



Written by [Selwyn Duke](#) on March 11, 2022

As U.S. & Russia Lock Horns, China Waits, Watches — and Plots to Pounce

“We have to get used to being number two.” So said JPMorgan Chase CEO Jamie Dimon, talking about what many see as inevitable Chinese dominance. As to the timing, former World Bank vice-president Justin Lin Yifu believes Beijing is ahead of schedule.

“I’m pretty confident ... China will surpass the US by 2030,” said Yifu, now a professor at Peking University and also an advisor to his government, earlier this week. And many believe the current economic war being waged on Russia by the West — whose own citizens will suffer consequences — is only accelerating this process.



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One of these alarm sounders is Hudson Institute Chinese strategy director Michael Pillsbury. Appearing on Fox Business’ *Mornings with Maria* Wednesday, Pillsbury warned that China is Ukraine conflict’s main beneficiary. Beijing not only won’t participate in the sanctions against Russia — but plans to derive *relative* benefit from them.

As he told host Maria Bartiromo, [relates](#) Fox Business:

[Chinese president] Xi Jinping and Putin have met more than 30 times. It was Xi Jinping’s first foreign trip when he took over China... the Chinese have announced they’re not going to observe the sanctions. At the same time, they’re providing interbank cross-border facilities to China. They’ve got their own SWIFT system in China... it’s only 10 or 20 percent as big as the real SWIFT, but they’re trying to grow it to take advantage of this crisis, in many ways, to grow their own economy.

One of their top economists, just yesterday, Justin Yifu Lin, used to be chief economist at the World Bank... He’s a key adviser to Xi Jinping. He said yesterday ‘We’re going to surpass the Americans ahead of schedule, roughly 2030... seven or eight more years.’ They will have global primacy, and I think their exploitation of this Ukraine invasion is going to be part of the story for how they surpassed us. We just don’t seem to understand that China is supporting Putin. [Video below.]

Obviously, if the West prohibits Russia from using SWIFT (Society for Worldwide Interbank Financial Telecommunication), a system which [“facilitates financial transactions and money transfers for banks located around the world,”](#) Moscow will presumably have to move toward China’s alternative system. And Beijing awaits with open arms.

Weaponizing the Dollar — and the Response

Because taking on Russia militarily risks nuclear war, the United States has opted for economic war



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instead. But recent “moves by the West to weaponize dollar-based global finance may yet provide the necessary spur for China to speed up measures to reduce its reliance on the U.S. dollar and create an alternate global financial payments system,” warned University of Tampa associate economics professor Vivekanand Jayakumar last week. Writing at The Hill, he also [stated](#):

China has been open about its long-run desire to supplant the U.S. dollar-centric post-WWII global monetary order. Given recent geopolitical developments, the [renminbi internationalization](#) agenda will likely regain momentum.

China’s push to establish a digital yuan and create an alternate payments system is part of the plan. The massive Belt-and-Road Initiative (BRI) will also aid China in its attempts to broaden international acceptance and usage of its currency. Back in 2020, given already rising geopolitical tensions, China and Russia agreed to ditch the U.S. dollar for bilateral trade settlements.

Note here that if the dollar loses reserve-currency status, it will mean a real drop in standard of living for Americans.

The tragic kicker is that increased empowerment of China via Russian alliance was wholly avoidable. Last week [I reported](#) on how decades of foolish neocon policy — the expanding of NATO right up to Russia’s borders despite the USSR’s fall — likely helped create the Ukraine crisis. And just yesterday there was another report about how the anti-Russia sanctions are backfiring.

While some had [previously claimed](#) that Putin was losing the propaganda war at home, this isn’t the case [according to Russia expert Clint Ehrlich](#). In fact, asserts the former Visiting Researcher at Moscow State Institute of International Relations, Putin’s approval rating has *increased 10 points since the sanctions’ institution*.

If this is true, it means the sanctions are having the precise opposite of the desired effect. This would be unsurprising. Remember that when waging hot war, we assiduously try to avoid civilian casualties; they’re so unpalatable that we even describe them euphemistically — as collateral damage.

Yet sanctions don’t hurt a target countries’ elite unless they drive that elite from power (and they can’t do that if they make the leaders more popular). Their very target is the civilian population, and the “casualty” rate is hence enormous. The hope, of course, is that the elites will be hurt in the process, that they will be collateral damage.

What’s so tragic here is that the United States and Russia have more in common than either country does with China; we share, for example, a European heritage and similar foundational faith (Christianity). But instead of forging a better post-Cold War relationship, the rift exacerbated (if not created) via past policies — including the Left’s Trump-era anti-Russia drumbeat — might now have been cemented. As to this, Russia’s foreign minister, Sergey Lavrov, [vowed](#) Thursday to permanently cut economic ties with the West.

This could lead to a world realignment going far beyond the dollar losing reserve-currency status. In fact, with China having an economy approximately eight times that of Russia’s and poised to overtake ours as well, it could be a history-changing shift akin to the fall of Rome.



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