁵ Although a war never occurred, fighting did erupt on the Amur River’s Damansky Island, on the Sino-Russian border, in 1969.

By the late 1980s, Sino-Soviet relations had warmed and negotiations began. By the late 1990s, 99 percent of all territorial disputes were settled, and subsequently codified in the 2001 treaty, although this treaty expires after only twenty years.¹⁶ The rationale for the treaty's finite length is not clear, but the treaty's short time span makes many Russians nervous about China's future intentions.

Will China try to regain the territory that it lost in the Treaty of Aigun and the Treaty of Beijing? Such an occurrence is not out of the question. A map hanging in the Military History Museum near Beijing's Tiananmen Square is titled "The Chinese Territories Invaded and Occupied by Tsarist Russia." Although the 2001 treaty ostensibly settled 99 percent of the outstanding border issues, this map, which identifies the territory east of Chita Oblast as Chinese, remains on display. This claim is not surprising to most Russians in the Far East. They understand that many Chinese still do not accept these regions as Russian. During a 2001 trip to Primorski Krai, numerous Russians told me tales of visiting Chinese tourists who proclaimed that they had come to look at "their land."¹⁷

Such Chinese statements cause great foreboding among Russians in the border area. According to a 2000 poll conducted in Primorski Krai, 74 percent of Far Eastern Russians believe China will annex part or all of their territory "in the long run."¹⁸ This anxiety exists at the grassroots level and also in the highest echelons of Russia's political leadership. During his 2000 trip to the Far Eastern city of Blagoveschensk, former Russian President Vladimir Putin warned the residents: "If you do not take practical steps to advance the Far East soon, after a few decades the Russian population will be speaking Japanese, Chinese and Korean."¹⁹

Putin's concern is based on a serious study of the populations in the border areas and their evolving economic relationship with China.

Demographic Issues

The Sino-Russian border is 2,264 miles long, interrupted only by the border both countries share with Mongolia. North of China lies Siberia and the Russian Far East—a territory larger than all of China. The 29 million people populating Siberia and the Russian Far East in 1989 shrank to fewer than 26 million by 2002—an 8 percent decrease. The decrease was especially sharp in the Russian Far East, where an already small 1989 population of 8 million dropped to 6.7 million by 2002—a 16 percent decrease.²⁰ Five years later, Russian officials confirmed a continuing depopulation of the region.²¹ By contrast, more than 1.3 billion people live in China. This disparity is strikingly visible along the Russian-Chinese border; in Siberia, estimates indicate there are merely five people to each square kilometer. In the Chinese territories adjacent to Russia, the population density is 130 people per square kilometer.²²

These numbers are of concern to Russian policymakers. As Lebed explained in an interview:

Russia has 28 million people in all of Siberia (including the Far East). By contrast, China's territory is already inadequate for its population of 1.5 billion—especially given that more than one-third of Chinese territory contains high mountains which are not easily populated.²³ The steam kettle will explode at the weakest point. It will not be necessary to conquer our poor Siberian people. They can be bought. If China gets this territory to the East of the Urals, no one can stand up to this conglomerate.²⁴

Such fears are never far from the minds of major Russian strategists, and one can hear statements of their concern even when they respond to entirely different questions.

A March 2001 interview with Sergey Karaganov, chairman of the Foreign and Defense Policy Council, a prominent Russian think tank with ties to the Russian government, illustrates this:

Question: What should Russia's attitude be toward NATO eastward expansion?

Karaganov: We should oppose it. Of course, we could spend tremendous effort and resources on fighting this "Evil" but it is the same as trying to restrict population growth in China from the outside. *By the way, the latter is potentially more dangerous for Russia.*²⁵

Russian historians are well aware of China's history of encouraging ethnic Han Chinese to migrate to such areas as Inner Mongolia, Tibet, and Xinjiang to solidify Chinese control. Russians worry not only about war over its territorial possessions but also about slow Chinese immigration across their common border. Russians view the legal and illegal presence of ethnic Chinese in Siberia and the Far East as a serious problem.²⁶

Chinese immigrants fall into four categories:

- (1) *Day traders*. In some of Russia's border towns, Chinese citizens need no visa to come to Russia for one day. Instead, they register as they enter and exit Russia. As of 2007, this process appears to be routine and working well—no appreciable number of Chinese entering through this system were staying in Russia—in the places that I observed;
- (2) *Tourists*. Legitimate Chinese tourists visit Russia. They are especially evident in Vladivostok, where their tour buses are a common sight. According to Russia's Federal Migration Service, as many as 30,000 Chinese tourists visit the Russian Far East daily.²⁷ Some Chinese immigrants who arrive in Russia on tourist visas are not tourists, however. In the first years of the twenty-first century, these individuals' visits were often arranged in the following fashion:

Chinese businesses hire unemployed countrymen and send them to Russia as tourists. Afterward, they ship containers of goods for the tourists to sell on the Russian markets. Receipts from the sales go to firms that the same businessmen establish in Russia. The money is then used to buy timber and scrap metal. They then create Russian shell companies to send the shipments across the border to China. The shell companies then dissolve before it's time to pay Russian taxes. . . . Eight percent of the 80,000 Chinese who entered and left Russia legally since the start of 1999 make a living in such schemes. . . .²⁸

A variant of this scheme simply had the Chinese immigrants who came on tourist visas not return to China as scheduled. Instead, they joined construction, mining, or lumbering crews. By 2007, however, these abuses had been substantially corrected. In Primorsky Krai alone, the number of tourist visas issued dropped 56 percent between 2004 and 2006;

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- (3) *Professional workers*. Chinese workers with needed skills (primarily construction and agriculture) are welcomed (according to need) by Russia's regional governments. However, ethnic Chinese who wish to sell Chinese goods in Russian markets and set up "Chinese towns" in Russian cities are not welcome and have been largely expelled as the result of an April 1, 2007, government decree.²⁹ The ongoing markets still provide employment for Chinese who own or manage market stalls and import goods from China to sell in those stalls, but the persons now selling the goods are Russian. The overall number of official Chinese workers, however, continues to grow, primarily because some of those who previously worked illegally have found their way into the legal system. In 2006, for example, 4,500 of the 18,000 Chinese who officially requested permission to work in Irkutsk Oblast were granted the right to work. In 2007, 6,700 were given permission out of a pool of 19,000 applicants.³⁰

In 2007, the chairman of the Legislative Assembly of Primorsky Krai, Viktor Gorchakov, noted, "[W]e cannot manage without Chinese labor." In Primorsky Krai in 2006, these laborers numbered 15,000 legal foreign workers—about 9,000 Chinese, 3,000 North Koreans, and 900 Vietnamese, in addition to workers from some Central Asian countries that once belonged to the USSR³¹; and

- (4) *Illegal immigrants*. The only disagreement about the illegal presence of Chinese nationals in Russia is over numbers. It is an accepted fact that Chinese illegals buy or have their way paid across the border. Russia's labor shortage has also caused large numbers of other illegals (mostly from the many countries of the former Soviet Union) to come to Russia. Some are bound for specific work while others are merely on their way to a third country. Evgeniy Lukyanov, a presidential representative based in St. Petersburg, observed that in 2007, there were 20 million guest workers in Russia, with 5 to 7 million of these illegal. When asked, he offered no definite figure for the number of Chinese illegals.³²

How Many Chinese Nationals Are in Russia?

Quantifying the presence of Chinese nationals in Russia is difficult, even for Russian officials. One can begin with the border statistics that show that as of 2000, "around two million passengers and 200,000 vehicles [annually] pass the 23 border crossing points established on the Sino-Russian border."³³ By 2007, the figure had grown substantially. Further, everyone admits in principle that some percentage of this legal flow of Chinese citizens into Russia finds a way (legal or illegal) to stay. Their presence is obvious to anyone traveling in the border areas.

Published estimates vary widely on how many Chinese are in Russia. Some of the highest estimates place the number of Chinese nationals in Russia at two million.³⁴ Even the 2000 government statistics estimated that as many as 1.5 million illegal immigrants, the majority of them from China, resided in Russia.³⁵

These estimates are so much higher than the reality seen by those traveling widely in Russia that they can only be explained in terms of internal Russian politics—including justification for the budgets of some governmental organizations. There are equal numbers of authorities that paint a much less threatening picture:

- In response to claims by Russia's Border Guard Service that 1.5 million Chinese entered the country between January 1999 and 2000, Yuri Akhipov, head of the Immigration Directorate, stated, "[w]e haven't noticed that we have a million Chinese citizens."

According to Akhipov, illegal immigration has actually declined because of eased Russian Federation visa restrictions and migratory travel through Russia into Western Europe and the United States.³⁶

- On September 23, 2001, *The New York Times*'s Michael Wines estimated that "there are no more than 250,000 Chinese in the Russian border provinces."³⁷

Even Wines's figure is inflated. In 2001, I visited all border regions between the Altai Republic and Primorski Krai. In each of these entities, I spent time in cities that accounted for at least 30 percent of their population. Additionally, I spoke with more than 120 officials in the border areas. Based on these travels and conversations, I believe the number of Chinese in Russia's border regions was then closer to 134,000. Russia's 2002 Census showed 30,598 Chinese citizens in Russia—a very low number. That census, however, also showed 429,891 people with no citizenship and 1,269,023 people who did not state their citizenship. When I revisited the most populous border areas in 2007, Chinese were far less evident than they were during my 2001 visit, and it was obvious that the Russians now had the problem of Chinese immigration under control.

Of course, if the number was constant at 100,000, 250,000, or even 500,000, it would not be dangerous for Russia. The growth of a Chinese population that was almost nonexistent in Russia only ten years ago, however, raises serious questions.

One such question is: Is Russia effectively controlling the presence of Chinese nationals in its territory? Almost every region in eastern Siberia and the Russian Far East has a committee responsible for monitoring and controlling the presence of Chinese nationals in their respective territories. At the beginning of the twenty-first century, these committees have begun to do so by shortening the number of days on Chinese visitors' visas; requiring every Chinese visa applicant to have an official sponsor in Russia and China so that if the Chinese visitor exceeds his or her stay, the sponsors can be held responsible and may lose the right to sponsor future visitors; stepping up searches for Chinese who are in Russia illegally (this process has become increasingly effective in most regions); and drastically reducing the fraudulent issuance of tourist visas.

Of course, there are two ways to control the percentage of the Russian population that is Chinese. One could focus on lowering the number of Chinese immigrants that are in Russia, or one could try to increase the number of Russians. Between 1989 and 1992, the Russian population in the Far East declined by 1,258,000, or 16 percent.³⁸ Some of this decrease was natural; there was never a solid economic basis for supporting much of the population located there, even during the time of labor camps and heavy military expenditures. However, the depopulation is also driven by a low birthrate, poor health services, and economic considerations. By 2007, Russia was dealing with its demographic problem by addressing all three areas.

When a woman has a second child, the Russian government will put 250,000 rubles (\$10,000) into a special bank account in her name. She cannot touch it for three years, and then can only use the money for housing or for the child's education.³⁹ In a country in which the average person makes approximately \$12,000 a year, this is not an insignificant sum.⁴⁰

In my 2007 discussions with multiple officials in Irkutsk, Chita, Blagoveshchensk, and Vladivostok, my sources made uneven claims of reduced mortality rates because of better equipment in hospitals and an emphasis on lowering infant deaths.

Putin frequently drew a connection between a sound economy, increasing the population size, and the security of Russia's Far East. On October 18, 2007, Putin noted that "a total of

1.5 million people have left these regions over the last years and these regions now face a depopulation problem. This is an unacceptable situation and it is dangerous for us. Russia has developed these territories over hundreds of years and we will not allow the situation to degrade there further.” He went on to say that “programs for the Far East’s development allocate considerable money from the federal budget—500 billion rubles over the next 4–5 years. This is a lot of money and we have never previously allocated such sums to any one programme.”⁴¹ That money, often combined with local funds, is largely spent in the following ways:

- The Russian government is attempting to entice skilled expatriate Russians to return to

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Russia—especially the Sino-Russian border area. Those ethnic Russians receive free transportation to areas of Russia that need their skills. Once there, they receive free housing until their employment and permanent housing situation is arranged. Despite these efforts, however, there have been only meager results. As Victor Gorchakov, chairman of the Legislative Assembly of Primorsky Krai, noted, “We are fulfilling the federal mandate to invite people from former Soviet republics to

move here—[but this] will not increase the population very much.”⁴²

- Moscow is spending federal money to improve the quality of life in the Far East. In Yevrey, for instance, a new retirement home has been built near the construction site of a new hospital. Authorities hope that if the quality of life improves, people will be less likely to leave. The same reasoning motivates the creation of a mortgage system. If decent and affordable housing is made available, Moscow hopes that the Russians leaving Central Asia and financially struggling young Russians will resettle in the Far East.
- Moscow is attempting to develop Siberia’s infrastructure. Ultimately, a strong economy is the best guarantor of population stabilization and growth in the border areas. It is widely recognized that this will not happen without the infrastructure development that is a prerequisite to business investment in this resource-laden area. As Amur Oblast Deputy Governor Aleksandr Gordeev noted, “Two-thirds of Russia lacks proper infrastructure [and] infrastructure follows railroads.”⁴³ Therefore, large amounts of federal money are now being spent on railroads, roads, bridges, and other infrastructure developments. Some of these projects are discussed later in this article. Financial support is also planned for some of the Far East’s core industries, such as aircraft construction and shipbuilding.

Despite the claims of some success in all three areas, the consensus in the regions that I visited in 2007 was that it would be at least 2012 before the population stabilized. Until then, a further decline seems inevitable.

Another important question is: What is the economic and political clout of the Chinese minority? For some analysts, this is the most important factor. As Wines writes, “What

most bothers Russian experts is not the potential for Chinese immigration. . . . [I]t is the inexorable spread of Chinese economic clout."⁴⁴

Little business is done in Russia without paying officials some type of bribe. The more business the Chinese do in Russia, the more dependent Russian officials become on Chinese bribes. Some Russians feel this endless cycle of bribes leads to increased Chinese business, which, in turn, will lead to larger and more frequent bribes. If so, will the Chinese influence remain strictly in the economic area, or will some of the bribed officials begin to serve other Chinese interests? The Putin-era crackdown on corruption in the Far East was, in part, a response to this concern. By 2007, former Vladivostok Mayor Yuri Kopylov, the self-described "Mayor Gimme," was among those in jail awaiting trial on charges of bribery and corruption.

An August 2001 study by Russia's NAMA KON research center (led by former KGB Major General Yuri Drozdov) states that "a real political threat seems to be Russia's emerging and excessively unilateral dependence on China in both economic and political areas that may rob [Russia] of freedom in foreign policy and, to a certain extent, internal policy maneuvering."⁴⁵

Economic Issues

Russia's state-run Rosoboronexport is the only Russian company authorized to sell Russian military hardware in foreign markets. Approximately 75 percent of its business is in aircraft sales,⁴⁶ which creates ample justification for "the Russians [to be] the biggest foreign exhibitors at the China airshow, held every two years in the special economic zone of Zhuhai."⁴⁷

Every Russian region with significant military production hosts offices of this Moscow-based company. Moscow controls all military sales and profits—a fact that all local and regional officials resent. This is part of the reason that military equipment is smuggled. For instance, on September 14, 2001, Russian customs agents in Ussuriysk, Primorski Krai, seized \$550,000 worth of China-bound spare parts for Russian SU-27s.⁴⁸

Rosoboronexport-generated sales to China (China buys about 95 percent of its new weapons from Russia⁴⁹) keep many defense firms viable and represent an important portion of the economy in many of Russia's border regions. In this, the situation of the Primorski Krai defense contractor Progress is typical.

Progress recently sent the first shipment of the anti-ship missile Moskit to China. . . . The plant, based in Primorye's Arseniev, plans to continue work on Chinese contracts in 2001. Construction of missiles for China allowed Progress to quadruple production in the beginning of this year compared to the last year. About 80 percent of equipment that the plant produces sells on the foreign market. . . . The total output in 2000 is expected to exceed that of 1999 by seven times.⁵⁰

This story has been repeated many times over, in businesses dealing with natural resources as well as defense. The resultant economic clout wielded by China is increasingly apparent to everyone in Russia.

In some areas, it has begun to stir resentment. For example, in the Republic of Buryatia, where Chinese companies have been buying up logging rights for large tracts of land, Chinese businessmen are experiencing problems with the local population starting fires in Chinese-controlled forests.⁵¹

Russia's total trade with China in 2000 was only \$8 billion—compared with \$115 billion between China and the United States.⁵² By 2006, the figure had risen to \$30 billion, with \$70 billion thought possible by 2010.⁵³ The main areas of trade between Russia and China are petroleum products, military equipment, and timber.

Petroleum Products

The bulk of the new growth will likely come from rapidly growing energy ties. This expansion will be driven by China's looming energy deficit (estimated to reach 700 million barrels of oil annually by the end of the decade⁵⁴), which has prompted a widening quest for energy security on China's part. It will be limited, however, by the time necessary for Russia to increase its production and delivery capacity. Multiple efforts, including several Sino-Russian joint pipeline projects, are underway to ensure petroleum trade grows as quickly as possible.

Military Equipment

Arms trade between China and Russia has grown from an estimated \$1 billion annually between 1991 and 1996 to approximately \$4 billion in 2001.⁵⁵ A full discussion of this military trade, which encompassed numerous advanced aircraft, submarines, and air-defense systems by 2001, can be found in John J. Dziak's American Foreign Policy Council monograph on the contemporary Sino-Russian military relationship. In recent years, military trade has lagged.⁵⁶ Despite the high 2001 figure, estimates of average annual military sales between 2000 and 2005 range from \$2 billion to \$2.1 billion⁵⁷ to the Department of Defense's report "Military Power of the People's Republic of China," which states that "according to currently available data, China signed arms agreements with suppliers worth almost \$13 billion from 2000–2005." On average, an annual figure of \$2.2 billion can be obtained by dividing the \$13 billion by the six years covered.⁵⁸ By 2007, sales had dropped to \$1.3 billion.

Timber

Russian forests cover 1,180,000 hectares of land (70 percent of Russia's territory), but according to Aleksandr Belyakov, head of the Timber Industry Committee at Russia's Trade and Industry Chamber, "Only 20 to 30 percent of wood cutting areas are being developed," because "we are . . . short of vital infrastructure and roads."⁵⁹ Be that as it may, Russia's timber sales to China have grown dramatically.

In 2000, China imported almost 14 million cubic meters of timber. This represents a threefold increase from the comparable figure from 1997. During that period, the number of logs imported from Russia grew from a 21 percent share in 1997 to a 43 percent share in 2000.⁶⁰ This growth is unlikely to continue at such a rapid pace, however. Almost all Russian timber is softwood and, as of 2000, 86 percent of Chinese softwood imports were from Russia.⁶¹ The Chinese did not permit value-added processing of timber to be done in Russia until mid-2007, but that policy is rapidly changing. In July 2007, Russia placed a €10 per-cubic-meter duty on timber exports. By 2009, this duty will reach €50 per cubic meter of logs. This will make timber too expensive for export and will result in value-adding work being done in Russia before wood products are shipped to China. By mid-2007, joint Sino-Russian wood processing facilities were already being built on Russian soil.⁶²

Overall Trade

Nonmilitary trade between the two countries (including consumer goods, ores, petroleum, and timber) was estimated at \$8 billion in 2000.⁶³ This volume, however, appears to be expanding dramatically. According to *Pravda*, the total value of trade between Moscow and Beijing for the first quarter of 2001 was \$2.39 billion, a 65.7 percent increase over 2000.⁶⁴ In 2006, the annual figure rose to \$33 billion—almost five times the 1992 level.⁶⁵ By 2007, total trade reached \$40 billion.⁶⁶

In considering border tensions between Russia and China, one final issue, ecology, merits discussion.

Ecological Issues

Ecological questions are another irritant in the Russian-Chinese relationship. Albena Voropayeva of the Committee on Economy and Natural Resources of the Amur Regional Office of the Federal Administration spoke to me at length about the diminishing number of fish in the Amur River. “The Russian Federation restricts the fish that can be caught, but China does not. Now the populations of 64 species of fish have declined.”⁶⁷

Pollution also poses a problem in the Amur River. Industries on both sides of the river pollute, but in Russia, only 5 million people live in the areas bordering the Amur, whereas at least 80 million Chinese live on the opposite side. So far, the Chinese have been unresponsive to Russian proposals for dealing with the Amur River’s pollution. On November 13, 2006, a Chinese plant spilled of thirty tons of nitrobenzene and hydrobenzene into China’s Songhua River, a tributary of the Amur. Although this led to daily joint testing of the Amur’s waters, Russians see little serious effort to deal with the ongoing problem. Over the eight months following the Songhua spill, there were some eighty additional spills of Chinese pollutants that eventually flowed into the Amur River. As a result, virtually no one dares to swim in the Amur or eat its fish. This is especially problematic for people such as the Evenks, whose hunter-gatherer lifestyle is dependent on fishing in the Amur River.⁶⁸

Russian concerns also include the lack of adequate sewage treatment facilities for most Chinese cities, the heavy use of fertilizers (especially on farm lands adjacent to the river, where there are no buffer areas), and the usual wastes from industrial production. The local populations on both sides of the river (those most affected by these problems) feel especially powerless, because all ecological problems must be worked out between Moscow and Beijing—neither of whom seem to place them high on their list of priorities. Nonetheless, as of 2007, talks on the problems of ecology and pollution between the Russian and Chinese governments were ongoing.

The Future of Sino-Russian Relations

Over the next decade, the Sino-Russian relationship will likely remain vibrant. The reasons for the 1990s rapprochement between Russia and China persist. Many Russian officials understand, however, that things may change over a longer period of time. In the words of Viktor Ishayev, governor of Khabarovsk Krai, “Relations between Russia and China could become rougher and tougher and may face political and economic confrontation in 10–15 years due to Chinese expansion in Russia’s Far East . . . [but] Russia should see China as a strategic co-traveler in the concrete historical period of achieving political goals.”⁶⁹ For the moment, Russia and China are useful to each other. How the Sino-Russian relation-

ship develops will be largely dependent on three issues—the first two of which the United States can influence only marginally.

- (1) *Political developments in Russia and China.* The intentions and capabilities of the political and military leaderships of both countries may be the decisive factors. The main questions are: Will Russia develop the economy of its Far East, increase its population, and be willing to defend it so that the Chinese leadership does not actively covet Russia's Far East? Or will the coming years see a Chinese expansionist appetite whetted by a perceived lack of Russian resolve to maintain a dying economy in a Far East populated by ever-fewer Russian citizens and an ever-greater number of Chinese?
- (2) *Settlement of the Taiwan question.* If Chinese leaders have designs on Russian territory, the time of danger for Russia will occur after any unification between Taiwan and China. With this last vestige of its civil war put behind it, a nationalistic China will revisit the question of its 1858 and 1860 territorial losses to Russia. In the short term, this may result in troop redeployments from Fujian Province (opposite Taiwan) to Manchuria (which borders North Korea and Russia) and pressure on Russia to permit more Chinese immigration. Alternatively, as long as Taiwan retains its current status, it is unlikely that China will test the limits of its borders with Russia.
- (3) *U.S. policy.* Although influencing the Sino-Russian relationship should not be the main goal of U.S. policy, it is clear that the relationship between Russia and China is very much affected by the individual stances Washington takes toward both countries. America's pledge to defend Taiwan encourages Chinese involvement with Russia as a hedge against a war in the Taiwan Strait. American advocacy of future NATO membership for Georgia and Ukraine encourages Russian cooperation with China as a way of diminishing U.S. influence in Georgia and Ukraine. For instance, if Sino-Russian cooperation complicates the difficulties the United States has with Iran, the United States will have less energy to involve itself in former Soviet territory. Conversely, a lessening of tension on these and other issues (e.g., missile defense with Russia or China's territorial claims to the Spratly Islands) will reduce the need for Sino-Russian cooperation.

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