

## EIR Daily Alert Service

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## EDITORIAL

### **It's No Longer a Unipolar World; Now Let's Go Build A New One**

April 3, 2023 (EIRNS)—It's become so obvious that even the self-deluded bankers of the City of London and Wall Street have to admit it: They can no longer order every nation on the planet to do their bidding, and expect

them to bow and scrape and obediently commit suicide. “It’s no longer a unipolar world,” a leading financial strategist at the global investment bank RBC Capital Market (Royal Bank of Canada) ruefully remarked to the *Financial Times* today.

The speculative banker happened to be referring to Saudi Arabia’s surprise announcement today that they, and a half-dozen other oil-producing nations, had decided to reduce oil output in order to firm prices, working in tandem with Russia in that effort—when the British and the Biden administration had demanded that they do the exact opposite. But the banker’s comment could equally have been made about a half-dozen related developments over the recent period.

The Saudis and Chinese have agreed to the purchase of oil with yuan, using a non-dollar clearing house arrangement that sidesteps the dollar-based SWIFT interbank settlement system and uses China’s CIPS system instead. The two countries are matching those financial arrangements with the construction of a large, \$12 billion oil refinery in Panjin to handle some 210,000 bpd of Saudi crude.

Brazil and China have likewise agreed to carry out their growing volume of trade and investment in yuan and reais, and again the CIPS will function as the clearing house, not SWIFT. This area has grown so rapidly that the yuan has just replaced the euro as the second largest currency held by Brazil’s central bank. Here too major physical-economic development projects are under discussion—including the construction of a bi-oceanic rail corridor linking the Atlantic and Pacific coasts of South America—and it is likely that Brazil’s President Lula will sign a Memorandum of Understanding to join the Belt and Road Initiative when he meets with China’s President Xi Jinping in Beijing on April 14. Lula will also talk to Xi about the urgent need for a negotiated solution to the war in Ukraine, which threatens to escalate into a full-blown thermonuclear war between superpowers at any moment. Both leaders have presented peace proposals to that end.

Similarly, South Africa's Foreign Minister has presented a proposal for Brazil, India, China and South Africa—which together with Russia make up the BRICS nations—take the initiative in hosting negotiations to end the war in Ukraine. South Africa is also actively preparing to host the upcoming August summit of the BRICS, which will see a significant expansion of that group into the BRICS-Plus.

Saudi Arabia, Brazil, South Africa—three major nations and important regional powers in the Middle East, South America and Africa—are all acting on the simple recognition that it's no longer a unipolar world. They are also increasingly cognizant—as are the population in the United States and Europe—that peace and development go hand in hand.

In fact, as the title of the April 15-16 Schiller Institute conference asserts, “without the development of all nations, there can be no lasting peace for the planet.”

The former President of Guyana Donald Ramotar will be one of the featured speakers at that conference, and he has written an article that properly can be viewed as a discussion document towards the deliberation that will occur there. Under the headline “On the Precipice of Nuclear War: Russia/Ukraine Conflict,” Ramotar writes:

“At the moment there are some important proposals on the table which deserve serious consideration. In the first instance we have the proposal by the Pope to use the Vatican as a place for negotiating peace. This must be supported.

“There are proposals from Helga Zepp-LaRouche and the Schiller Institute. She has proposed ten points which also link peace to development. These must be given very serious consideration as well.

“More recently, President Lula of Brazil has made proposals which are aimed at getting countries involved in bringing an end to this dangerous situation.

“The proposal by President Xi of China is well thought out and can make an important contribution to the restoration of Peace in Europe and the world.

“All the proposals that are on the table individually and collectively can be the basis for the beginning of the process towards peace. All of these proposals are worthwhile and have many common positions that should be explored.”

[Register for the April 15-16 Schiller Institute conference.](#)

- Watch [Harley's Updates](#) with Harley Schlanger on Tuesday April 4, 2023: Every weekday morning on The LaRouche Organization, Schlanger will give you the strategic briefing you need to start your day.

## NEW STRATEGIC & ECONOMIC ARCHITECTURE

### **‘It’s No Longer a Unipolar World’; Saudis Announce Surprise Coordinated Cut in Oil Output of 1.125 Million BPD**

April 3, 2023 (EIRNS)—The government of Saudi Arabia stunned the oil and financial world today, announcing that they and a number of other oil producing nations had decided to cut oil production by over a million barrels per day (bpd), in order to help “stabilize” oil markets after the price dropped when the banking crisis hit in mid-March. London and Washington are particularly angered because the move goes against President Joe Biden’s request for more oil production, to try to keep inflation down, and also because the move will help Russia get more revenue through higher oil prices. The Saudi move may even have been coordinated with Russia, which is extending its own cut of 500,000 bpd of output until the end of the year.

The *Financial Times* today worried that “the Saudi-led initiative is unusual as it has been announced outside a formal OPEC+ meeting,” noting that it put “Riyadh on a collision course with the U.S. as the Kingdom

attempts to boost prices amid fears of weaker demand.... The surprise cuts risk reigniting disputes between Riyadh and the U.S.”

The *FT* cited Helima Croft, head of commodity strategy at RBC Capital Markets of Canada, a leading global investment bank (read speculator), to make the broader strategic point: “It’s a Saudi-first policy. They’re making new friends, as we saw with China... The Kingdom was sending a message to the U.S. that ‘it’s no longer a unipolar world.’ ”

Croft is referring to the announcement earlier this year that Saudi Arabia would be accepting payments in yuan from China for its sizable oil exports to that country, and accepting clearing house arrangements totally beyond the reach of the dollar and its killer sanctions policy.

Other announced voluntary cuts include Iraq (211,000 bpd), the U.A.E. (144,000 bpd), Kuwait (128,000 bpd), Kazakhstan (78,000 bpd), Algeria (48,000 bpd) and Oman (40,000 bpd), according to statements from their respective governments. The *Independent* reported that the cuts total 1.15 million bpd, adding angrily: “Higher oil prices would help fill Russian President Vladimir Putin’s coffers as his country wages war on Ukraine.... It was also likely to further strain ties with the United States, which has called on Saudi Arabia and other allies to increase production as it tries to bring prices down and squeeze Russia’s finances.”

CNN reported that oil prices spiked on Monday, April 3, after the announcements, with Brent crude, the global benchmark, jumping 5.31% to \$84.13 a barrel, the sharpest price rise in almost a year.

### **Brazil’s Lula Is Expected To Join the Belt and Road Initiative During His April Summit with China’s Xi Jinping**

April 3, 2023 (EIRNS)—The Brazilian online website Metr opoles reported yesterday that Brazilian [President Lula da Silva](#) will most likely sign a Memorandum of Understanding on joining the Belt and Road Initiative, when he meets with Chinese President Xi Jinping in Beijing on April 14. According to the April 1 column by Rodrigo Rangel, high-level sources in the Brazilian government report that Lula will do this, and the event will be

announced “with pomp and circumstance,” even though it will “offend the U.S.”

“Joining the New Silk Road is one of the points which China put on the negotiating table of agreements to be announced by Lula and Xi Jinping,” Rangel reported, noting that the entire subject is being handled with great secrecy by a handful of top advisers to Lula. The issue is highly sensitive “because of its potential to damage Brazil’s good relations with the United States, especially in these times of fierce global polarization.”

Lula has shifted Brazil’s policy back towards the BRICS, with former Foreign Minister and current Presidential adviser on international affairs Celso Amorim playing a key role in that policy, Rangel writes in his regular column. “Lula wants to bet on that front,” and his naming of former Brazilian President Dilma Rousseff to head the BRICS New Development Bank was meant to signal that policy.

Rangel reports that there are sectors in Itamaraty, Brazil’s Foreign Ministry, that oppose Lula’s BRICS/China turn, considering it an “anti-American, leftist” approach, “but those same circles recognize, however, that strengthening relations with China could help the country unblock its economy,” including by attracting significant new investments.

Rangel concludes: “If Brazil’s entry [into the BRI] is confirmed, which will probably only be known when Lula is in China, the tendency is for one of the priorities to be dusting off the old plan for connecting the Brazilian coast with the Pacific coast with highways and railroads—something which is clearly of great interest to the Chinese, given the benefits it would bring to the flow of goods with Asia.”

## **U.S. Opposition Won’t Stop Brazil from Strengthening Ties with China**

April 3, 2023 (EIRNS)—The Biden administration has trumpeted its opposition to Brazil strengthening its ties with China. According to the Argentine edition of the daily *La Política Online* on April 2, Secretary of State Tony Blinken let Brasilia know that the U.S. opposed President Lula

da Silva's upcoming trip to China and even threatened not to contribute \$400 million toward reforestation of the Amazon. Even though Lula had to postpone his original trip last month due to illness, he quickly rescheduled his visit for April 11-15, during which he will meet with Chinese President Xi Jinping on April 14 and will be present on April 13 at former Brazilian President Dilma Rousseff's investiture as president of the BRICS New Development Bank.

Professor Javier Vadell of the Pontifical University of Minas Gerais in Brazil, is quoted in the [\*La Política Online\*](#) article, "Lula Strengthens Ties with China and Raises Tension with U.S.," pointing to the importance of Brazil's recent agreement with China to carry out trade in Chinese yuan and Brazilian reais, which he described not as putting an end to the dollar system but rather a process of "de-monopolization which is gradual to the degree that confidence in the U.S. currency is lost." The other key aspect of this, he said, is that it authorizes Brazil's Bank of Communications to implement the CIPS, which is China's version of the SWIFT international financial transaction system, to facilitate payment without having to go through the system controlled by the U.S. Vadell notes that, due to the Ukraine war, both China and Russia use the CIPS, as do a growing number of African and Asian nations.

Brazil also angered Washington by its refusal to sign the document attacking Russia at the White House "Summit for Democracy," Vadell reported—unlike Argentina, he said, which agreed to freeze billion-dollar agreements with China in exchange for IMF backing. Additionally, Lula's chief foreign policy adviser, Celso Amorim, a former Foreign Minister, is reportedly on his way to Russia to try to facilitate a negotiated solution to the Ukraine war. Lula's proposal to form a "club of peace" is key here.

Professor Vadell believes China will succeed in building stronger ties with Brazil, Argentina and all of the countries of the Mercosur, or Common Market of the South—including Paraguay, which currently doesn't recognize China, but whose new government following the April 30

presidential elections might well break with Taiwan and endorse the One China policy.

The U.S. is unhappy about all of this, Vadell reported, but Washington is going to lose in its attempt to stop China. “It is losing, as happened with Honduras which just recognized China; and it is losing when a neoliberal government like Ecuador, is about to close a free-trade agreement” with China.

Vadell: “There is a new world center that isn’t Western, which is China and that whole region which is the most dynamic in the world. The problem is that the U.S. doesn’t offer international public goods. It pressures Brazil not to use Huawei technology, but offers nothing in return—only sanctions.”

### **South African Ruling Party in Russia to Discuss ‘Recalibration of the Global Order’**

April 3, 2023 (EIRNS)—As of April 2, a delegation of several ranking members of South Africa’s ruling African National Congress (ANC) party was on a four-day “working visit” to Russia at the invitation of President Putin’s United Russia Party, to discuss the “recalibration of the global order to reverse the consequences of neo-colonialism and the previously prevailing unipolar world.”

The visit comes against the background of South Africa’s Minister of International Relations [Naledi Pandor](#) stating a month ago that Brazil, India, China and South Africa should step forward to play “a leading role” in bringing about a negotiated end to the war in Ukraine, she told India’s WION TV on March 5, after attending the G20 Foreign Ministers meeting in New Delhi: “We are looking forward to India, Brazil, South Africa and China playing a leading role in drawing the parties together, because one of our members is Russia, as BRICS. And we think that four leaders actually have a very vital role that they could play in becoming a convening group to draw the parties together.” She pointed to the example of the South Africa’s ANC making peace in the 1990s with “our enemies, who killed

and arrested our fathers and mothers, who denied us educational opportunities and denied us basic human rights.”

South Africa maintains a non-aligned stance on the war, while also defending South Africa’s friendship with Russia.

The ANC Moscow visit will inevitably have value for the Aug. 22-24 BRICS summit in Durban, South Africa with President Cyril Ramaphosa in the chair. It is likely that the ICC’s March 18 arrest warrant against President Vladimir Putin—ordering his arrest if he travels to South Africa for the BRICS summit—is also a subject for consultation between the two parties.

In the meantime, the “recalibration” of the world order continues apace. The influential South African Communist Party, embedded in the ANC, has now called for South Africa to cancel its membership in the ICC, and the South African government has just granted permission for Iranian warships to dock at the Port of Cape Town, despite loud clucking noises emanating from the U.S. Embassy in Pretoria.

## COLLAPSING WESTERN SYSTEM

### Chinese Banks Report No Direct Damage from Western Banking Crisis

April 3, 2023 (EIRNS)—Today’s *Financial Times* reports that “China’s top lenders—Industrial and Commercial Bank of China, China Construction Bank, Agricultural Bank of China and Bank of China—have all reported there was no direct damage to their books from last month’s emergency rescue of Credit Suisse by UBS and failures in the U.S. banking sector. ‘Even from an indirect or spillover effect perspective, the impact [to China’s banking sector] is very limited,’ said Ji Zhihong, vice-president of the country’s second-largest bank CCB [China Construction Bank] at a briefing last week, when all the main banks reported strong earnings.”

Chen Long, co-founder of Beijing-based research company Plenum, was critical of the policies adopted by the U.S. Fed and other Western central

banks: “The radical change of monetary policy is a very bad idea. If you have to raise interest rates by 300 [basis points] in a year, that is definitely going to cause a lot of strain on the banking system.” With studied understatement he continued: “The framework of regulating banks globally now looks insufficient at least. The irony is that the Swiss are viewed as leaders in how to regulate banks. Then Credit Suisse, the [country’s] second-largest bank failed,” he declared.

The *FT* added, without a hint of irony: “The banking crisis has dented China’s faith in the wisdom of regulators in Europe and the U.S.”

### **Eurozone Core Inflation Increased in March to All-Time High of 5.7%**

April 3, 2023 (EIRNS)—The news was reported by Eurostat, the official statistical agency of the EU, noting that the measure of “core inflation” excludes items such as food and energy, supposedly due to their volatility. “Headline inflation,” on the other hand, includes such categories, and that measure dropped in March because of falling energy prices. However, “Policymakers at the ECB won’t read too much into the drop in headline inflation in March and will be more concerned that the core rate hit a new record high,” Jack Allen-Reynolds, deputy chief Eurozone economist at Capital Economics, said, as cited by CNBC. They and other media report that it’s therefore expected that the ECB will increase interest rates again at their next meeting.

## **STRATEGIC SHOWDOWN**

### ***Global Times* Considers Tsai’s U.S. Activities Will Make It ‘More Difficult’ for Biden To Engage with China**

April 3, 2023 (EIRNS)—On the eve of the likely April 5 meeting in California between Speaker of the House Kevin McCarthy, and leader of the separatist authorities on Taiwan Tsai Ing-wen, an article in *Global Times* says that the provocative meeting will only exacerbate tensions between the United States and China at a time when cooperation is needed—especially in light of the “messy economic situation” in the U.S.

*Global Times* describes attempts covered in trans-Atlantic media outlets to downplay the meeting between McCarthy and Tsai, citing an article today in *The Hill* which characterized it as a “careful exercise,” and another article in Bloomberg from March 31 saying that the Biden administration is going to “unprecedented lengths to play down the importance” of Tsai’s visit to the U.S. this week, as officials “try to keep an already soured relationship with China from getting any worse.”

McCarthy, however, has broadly hinted that he intends to follow up his California “in transit” meeting with Tsai (who is presumably stopping through Los Angeles on her way back from Central America), with a full-scale visit to Taiwan itself in the period ahead.

As for Tsai’s trip, a Beijing-based expert on international relations who asked for anonymity told *Global Times*: “But her trip is not finished yet, so we still need to pay attention to what happens in the coming days. The reaction from the Chinese mainland depends on how provocative Tsai’s activities are ... in other words, if there are any countermeasures, they might be seen after Tsai completely finishes her activities in the U.S.”

Lü Xiang, a research fellow at the Chinese Academy of Social Sciences, made the straightforward point that “Whether the White House and the House Speaker are from the same party or not, whatever the Speaker does is actually based on the acquiescence of the White House. At the very least, the Speaker’s move has not received any direct or clear opposition from the White House.”

The article then notes that according to information released by the Taiwan defense authority, PLA aircraft and naval vessels have been operating around the waters of Taiwan Straits from April 2-3.

*Global Times* concludes: “If the U.S. wants to engage with China to solve some problems or ask for help from China to handle its messy economic situation, Washington needs to show concrete sincerity to create conditions for the talks it wants, otherwise the exchanges will be meaningless, said Chinese experts, who also held low expectations of China-U.S. relations recovering soon.”

## Arrest in Assassination of Russia's Fomin Leads To 'Overthrow Russia' Gangs

April 3, 2023 (EIRNS)—A video of Darya Trepova, the woman arrested in the April 2 St. Petersburg assassination of war reporter Maxim Fomin, who wrote his popular Russian blog under the pseudonym of [Vladlen Tatarsky](#), was released by Russia's Interior Ministry today, reports RT. Trepova relates that she was given a statuette, that she was told had a listening device to catch Fomin's conversations; that she presented it to Fomin; and had departed the café within 5-10 minutes. The statuette exploded in Tatarsky's hands, killing him and injuring some 30 audience members.

Citing a source for [Shot](#) Telegram channel, RT covers the fact that aside from the video, Shot's sources say that Trepova describes that one Roman Popkov, who had "taught her journalism," asked her to "do a task" for a "contact" of his. Shot's sources say his contact is in the Ukrainian Internal Security (SBU), and Russia's National Anti-Terrorism Committee said today that Trepova was acting on behalf of Kiev. Trepova told the Interior Ministry that she brought the statuette to St. Petersburg in her car several days ago. She seems to have been on the periphery of the Alexei Navalny anti-Putin movement.

Roman Popkov was an activist and chapter-leader with the now defunct "National Bolshevik Party," and has spent his adult life working to overthrow Russian President Vladimir Putin. He served over two years in prison for "hooliganism" involving violence on behalf of the National Bolsheviks. He describes himself as an activist/reporter who was jailed briefly in Belarus in 2020, as his "reporting" seems to include various protest activities. His work for several years has been with MBK Media, founded and run by London-based billionaire Mikhail Khodorkovsky, and its "Open Russia" subgroup. (Khodorkovsky served prison time in Russia for financial looting scams.) Popkov also appears as part of Khodorkovsky's "Free Russia Foundation."

After getting kicked out of Belarus in 2021, Popkov moved from Russia to Kiev, working with "volunteer-activists" on an "action plan" against

Russia, as he described it in a June 18, 2022 interview with *Kyiv Post*. He says that his group of Russian emigrés in Kiev are “activists close to the Azov movement” of Andriy Biletsky (the man who designed the swastika-based insignia for the Azov Brigade he founded in 2014). Popkov means Biletsky’s “National Front” political vehicle, not the present-day Azov Regiment. Otherwise, Popkov says he’s been reporting on the war front of the war on behalf of Belsat TV Belarus-language operation, based in Warsaw and largely financed by its government.

There are unconfirmed reports that Popkov works for Ilya Ponomarev, a founder of “Free Nations of Post-Russia.” With yesterday’s murder of Fomin/Tatarsky, Ponomarev claimed that he knew the perpetrators, but “I’ll comment tomorrow, when we know the official position of the group which carried out this action.” Last year Ponomarev had proclaimed he was the spokesman for the underground group that effected Aug. 20, 2022 car bombing of Darya Dugina in Moscow, which he named as the “National Republican Army.”

### **Swiss Officers Revolt Against Plans To Suspend Neutrality Status**

April 3, 2023 (EIRNS)—German Ambassador to Switzerland Michael Fluegger said “We expect Switzerland to jump over its neutralist shadow in certain areas,” in an interview with Radio SRF’s “Samstagsrundschau” on April 1. Specifically, he was referring to 25 mothballed battle tanks, which the Security Policy Committee of the Swiss Parliament’s National Council is willing to cede to Germany, to replace the tanks that Germany delivered to Ukraine.

If the amendment to the War Matériel Act were challenged and blocked by a referendum, Fluegger warned, “it means for all NATO partners, you can no longer rely on Switzerland in the future.”

The Swiss tabloid *Blick* reported yesterday that Swiss tank officers are furious about the deal and evincing fierce resistance. “The committee is seriously endangering Switzerland’s independence,” warns the Association of Armored Forces Officers (OG Panzer). “The Swiss army already lacks enough tanks.”

Germany had officially asked whether Switzerland could provide some of the 96 Leopard tanks stored in eastern Switzerland. Swiss Defense Minister Viola Amherd is also open to a deal. OG Panzer, however, insists that these Leopard tanks should be reactivated and brought up to date for Switzerland itself. “Today, the stocks are geared solely to repetition courses. One battalion at a time always trains on the same tanks,” says OG Panzer President Erich Muff. “But the stocks are already insufficient for an emergency.” Muff calculates: For national defense, at least three mechanized tank brigades are needed. With reserves, that would be well over 300 Leopard tanks. However, there are only 134 tanks currently in service. In addition the 96 tanks, mothballed to save money, make up a total of 230, making a deficit of 70 of the Leopards.

OG Panzer laments that “Switzerland is being blackmailed! Especially from the U.S.A. and Germany, the political pressure is massive.” After all, Berlin itself has not yet ordered any new tanks of its own from German industry, claims OG Panzer: “Why doesn’t Germany move forward itself, instead of putting Switzerland under pressure?”

“Switzerland can no longer handle international pressure,” Muff remarks. “But you have to be able to withstand that at times.” The Leopard tanks, in any case, should not be negligently sold off in any case, since, given the worrying global situation and limited production capacities available, the procurement of new tanks is becoming increasingly difficult and expensive.

The Pro Switzerland association goes a step further, criticizing how serious it is that the Security Policy Committee of the National Council is prepared to “weaken the security of Switzerland and its population.” Pro Switzerland reserves all means to stop this “activism contrary to neutrality”—if necessary with a referendum.