Russia and China: Customs Affair and FEA

Most Russian people know about a customs only from the film «White Sun of the Desert», where the hero Suhov said a famous phrase: «A customs makes good», that became popular all over the Post-Soviet territory. Business people leading the affair in the external economic activity know how difficult it is to get these preferences from their personal experience. It`s the work with treaties and piles of documents, which should be signed properly so your cargo may cross the border without any difficulties.

Russia considers China as a very important partner, taking into account a non-stationary situation in the relationships with the Western countries. The key issue is the harmonic combination of the industrial and engineering power of China and the Russian culture`s ability to combine humanism and technology development and also to find necessary solutions.

So much attention is paid to a visit of the China lead of the May 9 Victory Day Parade in 2015 and also to the agreements that are signed prior to the 9th of May between parties – the agreements about strategic, economic and investment cooperation.

Besides, the revival of the Great Silk Way should become an impulse to the development of the relations between Russia and China and the whole Eurasian continent. It`s already known that the main road within the economic corridor of the Great Silk Way will run through Moscow and will reach Rotterdam, and the project is estimated at 242 billion of US dollars. The base of commercial and economic relations between Russia and China dates back to early centuries and the partnership of these countries still keeps on developing greatly. The history of economic and customs relations development is the most relevant in light of the last deepening and the expansion of the cooperation between Russia and China, it`s impossible to move to the future not knowing the origin of the relations.

Russia cooperates with China under a lot of projects, among which there is the BRICS, the APEC, the SCO as well as the military cooperation under the Collective Security Treaty Organization.

For China, Russia is now a partner in counteracting to American intrigues and a guarantor to the general stability in the region. Thus, such a situation is created, when the China`s back is guarded by the Russia`s back, and vice versa. And in this context it is difficult to say which country is more important and for which one – China is important for Russia or Russia is important for China. The highest level of the partnership is characterized by the cooperation of Russian and Chinese custom services in the area of information exchange, custom statistics and control of custom value of goods.

At the 15th regular meeting of Russian and Chinese government executives in 2010, the «Memorandum of Understanding between the Federal Customs Administration and the General Administration of Customs of the People’s Republic of China about the Strengthening of Cooperation on Protection of Intellectual Property Rights» was signed. It was preceded by the effective work of the Russian-Chinese Subcommittee on the customs cooperation.

In this article, most of all we would like to pay attention to the progress development of the commercial relations between Russia and China, from ancient times till the 19th century, because it is impossible to tell about the current relations between Russia and China and to forecast further development without analysis of the past relations between Russia and China.

Nowadays the Chinese community is one of cultural and ethnic communities that was developing during several centuries. Accordingly, we can say, that Chinese people are distinguished by such features as conservation and reliability in the commercial and economic relations.

According to historiography, the history of China is divided into 3 periods:

1) Pre-imperial China (till 221 B.C.);

2) Imperial China (from 221 B.C. till 1911)

3) New China (from 1911)

The commercial relations between China and Russia are formed during the pre-imperial period of the Chinese history. The Russians and Chinese first met in the 13th century, when the Mongols brought the captured Russians by them to China, during the invasion to Russia, when the Mongol dynasty named Yuan ruled there.

If we talk about early periods of the development of China as a potential participant of the international division of labor, we should denote that the efficiency of the public administration system and the reclamation of the agrarian centers in the river basins of the Huang He and the Chang Jiang gave a strong impulse to China development, whose economy was based on the developed agriculture, unlike nomadic states bordering on the country. As an agricultural state, China appeared in the 5th-3d centuries B.C. In China, agricultural areas begin to expend, crafts develop, revolutional changes hold in the military affairs from the beginning of the Iron Age. The Northern Zhou Dynasty`s defensive walls were linked and the Great Wall of China was built as well as a few strategic roads were constructed leading from the capital to the outskirts of the empire. That initiated a period of the removal of goods within China. The early 7th century is characterized by the Great Canal construction between The Huan He and the Chang Jiang to transfer rice to the capital from the south.

The Song period (960-1279) is considered as a period of the China`s economic growth. The Chinese craftsmen got skills to make things of china, silk, lacquer, wood, ivory etc. During this period gunpowder and a compass were invented, new heavy grain yielders were grown and the seeding of cotton was raised.

After a number of events (the Mongol invasion (1280-1368), Europeans` attempts to get to the Chinese empire (16th century), the capture China by Manchukuo), isolationism from the outside world was declared for a while. In the 17th century the West European countries decided to use Russia`s in-between position between Europe and Asia, especially England, that asked to permit European customers to use the transit travel to China through Russia. With this purpose, the Europeans were stimulating the Russians to make expeditions to the south to find trade routes to Mongolia and China. However Russia wasn`t interested in this proposal.

As a result of the Chinese unification with Manchukuo under new Manchukuo's rulers as well as the annexation of several principalities of Mongol, the Chinese Empire overstepped the limits of the Great Wall of China, which was considered as the traditional social and cultural border of the Chinese Empire on the north. After the unification, the Chinese Empire had to make contacts with Russia in order to reinforce its borders and try to create a mechanism to balance relations with its northern neighbor.

The 17th century can be considered as an initial period of the formation of the trade relations between Russia and China. The fall of demand for Russian peltry in the Western Europe made the Russian government and merchants to look for profitable markets where expensive types of fur were sold, due to the production development of wool in England and the beginning of great import to Europe. The trade relations were originated by the Fedor Boykov`s diplomatic mission between 1654 and 1657 and the Nikolay Spaphariy`s diplomatic mission during the years 1675-1678.

In the 1650s the first war conflict holds between Russia and China. Traditional concepts of official historiography of China, particularly concepts of the undoubted superiority of the Chinese civilization over the surrounding "barbarian" peoples, define the aggression of China in Amur River region as the «suppression» of Russian people. But the relations between these countries become friendly, and till the 17th century both Russia and China had to legitimize their relations, i.e. to make a relations contract. According to the Treaty of Nerchinsk (1689) Russia had to provide the Chinese Empire with its property on the right and on the left Amur river beach. So, there took place an exchange of the territory, which lost its economic value for the Russian treasury for the extremely profitable trade with Russia that was taken control of the state by Peter the Great.

The famous American researcher studying the history of Central Asia, Mark Menocal in his work «Russia and China. Their diplomatic relations to 1728» says, that «in China`s international relations, questions can hardly be found, that would cause such a bitter printing dispute like the relations between Russia and China». It was stated, that friendly relations between both countries promoted the elimination of all contradictions for trade. China agreed to sign contracts, but Russia signed the unfavorable Treaty of Nerchinsk. The economy was above political ambitions.

In the early 18th century the relations between Russia and China began to spread on the territory of the Central Asia too, due to the geopolitical changes in the region, including the involvement of other states bordering on Russia on the south in the foreign economic activity, among them there is Kazakhstan.

According to the Treaty of Burinsk (1727) a new border was set, and the Treaty of Kyakhta signed the same year, became the ground of political and trade relations between Russia and China, it also became the first attempt to achieve the balance after the Treaty of Nerchinsk. The Russian Empire provided China with the Northern Mongolia`s lands, but it was allowed to construct a new trade point for the Russian and Chinese trade.

Till the late 18th –the early 19th century the trade of the Chinese Empire with the western world greatly changed and became more extensive, and it led to a number of large political and military confrontations including Opium Wars. These confrontations had a significant effect on the China's trade development. Whereas The Chinese Empire retreated under the influence of the western states, a successful policy of Russia in the Central Asia including Kazakhstan allowed it to sign a number of contracts with China and consequently to get new possibilities to expend trade contacts in this region.

In 1861 the Treaty of Kulzhinsk was signed. Russian merchants were allowed to import goods to the Chinese cities of Chuguchak and Yíníng, to trade there and have missions with warehouses. Russian consulates were opened there, that deal with the Russian and Chinese trade.

The late 19th century was marked by a number of victories on the political scene between Russia and China. Russia, that had its views over Port-Arthur, supported a «triple intervention», due to which Chinese Liaoting peninsula wasn`t annexed. As a result, Russia leased Port-Arthur, Dalian on Liaoting peninsula for 25 years. Port-Arthur is closed for the entry of vessels, except from Russian and Chinese ones.

In 1895, Russia provided loan of 150 million rubles at 4% per annum to Beijing. According to the treaty, China must have disagree to foreign control over its finances, if Russia doesn`t take part in it. In the late 1895th, Russo-Chinese Bank was built at the initiative of Sergey Witte. On September 8, 1896, a concession contract about the Chinese Eastern Railway construction was signed between the Chinese government and the Russo-Chinese Bank.

The highest step of the expansion of economic activity on the Far East was the Trans-Siberian Railway construction through China. The Trans-Siberian Railway is a railroad connecting the western regions of the country and the major Far East cities. The Trans-Siberian Railway was built on 30 March 1891, when the imperial edict about the Trans-Siberian Railway was published. The movement of trains on this railroad was begun on October 21, 1901, after a «golden link» was laid on the last sector for the construction of the Eastern Railway. Nowadays, the Train-Siberian Railway links the European part, Ural, Siberia and Far East of Russia, i.e. Russian western, eastern and southern ports as well as railroad exits to Europe (St,Petesburgh, Murmansk, Novorossiysk) with the ports of the Pacific Ocean and railroad exits to Asia (Vladivostok, Nakhodka, Zabaykalsk).

So, based on all the main contracts and treaties signed between Russia and China, we can trace how relations were changing between both countries.

For Russia, main factors that promoted the relations development with China were economic ones, but for China, these were political relations in the Central Asia. Such a set of relationships between Russia and China had been existing from the early 17th till the mid of the 19th century. Typologically, it can be regarded as a mixed set of relations, when social and economic correlates of both countries were similar, but civilizational differences had a great influence on their relations. The history of the political and economic trade relations between Russia and China is complicated and controversial, but we can make conclusion, that these relations have always been fruitful, even in the period of downtums and cooling. According to the history, China and Russia have always been and will remain reliable allies.