

## Headlines:

- **France Recalls Ambassadors to US, Australia over Sub Deal**
- **Pakistan PM says He Has Started Dialogue with Taliban over Inclusivity**
- **China Ought to Reduce US Treasury Holdings to Allay Risks**

## Details:

### France Recalls Ambassadors to US, Australia over Sub Deal

French Foreign Minister Jean-Yves Le Drian said Friday evening that France is immediately recalling its ambassadors to the U.S. and Australia in a backlash over a submarine deal. Le Drian said in a statement that the decision, on request from President Emmanuel Macron, "is justified by the exceptional seriousness of the announcements" made by Australia and the United States. He said the cancellation by Australia of a big contract to buy French conventional submarines in favor of nuclear-powered subs built with US technology is "unacceptable behavior." Earlier on Friday, a top French diplomat spoke of a "crisis" in relations with the US after Paris learned, just before the public announcement, that Australia was scrapping a big purchase of French conventional submarines in favor of nuclear subs built with U.S. technology. French Foreign Minister Jean-Yves Le Drian said Friday evening that France is immediately recalling its ambassadors to the U.S. and Australia in a backlash over a submarine deal. Le Drian said in a statement that the decision, on request from President Emmanuel Macron, "is justified by the exceptional seriousness of the announcements" made by Australia and the United States. He said the cancellation by Australia of a big contract to buy French conventional submarines in favor of nuclear-powered subs built with US technology is "unacceptable behavior." Earlier on Friday, a top French diplomat spoke of a "crisis" in relations with the US after Paris learned, just before the public announcement, that Australia was scrapping a big purchase of French conventional submarines in favor of nuclear subs built with U.S. technology. [Khaleej Times]

**The West often portrays itself as a united entity, but in practice they are deeply divided. Commercial interests driven by Capitalism will always divide the West, and they will routinely abandon their ideals to pursue their own selfish interests.**

### Pakistan PM says He Has Started Dialogue with Taliban over Inclusivity

Pakistan's prime minister says he has initiated a dialogue with the Taliban to encourage them to form an inclusive government that would ensure peace and stability in Afghanistan and the region. Imran Khan tweeted on Saturday that he took the initiative after his meetings this week in Dushanbe, Tajikistan, with leaders of countries neighbouring Afghanistan. Last week the Taliban announced an all-male interim government that included no women or members of Afghanistan's minorities, contrary to their earlier pledges on inclusivity. They have also since moved to curb women's rights, harking back to when they were in power in the 1990s. Khan said he had had detailed discussions with the Tajik president, Emomali Rahmon, on the sidelines of the Shanghai Cooperation Organisation's meeting in Dushanbe. The economic and security group is made up of China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, India and Pakistan. "After meetings in Dushanbe with leaders of Afghanistan's neighbours and especially a lengthy discussion with Tajikistan's president, Emomali Rahmon, I have initiated a dialogue with the Taliban for an inclusive Afghan govt to include Tajiks, Hazaras & Uzbeks," Khan said in the tweet. "After 40 years of conflict, this

inclusivity will ensure peace and a stable Afghanistan, which is in the interest not only of Afghanistan but the region as well." Khan did not say what form his dialogue would take or elaborate on his plans.

**Inclusivity is a ruse the West uses to create constitutional divisions to futile sectarian conflicts. One only has to look at Iraq and Lebanon to the fruits of inclusivity. Meanwhile, the West is closed to inclusivity. Both America and the UK have ostracized blacks to the point they are not properly represented in all walks of life.**

## **China Ought to Reduce US Treasury Holdings to Allay Risks**

A week ago, Chinese and US leaders held a phone call that injected some positive sentiment into what have otherwise been rapidly deteriorating China-US relations. Nevertheless, the US government seems to continue to provoke China on some issues related to China's national security, including Taiwan Island and the South China Sea. Since Washington is bent on poisoning the important bilateral relationship, Beijing should try to warn the politicians in the US that there will be a price to pay if they gamble to trample on China's national security. Right before Washington requested the phone call on September 10, US Treasury Secretary Janet Yellen warned that the US government was in danger of running out of cash in October, unless the US Congress raises the country's federal debt ceiling. The head of the US Treasury Department is talking about a possible default on its debt by the world's only superpower and the biggest economy. The implications of such a scenario for the global economy can hardly be overstated, as Yellen tried to convey in a reported letter to US lawmakers. "A delay that calls into question the federal government's ability to meet all its obligations would likely cause irreparable damage to the US economy and global financial markets," Yellen reportedly wrote. While Yellen's blunt warning may have been primarily aimed at pressuring US lawmakers into taking action, things are not looking so sanguine. The US Congress, which is possibly among the most dysfunctional government bodies in the world that hasn't got anything meaningful done in years if not decades, is once again engulfed in partisan fighting, as Democrats and Republicans continue their impasse over America's long-term debt. This headline from The New York Times should sum up the bizarre and profound ineptness and dereliction of responsibility at the US Congress: "As [GOP] digs in on debt ceiling, Democrats try shaming McConnell." Let that sink in. The US government is facing default on their financial obligations and the fallback strategy of the US Democratic Party, which is in charge of both the White House and Congress, is to shame Mitch McConnell, the Republican leader in the US Senate, into backing down from trying to stop efforts to raise the debt ceiling. McConnell has made it clear that Republicans would not "facilitate another reckless, partisan taxing and spending spree." In any case, China and other major US Treasury bond holders should seriously consider trimming down their holdings given mounting market risks. China has already been cutting back its holdings in recent months, trimming its holdings for a fourth consecutive month in June to the lowest level since October 2020, according to US official data. In the face of the growing risks, China should stay the course. [Source: Global Times]

**China has been reducing US dollars for quite some time now. However, what is required from Beijing is a more daring approach the nuclear option of dumping all of the US dollars onto the international market.**