

Historic Sino/Russian Trade Deal Signed

By [Stephen Lendman](#)

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Region: [Asia](#), [Russia and FSU](#)

Theme: [Global Economy](#), [Oil and Energy](#)

New York Times editors ate crow. They did so without admitting it. Hours earlier they approved copy [headlining](#) "China and Russia Fail to Reach Deal on Gas Plan."

It was when Russian officials said it was 98% complete. Finalizing it looked imminent. On May 21, it was signed, sealed and delivered as promised.

A follow-up Times article was woefully dishonest. It suppressed what readers need to know.

It [headlined](#) "China and Russia Are Said to Reach Major Gas Deal."

Close to reaching it should have been reported the previous day. Times editors tolerate no favorable Sino/Russian reports.

Its correspondents write as ordered. Doing so features misinformation rubbish. Vital truths are buried. It's longstanding editorial policy.

On May 21, The Times falsely claimed "it was not immediately clear if the accord was an actual contract with details of prices and terms, or if it was a memorandum of understanding that would signal the need for further negotiations."

[Itar Tass](#) claimed otherwise. It reported facts, not fiction. It said:

"Russia's Gazprom and China's CNPC have stricken a deal on natural gas supplies to China."

"The document has been signed in the presence of Russian President Vladimir Putin and Chinese leader Xi Jinping."

"Gazprom CEO Alexei Miller reported that the contract has been concluded for \$400 billion for 30 years."

"In the gas contract for China, the sides envisaged granting preferential mineral extraction tax regimes, said Gazprom CEO."

[Xinhua](#) confirmed Itar Tass' report. It headlined "China, Russia ink long-awaited gas deal," saying:

It's finalized. "China and Russia on Wednesday inked the long-awaited gas deal in Shanghai, ending the decade-long natural gas supply talks between the two neighbors."

Official documents "were signed at a ceremony attended by Chinese President Xi Jinping and Russian President Vladimir Putin."

“The deal...fully embodied the principle of mutual trust and mutual benefit of China and Russia...”

It “accelerate(s) the economic and social development in Russia’s far east region, and also diversify the export of the major oil and natural gas exporter.”

Both countries established “a comprehensive energy cooperation partnership.” They pledged stronger economic and financial ties.

They’re natural partners. They promised wide-ranging cooperation. They’ll increasingly trade in their own currencies.

They’ll bypass dollar transactions. They’ll weaken it in the process. Other countries are doing the same thing. More on this below.

The [Moscow Times](#) headlined “China and Russia Sign Gazprom Supply Agreement,” saying:

They “signed a long-awaited natural gas supply deal on Wednesday...(It) secur(es) the world’s top energy user a major new source of the clean-burning fuel and open(s) a market to Moscow as Europeans look elsewhere for their energy.”

The deal “represents a major (Putin) triumph as he seeks to forge new partnerships in Asia while customers in Europe attempt to reduce their reliance on Russian gas in the wake of the crisis in Ukraine.”

[RT International](#) headlined “Russia and China seal historic \$400 gas deal.”

“Ten years of talks ended positively. Both countries “signed a historic gas deal...(It’ll) provide the world’s fastest growing economy with the natural gas it needs to keep pace for the next 30 years.”

It’s the largest Gazprom deal ever. No other contractual arrangement approaches it. No other bilateral one anywhere.

Potentially it could nearly double in size. It depends on China’s future needs.

[Voice of Russia](#) headlined “Russia, China sign contract on gas supplies worth \$400 bln over 30 years.”

Agreement was finalized at 4:00AM Wednesday Shanghai time. “All the fundamental issues were resolved.”

Sino/Russian ties stress unity. They’re stronger than ever in modern times. They’re deepening. They expanding.

Gazprom and related trade deals strengthen them.

Russia will supply China with around 38 billion cubic million meters of natural gas annually. For the next 30 years.

It bears repeating. It may nearly double in size ahead. Depending on China’s internal needs.

Note: Two documents were signed:

(1) Russia's Energy Minister Alexander Novak and China's National Energy Administration director Wu Xinxiong signed a Memorandum of Understanding on delivering Russian gas to China.

(2) Gazprom CEO Alexei Miller and China National Petroleum Corporation head Zhou Jiping signed a "purchase and sale contract" to supply China's needs for the next 30 years.

Putin said implementation begins on May 22. Doing so "makes it possible to begin the next project with our Chinese partners, namely to begin working on the Western supply route."

He referred to supplying gas from Western Siberian resources.

Secondly, he said, it's "possible for us to realize our plans to develop Russia's gas industry by connecting the Eastern and Western parts of extraction with the appropriate infrastructure."

"If need be, supplies can be diversified from the West to the East and from the East to the West."

Other increased trade deals were agreed on. In technological, industrial, and commercial sectors. In military hardware.

Growing Sino/Russian trade lessens reliance on increasingly undependable Western sources. It gives them less access to Eastern markets.

The President of Russia's web site headlined "Vladimir Putin and President Xi Jinping witness the signing of agreements on gas supplies from Russia to China via the Eastern Route.

Putin and Xi Jinping "signed a [Joint Declaration](#) of the Russian Federation and the People's Republic of China on the new stage of comprehensive partnership and strategic cooperation between the two countries."

They "witnessed the signing of a package of intergovernmental, interdepartmental and commercial documents on cooperation in the economy, trade, energy and the humanitarian areas."

They issued a joint statement. "(A)mbitious goals" were agreed on, it said. "(L)ong-term milestones" were established.

"(I)mportant bilateral documents" were signed. "Relations between Russia and the People's Republic of China are developing successfully and have reached a new level of comprehensive partnership and strategic cooperation," it stressed.

"(S)pecial attention (was on) economic issues. China is Russia's leading foreign trade partner."

A Sino/Russian Investment Committee was established. Its mandate is expanding economic and financial ties.

It's "diversifying trade." It's "reducing...dependence on global economic" conditions.

It's promoting cooperation in "technology-intensive areas." They include industrial, commercial, banking and military areas.

They're increasing bilateral ruble/renminbi trade. It bears repeating. Doing so bypasses dollar transactions. It weakens dollar strength.

Economist John Williams sees its reserve currency days ending. "I don't see what will save it at this point," he said.

"Now we are to the point that the dollar has been ignored for years."

"The federal deficit has been ignored for years. That's where we are on the brink of disaster with, and that is what has to be addressed now, and that's not happening."

"The way I see it, the dollar could go to zero in terms of its purchasing power."

"You don't want to have your assets in US dollars."

Williams sees continuing US decline. Economic conditions are much weaker than reported, he said.

Inflation-adjusted growth is way overstated. Official government data is fabricated. Consumers are "strapped."

"Median household income, net of inflation, is as low as it was in 1967."

"The average guy is not staying ahead of inflation. For decades, you could get consumption from the future by borrowing more money and expanding your debt."

"That all blew apart in 2007 and 2008. Now, you don't have the ability to borrow money the way you used to, and without that, there is no way consumption can grow faster than the rate of inflation."

"There is no way you can have positive sustainable growth in the economy without the consumer being healthy."

"It's just not going to happen." Another plunge is coming, said Williams. Exponentially rising debt is out-of-control.

America's solvency is threatened. Global markets are concerned. US economic conditions are weak. They're heading south.

Doing so harms dollar strength. So does money printing madness. "As the renewed downturn gains wider acceptance or wider recognition, that will intensify the selling pressure," Williams believes.

"When someone starts selling, it's going to be a race for the door, and I am looking for a dollar selling panic to be the trigger for the onset of hyperinflation," he said.

He sees US deficits exploding. "It's going to do bad things to the banking system," he added.

"The Fed is going to have to come in and prop up the system until it falls apart."

It remains to be seen if he's right. Billions worldwide hope so. US imperial wars require massive funding.

Inability to do so prevents them. Peace may replace permanent conflicts. Perhaps when most needed.

Perhaps in time to prevent disaster. The fullness of time will tell.

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His new book as editor and contributor is titled "Flashpoint in Ukraine: US Drive for Hegemony Risks WW III."

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