

EIR Daily Alert Service

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EDITORIAL

There Is No Shortcut: You Have to Change the Whole Picture

May 8, 2023 (EIRNS)—*The following is slightly edited from Helga Zepp-LaRouche's opening remarks to a strategic discussion with associates.*

I think that the historic moment we are faced with is, on the one side, definitely a repetition of what happened in Germany 80 or 90 years ago, and what Lyndon LaRouche many decades ago, with great foresight, had called “fascism with a democratic face.” It was latent then, and existing then, but now it is coming to the fore with a vengeance, with a power that even someone who is completely historically ignorant and politically blind should see: Namely, that it is the repetition of the Great Depression, the danger of a financial blowout of the system, which the oligarchy is reacting to with Schachtian economics, going for a militarization of the economy in Europe, giving free rein to the military industrial complex in Great Britain and the United States, and actually driving the world to the edge of World War III—and possibly beyond.

All of that is based on a fascist ideology which, again, in one sense is not new. It's Carl Schmitt, it's Leo Strauss, it's Nietzsche, it's the beast-man image of the oligarchy going back to their conception many, many empires ago. But it adds the skills and the potentials of the advances in technology, including algorithms, including AI, fake intelligence, and the complete manipulation of the population.

So what we are faced with is quite a huge problem. And the problem we have is that many people see aspects of that, they see this side or that side, but they don't see the full picture. It's almost like the blind men touching the elephant: one has the tail, the other one has the trunk, and each gives a slightly different description of what they think is the elephant.

There is no shortcut, there is no short way of saying: We just have to go for Glass-Steagall, or we have to do this, or that. We have to get people to understand the whole picture. And I know that many people say that this is

impossible, that people are not educated. But I think the only chance we have is to get a sufficient number of people internationally to understand both the historic dimension of what is happening, the economic-financial side of it, the military side, and most importantly, a vision of where this has to go.

That is the gigantic task which we have to accomplish, if there is to be any hope that this can be stopped, a nanosecond before midnight—or hopefully it's seconds, but it could be much less.

Because what is still hanging over us like a Damocles Sword is that the drone attack on the Kremlin was very likely what Colonel Bosshard had characterized as a probe for a decapitalization strike against Russia and the Russian President; followed by the announcement by the Russians that they will counter that, in ways which they will keep secret and covert, but it will be felt. Now, what that response is going to be, I have no idea: It could be some use of hypersonic missiles, it could be all kinds of things.

But we are in an absolutely, incredibly dangerous moment. And the problem is that the vast majority of people on both sides of the Atlantic are absolutely sleepwalking, and the mass media are involved in the most criminal effort to distract people, to use disinformation to convince people that the world is very different than it actually is.

- Watch [Harley's Updates](#) with Harley Schlanger on Tuesday May 9, 2023: Every weekday morning on The LaRouche Organization, Schlanger will give you the strategic briefing you need to start your day.

NEW STRATEGIC AND ECONOMIC ARCHITECTURE

Can China and India Join (with Russia) in De-Dollarization?

May 8, 2023 (EIRNS)—Modern Diplomacy, a web platform which describes itself as “a leading European opinion-maker with far-reaching influence across the Middle East, Africa, and Asia,” on April 30 ran an article with the provocative headline, “[India Joins China in De-](#)

Dollarization Drive.” The report begins with the Indian policy as of March 29 of accepting rupee payment for exports to 18 “countries facing dollar shortages or currency crises,” but also says that India is exploring a Russia-India-China alternative to SWIFT. The article otherwise emphasizes that China and India have in common, not only increasing trade volume between them, but the anticipation of U.S./EU sanctions potentially spreading to them.

In fact, the latest (12th) set of sanctions proposed by the European Union “executive,” according to Reuters May 8, will sanction seven Chinese companies “to punish China over accusations of Beijing’s role in Russia’s war in Ukraine.” The EU executive also proposes to “curb [European] exports to nations seen as involved in bypassing Russia trade restrictions under new sanctions against Moscow”—so India is indirectly targeted as well, while the fantasizing EU directly targets China, Turkiye, U.A.E., and the Central Asian Republics.

In addition, according to the Modern Diplomacy report, China and India both have strong interest in expanding trade and cooperation with Iran, which requires de-dollarization because of the extensive and apparently permanent U.S. sanctions vendetta against that important nation.

Russia, said Foreign Minister Sergey Lavrov at the May 4-5 Shanghai Cooperation Organization ministerial in India, has accumulated too large a volume of rupees because of its increased trade surplus with India. An article May 5 in Yahoo News, one of several reports on Lavrov’s remarks, said: “Foreign Minister Sergey Lavrov noted the widening trade deficit with India, which has been a top buyer of Russian oil since Moscow launched its war on Ukraine last year. ‘As for rupees, this is a problem because there are billions of rupees accumulated in accounts at Indian banks and we need to use this money,’ Lavrov told reporters in India on Friday [May 5]. ‘For this, rupees should be converted into other currencies. This is being discussed.’ ”

That was Lavrov's remark. Reuters added its own report that Russia-India talks about trade in rubles and rupees had been suspended, and that Russia wants to be paid by India for oil exports in Chinese yuan instead.

This provides a new challenge for India-China cooperation in de-dollarization, notwithstanding the historic tensions between Indian and China. Russia could invest its surplus of rupees in Indian bank bonds or bonds or Indian corporations investing in projects in Russia's Far East, but thus far has said no to Indian proposals for this.

Pakistan Will Buy Russian Oil Using Chinese Yuan

May 8, 2023 (EIRNS)—According to a report in Pakistan's English newspaper the *News International*, as covered by RT, Pakistan has reached an agreement to pay for urgently needed oil imports from Russia not with dollars, but with Chinese yuan. An unnamed official from Pakistan's Ministry of Energy told the *News International* that the transaction would be facilitated by the Bank of China, at a price of about \$50-52 per barrel.

RT explains: "In January, Moscow and Islamabad reached 'conceptual' agreements on supplies of Russian oil and petroleum products to Pakistan. The deal is expected to provide relief to cash-strapped Pakistan, which is facing a balance of payments crisis and critically low foreign exchange reserves." Although RT doesn't mention it, Pakistan is currently facing financial warfare and is being put on the rack by the IMF, as it tries to obtain a standby loan. The IMF wants Pakistan to use its dollars for one thing, and one thing only: paying its foreign debt.

This oil deal has similar characteristics to the discussions now underway between Brazil and Argentina, to figure out how that Argentina can pay for Brazilian imports with pesos, not dollars. Like Pakistan, Argentina is being slammed by financial warfare and an IMF agreement which leaves it with no dollars for actual trade, let alone investment. In the case of Argentina-Brazil, they are looking into getting guarantees from the BRICS New Development Bank for Brazilian loans/swaps to make the trade possible.

Algerian President Says We Want To Join BRICS To Develop

May 8, 2023 (EIRNS)—Sputnik reports that President Abdelmadjid Tebboune said at a May 6 meeting with Algerian media: “The BRICS organization will help us [in development] more than other international financial organizations have helped us to date.” Referring to the BRICS New Development Bank, under the new leadership of Brazil’s former President Dilma Rousseff, Tebboune added: “BRICS will finance our projects, we will join their organization and unite politically.”

A Man Who Knows Something Discusses an Asian Reserve Currency

May 8, 2023 (EIRNS)—In a *Global Times* interview today, former Malaysian Prime Minister Mahathir Mohamad, who did the “impossible” in the 1997-98 “Asia Crisis”—using capital controls and deploying a stable currency in the midst of currency collapses all around him—spoke about a new non-dollar reserve currency for Asia, while also discussing the crisis brought on by NATO’s war. He recurred back to his proposal during that “Asia Crisis” so-called, and to the need to balance trade for Asia with a reserve currency.

“Long ago I suggested trading currency to be used only for trade in the ASEAN region, as well as the Northeast Asian countries,” said Mahathir. “That means Japan, South Korea, and China....

“The feeling in the world today is changing. Before, they accepted the Bretton Woods Agreement, which says that trade should be conducted in the U.S. currency; now many countries want to use other currencies. My suggestion that we should have a currency for trading in East Asia is now something that is acceptable to many countries.

“Whenever you have that, then you can value your exports against your imports. If imports are bigger than your exports, then only you pay. If not, you don’t pay. In a way, it is a kind of better trading that you do not exchange goods, but you exchange the value of the goods that you trade with. For example, if Malaysia sells more to China, in the following year China will have to increase its exports to Malaysia in order to balance the

trade. Otherwise, China will have to pay Malaysia the difference within Malaysia's exports. The difference will be in a special trading currency."

China Daily Surveys Yuan's Progress in De-Dollarization

May 8, 2023 (EIRNS)—*China Daily* reported today in a round-up article "[Yuan's Global March Gathers Momentum](#)," that in mid-March the Export-Import Bank of China and the Saudi National Bank (a commercial bank) made a joint loan in China's renminbi (RMB) and established an agreement for further joint lending in RMB. This would be a first in creating a multi-nation credit channel in RMB, although informally such channels have sprung up in Russia. It also reported that Iraq has announced its central bank is increasing the RMB balances of Iraqi banks that have RMB accounts with Chinese banks, which can facilitate similar RMB lending. This "may prompt other OPEC members to follow suit and increase RMB usage," the paper quotes Lin Boqiang of Xiamen University.

The article summarizes numerous other yuan-national currency trade agreements which we have been covering; notably, it reports that China has established the benchmarks for yuan-denominated futures contracts for seven major commodities since 2018. Russia has also established benchmarks for two—coal and wheat.

COLLAPSING WESTERN SYSTEM

Buffett Assures the Mickeys, Don't Worry, the FDIC Will Bail Out All Bank Deposits

May 8, 2023 (EIRNS)—In remarks to the annual gathering of Berkshire Hathaway, CEO [Warren Buffett](#) assured the large meeting that the Federal Deposit Insurance Corporation had no choice but to bail out the entire, bankrupt U.S. banking system—the sky's the limit. Buffett is the fifth richest man in the world—as of May 3, 2023.

According to Sputnik, "Buffett said there would have been 'catastrophic' consequences if U.S. regulators had not insured the deposits at Silicon Valley Bank and Signature Bank, as their failures risked sparking

a run at lenders across the country.” Buffett is quoted asserting: “Even though the FDIC limit is \$250,000 ... that is not the way the U.S. is going to behave, anymore than they’re going to let the debt ceiling let the world go into turmoil.... I can’t imagine anybody in the administration or Congress or Federal Reserve ... saying I’d like to be the one to go on television tomorrow and explain to the American public why we’re only keeping \$250,000 insured,” Buffett declared. “It would start a run on every bank.”

Buffett added a warning to his demand for a full bailout: “The fear is contagious.... You can have a run in a few seconds.”

Near-Term Spread of Insolvency Threatens Many of America’s Banks

May 8 (EIRNS)—“Half of America’s Banks Are Potentially Insolvent—This Is How A Credit Crunch Begins” was the *Telegraph*’s May 2 headline an article by Ambrose Evans-Pritchard reporting on a study released April 30 by four financial economists at the Stanford Graduate School of Business. The potential insolvency rises from the loss in market value of nearly all banks in the U.S. banking system due to the Federal Reserve’s suddenly soaring interest rates; and the threat of banks having to sell those devalued assets if depositors run and have to be paid out. The mark-to-market loss of those assets is estimated variously at around \$2 trillion or so—\$750 billion lost from securities assets and \$1-1.5 trillion from loans if they are sold off before maturity—out of about \$23 trillion total *book value* of banking system assets; so, 10%.

“Let’s not pretend that this is just about Silicon Valley Bank and First Republic,” said one of the financial experts, Dr. [Amit Seru](#). “A lot of the U.S. banking system is potentially insolvent.” The report says that 2,315 out of 4,800 American banks were currently (as of March) sitting on assets worth less than their liabilities (largely deposits).

Since these economists are literally attempting to “compute the incentives” for all U.S. banks’ uninsured depositors to run, the study includes some statistical gobbledygook, and derivations like this: “Even if only half of uninsured depositors decide to withdraw, almost 190 banks with assets of \$300 billion are at a potential risk of impairment, meaning

that the mark-to-market value of their remaining assets after these withdrawals will be insufficient to repay all insured deposits.” This computation finds 190 very small banks in trouble, and it is the potential of fire sales spreading much larger devaluation across entire categories of assets—as with mortgage-backed securities and collateralized loan securities in 2007-2008—which threatens the big regionals and Wall Street megabanks.

The authors found that this is coming—with commercial real estate loans and securities—and concluded: “Overall, these calculations suggest that recent declines in bank asset values very significantly increased the fragility of the U.S. banking system to uninsured depositor runs.”

Drastic Drop in German Industrial Output

May 8, 2023 (EIRNS)—The deindustrialization trend in Germany is accelerating. Industrial output dropped significantly in April over March, and new business fell by 10.7% compared to the previous month—as much as it has over the entire three years since the beginning of the coronavirus pandemic and its related industry shutdowns in April 2020. The automotive industry had a particularly large share in the decline: Production here collapsed by 6.5% compared to the previous month. The machine builders produced 3.4% less. The construction industry reported a drop in production of 4.6%. Chemical industry was slightly better off with -2.0%.

Companies are struggling with higher interest for loans and inflationary material costs, which means that many projects are no longer worthwhile, particularly due to rising energy costs. The figures are from an overview of the Federal Ministry of Economics.

STRATEGIC SHOWDOWN

MI6’s Dearlove Reveals Depth of British Control over Ukraine Operations against Russia

May 8, 2023 (EIRNS)—On May 4, former British Secret Intelligence Service (MI6) Chief Sir [Richard Dearlove](#) delivered a public report-back on

his trip to Ukraine last week, which confirmed everything this news agency has charged about the British hands-on orchestration of Ukraine's suicidal war against Russia on NATO's behalf. Accompanied by his "advisor," retired British Army and NATO officer Gen. Sir Richard Shirreff, and the rabidly anti-China, anti-Russia head of the British House of Commons Defense Committee Tobias Ellwood, Dearlove reported on his extensive meetings "mostly with very senior officials on the security side," many of whose names he said it would be "indiscreet" to mention.

He did name, however, the posts of eight of the officials he had met with: the head of the National Security and Defense Council, the Assistant Minister of Defense, the head of military procurement, the Prosecutor General "who is the man who indicted Putin," the head of a drone design and production "start-up," the head of the Ukrainian Verkhovna Rada's Defense Committee, the official in charge of EU integration, and the head of the Foreign Intelligence. The last merited an especially long meeting, he confided, because he plays a very important role behind the scenes,

EIR reported last week on Dearlove's admission that he had made it clear to his hosts that no negotiated solution to the Russia-Ukraine conflict would be allowed. In his May 4 report-back on the trip, given on the "One Decision" podcast, which Dearlove co-hosts with British journalist Julia Macfarlane, he added the following key points:

- That he had discussed the breakup of Russia, along with the alleged "massive stresses and strains in the Kremlin" which would be exacerbated by any Ukrainian military breakthrough. Dearlove coyly commented that, while he personally does not think Russia will shatter, the situation is "very, very potent."

- That the Ukrainian leadership are "masters of strategic deception," have digitized the entire battlefield, and have been particularly "creative" in their ability to design, produce, and deploy drones on the battlefield quickly.

- That Ukraine needs to have F-16 strategic fighter jets so they can fly "deep into Russian territory," as Macfarlane put it, to hit the strategic

targets—ammo depots and field command centers you would want to bomb—which are currently out of reach. Ukraine also should be given a sustained supply of tanks (preferably Leopard 2) and sophisticated infantry and weapons training, because they have lost many of their most experienced military officers and infantry troops.

- That NATO should extend long-term “security guarantees” to Ukraine at the July 11-12, 2023 summit in Vilnius, Lithuania, de facto incorporating it into NATO.

- And that Dearlove’s regular podcast is followed very closely in Kiev.

Mahathir Warns of Danger of World War

May 8, 2023 (EIRNS)—In an interview with *Global Times*, former Prime Minister of Malaysia [Mahathir Mohamad](#) warned that the U.S. and Russian conflict is leading to world war. “The U.S. will try to get other countries to join in the action against Russia, and Russia will also have to find friendly countries which will support it,” Mahathir said. “There will be confrontation between the Eastern bloc and Western bloc. And this will escalate and become a world war.”

Blaming the actions of the West and NATO for the conflict in Ukraine, Mahathir said, “The invitation to Ukraine to join NATO is a provocation. In fact, if Ukraine doesn’t join NATO, I think Russia will feel less threatened, and there will be no confrontation. But once the process is started, Russia will take preemptive action.”

He also said that the standoff with Russia harms NATO member states greatly, while “In the end, they [Russia and Ukraine] will have to find some settlement. It is better for them to talk to each other, to discuss, to negotiate.”

China has taken on a new role, that of a peacemaker. “China is trying to solve the problems between Ukraine and Russia by urging them to make peace and to settle their problem,” he said. “This is a good role for China. Already, China has succeeded very well as a peacemaker. For example, the confrontation between Iran and Saudi Arabia has been going on for more

than 40 years. But after China intervened, now there is no more confrontation between Saudi Arabia and Iran. So that is a great success for China. And China should continue. Then China will be recognized as a country that wants to see peace in the world and to promote trade and joint prosperity.

“The U.S. and NATO don’t want to see China play this role, but the fact is that the war is not going to solve their problem. They can keep on fighting and killing. And maybe Ukraine will be totally destroyed. And yet, there is no victory for either Russia or Ukraine. There will always be confrontation between them.”

‘Low Tolerance’ for Free Speech as U.K. Protesters Leaders Jailed without Charge

May 8, 2023 (EIRNS)—Attorney Jonathan Turley posts on May 7 on his blog “Res ipsa loquitur—The thing itself speaks” about the fact that 52 “Not My King” [peaceful protesters were arrested](#) during the British King’s coronation without being charged or given a reason for their arrest. A Met Police commander whom Turley quotes acknowledged the protest was entirely peaceful, but claims it intended to “undermine” the coronation. Reports Turley, Commander Karen Findlay defended the arrests describing how a peaceful protest can become unlawful: “This depends on the context. The coronation is a once in a generation event, and that is a key consideration in our assessment.” Previously, Turley wrote, that the police had announced “our tolerance for any disruption, whether through protest or otherwise, will be low. We will deal robustly with anyone intent on undermining this celebration.”

Turley documents the decline of free speech in Britain, and that “English courts have seen criminalized ‘toxic ideologies’ as part of this crackdown on free speech. ... It appears one of those toxic ideologies is the belief in a democratic government without a monarchy.” As Turley notes, the British monarchy’s Norman motto “*Dieu et mon droit*” translates as “God and My Right”—the monarch’s right, no one else’s.

Censorship and government lies are not new. Today, there is an “industry” devoted to hiding the truth, to convince people that war against Russia and China is good, and anyone contesting this must be a “Putin puppet.” On The LaRouche Organization’s Manhattan Project dialogue on April 29, [UK Column’s Mike Robinson](#) provided devastating exposé of the interconnection between intelligence agencies, government, political parties and media.

A countdown to nuclear war is also a “once in a generation event”—not to be undermined.

China Will Not Sit Idly by If EU Launches Sanctions

May 8, 2023 (EIRNS)—The EU is proposing slapping sanctions on Chinese companies selling equipment to Russia which could be used in weapons. Seven companies have been listed: 3HC Semiconductors, King-Pai Technology and Hong Kong companies Sinno Electronics, Sigma Technology, Sigma Technology, Asia Pacific Links, Tordan Industry and Alpha Trading Investments. King-Pai has already been placed under U.S. sanctions.

But China will not sit idly by in the event of EU sanctions, Foreign Ministry’s spokesman [Wang Wenbin](#) announced today. “If the report you cited is true, the EU move will erode mutual trust and cooperation with China and sharpen division and confrontation in the world, which is extremely dangerous. We call on the EU not to take that wrong course. Otherwise, China will take resolute measures to safeguard our legitimate and lawful rights and interests.”

The warning against China-bashing indirectly also applies to the Italian politician Silvio Berlusconi, who otherwise deserves praise for his pro-Russia stance, but delivered a thoroughly pro-EU, anti-China speech in evidently precarious health (he has been treated for pneumonia and leukemia). Berlusconi, who himself has been a victim of the EU, praised his one-time torturer: “Europe is our reference horizon. Only Europe can be a protagonist in the great global challenges, starting with the one posed by Chinese imperialism.”

Moscow Asserts That Kiev Has Confirmed How Washington Is Sponsoring Terrorism against Russia

May 8, 2023 (EIRNS)—Russian Foreign Ministry spokeswoman [Maria Zakharova](#) responded on her Telegram channel on May 7, to remarks by Chief of the Ukrainian Defense Ministry’s Main Intelligence Directorate (GUR) Kyrylo Budanov, who gave an interview with Yahoo News, replying to a question about the Kiev regime’s possible involvement in the Aug. 20, 2022 Moscow assassination of Russian journalist Darya Dugina, asserting that Ukraine had been and would be killing Russians “anywhere on the face of this world until the complete victory of Ukraine.”

Budanov’s GUR has been Kiev’s primary body, in recent times, for administering and deploying networks. Several paramilitary operations, including the Russian Volunteer Corps of long-time neo-Nazi Denis Kapustin (aka Denis Nikitin) and that of Ilya Ponomarev’s “National Republican Army” are coordinated by the GUR as “off-the-books” operations.

“This is a direct blow to the White House. The Kiev regime stated that the Biden administration is sponsoring terrorism,” Zakharova commented.

The Foreign Ministry issued a statement on May 6 regarding the attempted assassination that day which severely injured author [Zakhar Prilepin](#), writing: “The terrorist attack against Yevgeny Prilepin [Zakhar Prilepin] is yet another demonstration of the systematic approach to eliminating ideological opponents, which has been actively nurtured in Ukraine since 2014 through the efforts of Washington, becoming the Kiev regime’s basic reflex....

“The responsibility for this and other terrorist acts lies on the Ukrainian authorities together with their Western patrons, mainly the United States, through whose efforts the anti-Russia project blended with neo-Nazism has been painstakingly nurtured in Ukraine since the coup in February 2014,” the statement reads. “The lack of condemnation by the US authorities of another terrorist attack against a Russian journalist and public figure speaks

for itself. The silence of relevant international organizations is unacceptable,” the ministry concluded.

Qin Gang Tells Ambassador Burns, U.S. Has To Do Better

May 8, 2023 (EIRNS)—Chinese Foreign Minister Qin Gang met with U.S. Ambassador to China Nicholas Burns on May 7, which may indicate a move toward reestablishing discussions between the two sides. At the same time Qin Gang made it very clear that it would not lead to any positive results so long as the U.S. continues its policy of trying to contain China, and at the same time claiming that they want to begin talks with China.

In his readout on the meeting, Foreign Ministry spokesman [Wang Wenbin](#) had a lot to say: “State Councilor Qin Gang said that the U.S. needs to form a correct perception of China, return to rationality, and get the basis right for China-U.S. relations, just like putting the first button on a shirt right. This is how both sides can benefit from one another’s success. The U.S. cannot talk about the need for communication on the one hand and yet keep suppressing and containing China on the other. The U.S. cannot say one thing but do the opposite, and needs to respect China’s red lines. The U.S. needs to stop undermining China’s sovereignty, security and development interests, correctly handle the Taiwan question in particular, stop hollowing out the one-China principle, and stop supporting or conniving with the ‘Taiwan independence’ separatist forces. The U.S. needs to handle unexpected and isolated incidents in bilateral relations in a calm, professional and pragmatic manner to avoid dealing more blows to China-U.S. relations. The U.S. needs to seek dialogue and cooperation on the basis of mutual respect, mutual benefit and reciprocity. We hope that Ambassador Burns will be able to see, listen, interact and think more here in China, and serve as a bridge between China and the U.S.”

U.S. Secretary of Defense Lloyd Austin has expressed an interest in meeting with the new Chinese Defense Minister Li Shangfu at the Shangri-La Dialogue in Singapore on June 2-4, and Secretary of State Antony Blinken is also keen on rescheduling his canceled meeting in February over of the “balloon fracas.” It appears that Special Presidential Envoy for

Climate John Kerry does have an invitation to China to discuss climate issues, he revealed in Berlin on May 3. There were discussions between officials of both commerce departments and both Treasury Secretary Janet Yellen and Commerce Secretary Gina Raimondo have expressed interest in coming to China to discuss trade and economic issues.

Minister Qin Gang will soon be visiting France, Germany and Norway on the invitation of those countries' foreign ministers.

U.S. POLITICAL & ECONOMIC

Policy Option Floated for China Role in Russia-Ukraine Negotiations

May 8, 2023 (EIRNS)—Over the weekend, a policy trial balloon was floated by some circles in Washington, D.C., proposing to have China help bring about a negotiated settlement between Ukraine and Russia towards the end of 2023—after Kiev's long-awaited “spring counter-offensive.” Although not a viable policy option as stated, it does represent a different approach than the London-stated policy of permanent warfare up to and including dismembering Russia as a nation, and provoking a nuclear showdown between the United States and Russia.

Very similar versions of the proposal were floated on May 7 in the *Wall Street Journal*, ABC, and in a CBS interview with Henry Kissinger. Kissinger, who will turn 100 on May 27, stated: “Now that China has entered the negotiation, it will come to a head, I think by the end of the year.” By that time, he continued, “we will be talking about negotiating processes and even actual negotiations.”

The *Wall Street Journal*, citing unnamed U.S. and European sources, claimed that some elements of the Biden Administration see a role for China: “The willingness to encourage negotiations and seek out a role for China in talks represents a shift in Western thinking, particularly in the U.S., which has been highly skeptical of any involvement for Beijing, given China's long standing support for Moscow.... The approach is based on the belief that neither side has the ability to continue fighting indefinitely, and

that Beijing’s willingness to play a role in international peace talks should be tested, the officials said.”

According to the *Journal*’s European sources, key U.S. officials on the National Security Council are in favor of negotiations, while the State Department and CIA have been more skeptical, eager to see how the offensive goes before pitching for a diplomatic off-ramp, a division which was denied by an NSC spokesman. Senior officials in Paris and Berlin who are familiar with their leaders’ discussions with President Biden say they expect the White House to attempt to facilitate talks following the Ukrainian offensive’s anticipated gains.

ABC News, for its part, ran a piece by its global affairs editor John Lyons in Kiev, under the headline: “China Is Making Its Move in Ukraine, and the U.S. Has No Chance of Matching It.” It says that President Xi Jinping made his move in his April 26 call with Volodymyr Zelenskyy, and that “Xi has offered something that he knows the United States cannot offer”—getting Russia to the negotiating table. “Recently, when Xi brokered a peace agreement of sorts between Saudi Arabia and Iran, he would have known—as with the Ukraine envoy offer—that he was offering something that the U.S. cannot offer. Washington could deliver Riyadh to a negotiating table, but it certainly could not deliver Tehran.”