

Escalating Economic Warfare: Theresa May to Ban Russian Sovereign Debt Sales in UK?

By [Stephen Lendman](#)

Global Research, March 30, 2018

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

Theme: [Global Economy](#)

Is this the next shoe to drop? Will the Trump administration follow suit, officials of both countries pressuring others to impose a similar ban?

Theresa May reportedly is considering a UK ban on Russian sovereign debt, escalated economic war if imposed, perhaps further illegal sanctions on Russian individuals and entities at the same time.

According to Harvard Society of Fellows research fellow Emile Simpson, "Russia can borrow in EU and US capital markets despite western sanctions and then can support the sanctioned Kremlin-linked banks and energy companies that can no longer do so."

UK parliament's foreign affairs select committee chairman Tom Tugendhat called for closing a loophole, letting Russian banks sell eurobonds to finance the country's sovereign debt, saying:

"One of the ways that people are getting their money out of this country is by allowing Russian sovereign debt to be sold in the UK, and that debt to be used to reimburse Russians, in a way, to bring back their money onshore, in Moscow terms...We are...enabling those bond auctions, those debt auctions."

Critics of the proposal say Russia will go elsewhere to sell its bonds, notably China.

A US Treasury study of the issue opposed sanctioning Russian debt, fearing a negative effect on financial markets.

Last December, Russia's Finance Minister Anton Siluanov said talks with China were held on selling yuan bonds worth \$1 billion in 2018, perhaps the first offering of more to come.

Deputy Finance Minister Vladimir Kolychev said Beijing expressed interest in the idea.

Separately, Russian Direct Investment Fund head Dirill Dmitriev explained Vladimir Putin supported the idea of creating an investment vehicle in yuan.

A Sino/Russia investment fund already made 19 investments, things going smoothly.

Last July, the Russian Direct Investment Fund and China Development Bank established a joint 68 billion yuan (\$10 billion) investment fund as part of Beijing's "One Belt, One Road" initiative.

Both countries may also cooperate in establishing payment systems, linking Russia's system

with China's.

Moscow's over dependence on the West harms its political and economic security.

Paul Craig Roberts earlier explained "by accepting foreign capital and exposing the ruble to currency speculation, Washington made sure that the US could destabilize Russia with capital outflows and assaults on the ruble's exchange value," adding:

"Only a government unfamiliar with the neoconservative aim of US world hegemony would have exposed its economic system to such foreign manipulation."

PCR's current advice: "...Russia should turn her back, but not her eyes, on the West, stop responding to false charges, evict all Western embassies and every other kind of presence including Western investment, and focus on relations with China and the East."

Moscow should have followed this advice years ago – instead of letting the country be entrapped in a US-led Western financial straightjacket, the sooner freed from it the better for its economy and security.

Foolishly believing East/West normalization is possible one day is a strategy of reckless economic, financial and political endangerment.

Washington, Britain and their imperial allies are sworn enemies of Moscow. Mass expulsions of Russian diplomats alone prove it.

Nothing suggests a positive change in Western policy ahead, things likely to worsen, not improve.

It bears repeating what's important to stress. Russia's future is East, not West.

Stephen Lendman is a Research Associate of the CRG, Correspondent of Global Research based in Chicago.

VISIT MY NEW WEB SITE: stephenlendman.org ([Home - Stephen Lendman](#)). Contact at lendmanstephen@sbcglobal.net.

My newest book as editor and contributor is titled "Flashpoint in Ukraine: How the US Drive for Hegemony Risks WW III."

<http://www.claritypress.com/LendmanIII.html>

The original source of this article is Global Research
Copyright © [Stephen Lendman](#), Global Research, 2018

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Stephen Lendman](#)

About the author:

Stephen Lendman lives in Chicago. He can be reached at lendmanstephen@sbcglobal.net. His new book as editor and contributor is titled "Flashpoint in Ukraine: US Drive for Hegemony Risks WW III."

<http://www.claritypress.com/LendmanIII.html> Visit his blog site at sjlendman.blogspot.com. Listen to cutting-edge discussions with distinguished guests on the Progressive Radio News Hour on the Progressive Radio Network. It airs three times weekly: live on Sundays at 1PM Central time plus two prerecorded archived programs.

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca