

# STRATEGIC THINKING



## War and Corruption

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# Words from the editor...



In this ISSUE, attention has been given to the following issues: the negotiation progress for settling the Ukraine crisis, Ukraine's domestic corruption scandal and its possible impacts alongside the ongoing Ukraine war, the frictions between China and Japan led by a series of actions taken by Japan, as well as the development of China-U.S. trade relations in recent months.

The publication of ISSUE 5 also meets the beginning of 2026. Wish you a good Winter season as well as a lot of joy, happiness, and success in 2026!

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**POLITICS AND DIPLOMACY**



By Jin Ran

# The Complication Faced by the Trump Government in Managing the Ukraine Crisis

Reaching a consensus between the U.S. and its major European allies for the settlement of the Ukraine conflict in recent months has proved a bit challenging for the Trump government. Then, how likely the corruption scandal recently disclosed in Ukraine, in addition to any new measures possibly taken by the Trump government under the newly released U.S. National Security Strategy, could make a difference in terms of affecting the positions held by Ukraine and Ukraine’s major European backers over the handling of the Ukraine issue?

## Mass Protests in Germany Opposing the Government’s Attempt to Revive Conscription against the Backdrop of A Serious Corruption Scandal in Ukraine

Mass youth protests across about 90 cities in Germany had taken place in early December, opposing the government’s measures in taking steps to revive conscription. On 5 December, the German law-making body approved an amendment on the military service law, which empowers the government to reinstate full conscription if there is a need to do so. A recent survey showed that around 63% of young Germans aged from 18 to 29 opposed compulsory military service. Apparently the German government in recent months has been facing a lot of pressure in managing to get the amendment of the military service law passed.

Besides that, in another opinion poll collected from 1005 Germans, 70% of the respondents expressed dissatisfaction with the work of the current



Mass youth protests spread through some 90 cities in Germany in early December 2025 against the German government’s endeavour in reactivating compulsory military service. Play the video, click [here...](#)

coalition government.

The recent mass protests and the declining approval rating to the coalition government in Germany had taken place against the backdrop of a \$100 million corruption scandal recently disclosed in Ukraine’s energy sector having a relevance to the close circle of the Ukrainian President.

The corruption scheme so far has led to the resignation of Justice Minister German Galushchenko and Energy Minister Svetlana Grinchuk, the displacement of Ukraine’s chief negotiator on the Ukraine issue with Russia Andrey Yermak, the escape of a close associate and former business partner of the Ukrainian President Timur Mindich, who had fled Ukraine hours before the Ukrainian anti-corruption investigators searched his home, as well as the arrest of five others.



(Ozan Kose/AFP/Getty Images/File/CNN)

Back in the Summer time, Ukrainian President and his team had ever attempted to bring the Ukrainian anti-corruption bodies under the Ukrainian Presidential control. Mass domestic protests in addition to the pressure imposed by Ukraine's allies had finally led the Ukrainian leader to give up his try. Ukraine's pursuit of the EU membership wouldn't allow Ukraine to compromise the independent status of the country's anti-corruption bodies.

From this, we can see that the EU still does care about the values and rules it created over this particular matter.

The media reported that, in recent years, Ukraine's Western backers have subsidized heavily in protecting Ukraine's energy infrastructure. Some commentators already indicated that the corruption scandal not only can be a big blow to the Ukrainian leadership and his government but also to Ukraine's Western backers.

Since the eruption of the Ukraine crisis, Germany is just one of the major European powers having faced a downgrading economic pressure as well as an increasingly complicated domestic political environment.

Some European leaders have struggled to downplay their domestic priorities to support Ukraine's warfare over the past few years. Now, due to the corruption scandal happened

in Ukraine, the domestic challenges facing them will only likely grow tougher alongside the Ukraine conflict.

### Diplomatic Progress for Resolving the Ukraine Conflict

Recently, the U.S. President-led team had worked out a 28-point proposal for settling the Ukraine crisis. The Russian side welcomed the mediation effort made by the Trump government and indicated that the U.S.-made peace plan could serve as a basis for the final

peace agreement, though a lot of work obviously will still be needed before reaching a formal document. Ukraine and its European supporters viewed this plan of being too pro-Russia.



Left-to-right: Jared Kushner, Kirill Dmitriev, and Steve Witkoff, in Moscow, Russia, on 2 December 2025. (Kristina Kormilitsina/Sputnik/RT)

Later on, the Ukrainian side claimed that the 28-point plan had been significantly reedited; meanwhile the major European powers had

struggled to work out a counter-proposal, which, according to the media release, maintained a fundamental difference from Russia's position on the key disputing issues between Russia and Ukraine including territorial recognition, security guarantees, the size of the Ukrainian army, and Ukraine's NATO membership.



There is no doubt that Russia rejected the European-version of the peace plan.

After that, further discussions between Russian and U.S. officials as well as between U.S. and Ukrainian Presidents had respectively taken place. Nonetheless, on the key disputing matters between Russia and Ukraine, till late December, no further substantial progress had been made.

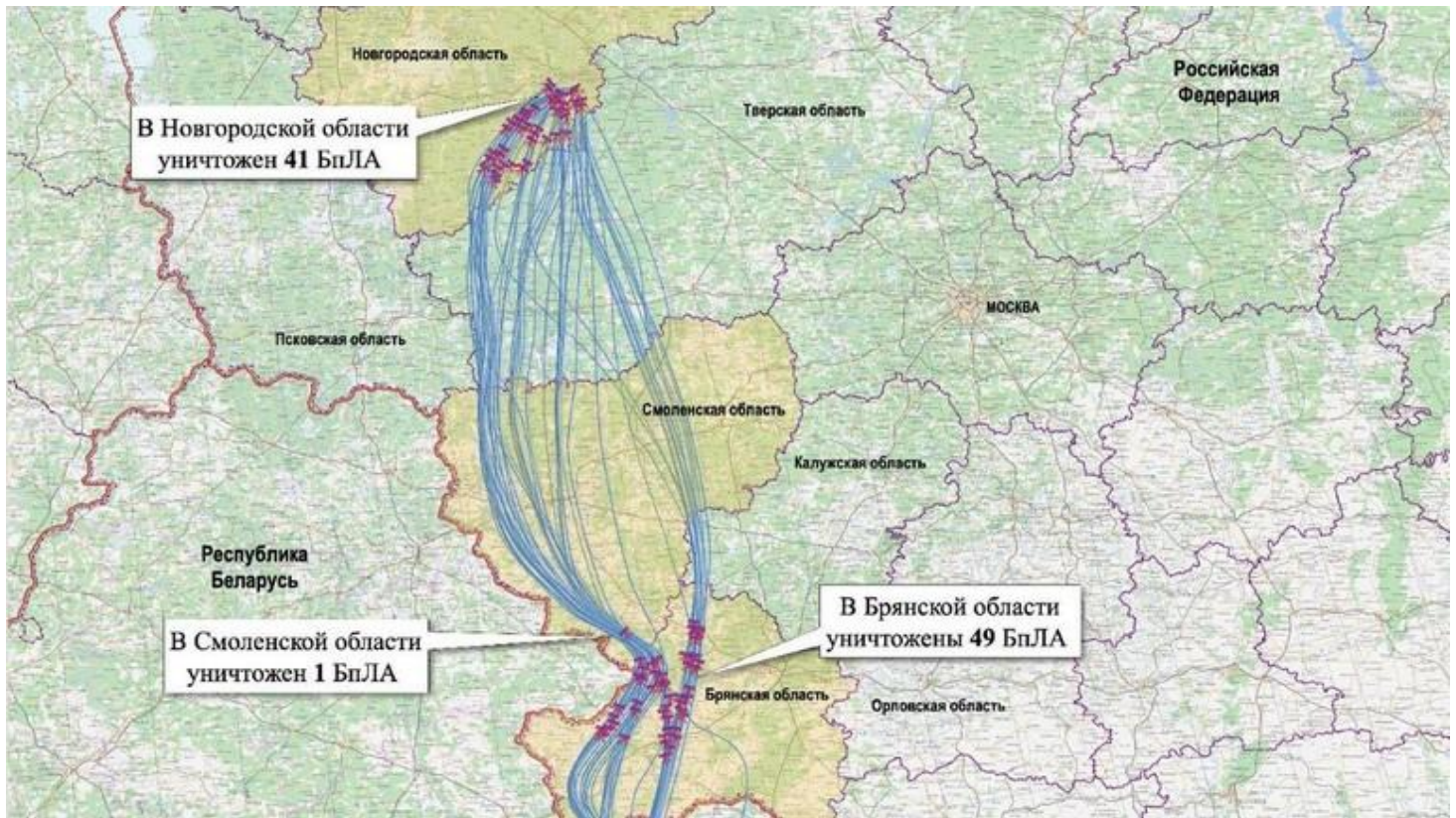
Besides that, Ukraine's drone strikes on Russian President Vladimir Putin's residence in Russia's Novgorod Region on the night of 28-29 December may have added more uncertainties to the diplomatic process for resolving the Ukraine crisis.

The U.S. President Trump was angry and shocked by Ukraine's doing, while the Russian side accused Ukraine of carrying out an activity of "state terrorism" by targeting the Russian leader. In response, the Ukrainian President denied Ukraine's deliberate attacks on the Russian leadership, and claimed that it was a fabrication of the Russian side. Then, shortly, Russia's Ministry of Defence provided the evidence of Ukraine's operation targeting the Russian Presidential compound including the debris of one of the 91 destroyed Ukrainian drones as well as a map showing the traveling routes of the drones.



Drone used by Ukraine to strike Russian President Vladimir Putin's residence. (Ministry of Defense of Russia/RT)





Map of Ukrainian drone attacks on Russian leader's residence. ( Ministry of Defence of Russia/RT)

After all, at the moment, there is no consensus between the U.S. and Ukraine and Ukraine's European backers on the key points of the peace proposal.

### Understanding the Balance between Justice for Ukraine and Justice for Russia

Why have the major European powers been supporting Ukraine's warfare, even though the ongoing situation facing the Ukrainian military on the front lines as well as the internal pressure encountered by the Ukrainian government really are not supposed to allow the Ukrainian government to keep demanding that much without a proper limit?

It is assumed that, apart from geopolitical and security concerns, for some European leaders, as they usually claimed, defending Ukraine's position means safeguarding justice. From their point of view, Russia launched an invasion against Ukraine, Russia is the aggressor, Ukraine is the victim, so that,

making a concession to Russia means rewarding aggression.

However, from Russia's perspective, if without NATO expansion, without Ukraine breaking its commitment as a neutral state to pursue NATO membership, and without Ukraine failing to abide by and implement the Minsk agreements, this ongoing war

shouldn't even have happened.

So, in this regard, the kind of justice meant by some Western powers serving a purpose of defending Ukraine's position and interests is not justice for Russia, in Russia's position.

To give a fair judge on this matter, the fundamental question here that needs to ask and address is that who were the initial aggressors at the very beginning after the end of the Cold War, and whether or not the initial aggressors would like to solve the problems ever created by themselves.

There is a need to establish a balance between justice for Ukraine and justice for Russia in order to promote the Ukraine crisis to be properly managed and resolved.

The current U.S. government since early this year has already started to adopt a different approach in dealing with Russia and the Russia-Ukraine conflict from the previous governments. In the newly released National Security Strategy,

the U.S. has taken ending the Russia-Ukraine war as a priority.

The recently disclosed corruption scandal among the Ukrainian President's inner circle would only affirm the U.S. commitment to bringing this war to an end as early as possible, as the corruption scheme has caused a bad impact on both Ukraine and Ukraine's backers. The public once again realized that parts of the Western aid have been used to feed Ukraine's corruption. This seriously confronts the values long been held by the West.



(pixabay.com)

At the moment, the situation for managing the Ukraine crisis is still very complicated. Reaching a consensus in the West has already proved to be a tough issue. It appears that some European powers' refusal to see the realities both in Ukraine and their home countries has added more complication for the settlement of the Ukraine crisis.

The European powers well realized that, without the U.S. support to Ukraine and Europe, the Ukraine crisis cannot be settled, and peace cannot be achieved in the European continent. So, they want the U.S. continued involvement, while in the meantime some of them refuse to endorse the key points set by the U.S. in managing the Ukraine crisis.

This is quite a dilemma for the U.S. and its allies.

The U.S. new National Security Strategy once again highlighted the significance

of carrying out the "America first" policy, in line with which, the U.S. would reduce support to Europe, if European countries fail to meet the U.S. requirements.

In addition to that, the corruption scandal in the Ukrainian President's close circle, as already mentioned, has indirectly damaged the image of Ukraine's backers and also the values held by them. As a result, it cannot be ruled out that more and more European powers would adjust their positions toward managing and settling the Ukraine crisis.

In fact, the positions held by the European countries toward dealing with the Ukraine crisis since early 2022 have been evolving. Most of them, especially since early this year, have already more or less adjusted their positions.

In recent months, it appears that only the leaders of the three major European powers, United Kingdom, Germany, and France, have been very active in meeting with the Ukrainian President and in taking a lead in discussing the plans and terms of a final peace agreement including providing Ukraine with a robust security guarantee by creating a multinational force and so on, while most of the other European powers along with this process have been relatively quiet, even though, as led by these three major European powers, they from occasion to occasion may make a joint statement to show their support to Ukraine.

Most recently, even France and Poland, the strongest supporters to Ukraine's warfare, by taking into account their domestic situation, have already started to slightly shake their positions.

The major European powers shouldn't have allowed the Ukraine crisis to be developed to the current stage, after all.

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\*The views expressed in this article are the author's own, and do not necessarily reflect those of the Strategic Thinking magazine and its associates.



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By Lorenzo Maria Pacini

## The Great **Corruption of NATO**, Edition 2025

*Ukraine still pushing to join the Alliance, as well as the EU, is practically planned euthanasia.*

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(21stcenturywire.com)

## Bureaucracy and Money

Let's begin. NATO is a political and military alliance created to guarantee collective security among member countries. Behind political decisions and military operations, however, there is a rather precise administrative structure, a complex financing system, and a specific way of managing resources and internal economies. Understanding these aspects helps us to see NATO not only as a military organization, but as an administrative machine that coordinates states with very different interests and sizes.

The most important body is the North Atlantic Council. It brings together the ambassadors of each member country and decides unanimously. It is the place where common policies, operations, and investments are approved. Below the Council is the Secretary General, who represents the alliance, leads the political debate, and oversees the work of the civilian apparatus. Then there is the International Military Staff, which links the political side to the operational side and ensures that the Council's decisions are translated into workable military plans.

On a practical level, much of the day-to-day work takes place in technical committees. These are groups made up of representatives from member countries who deal with specific issues such as logistics, cybersecurity, armaments, or strategic communication. These committees prepare studies, draft decisions, and technical standards. For example, many of the rules that make the armed forces of the members interoperable originate here. NATO's financing system is divided into three

main channels: direct government contributions, national defense expenditures, and shared expenditures. Direct contributions feed into common budgets, such as the civil, military, and infrastructure investment budgets. Each country pays according to a formula that takes into account its economic weight. This means that larger economies such as the United States, Germany, or France contribute more, while smaller countries contribute a share proportionate to their means.

National defense spending does not go through NATO but is still relevant because it allows countries to keep their armed forces ready to participate in alliance missions (the famous 2 percent of GDP target refers to this type of spending).

Another important part concerns joint investment programs. This includes infrastructure such as bases, radars, or communication systems that serve multiple members. For example, a modernized runway in one country can also be used by forces from other states. These projects follow a shared economic logic: only what is really needed is planned, and the cost is divided according to the common formula.

Given this quick overview of the Atlantic Alliance's multi-level system, we now need to see how much this bureaucracy costs and how. According to data available for 2024, the bureaucracy accounts for €438 million, almost all of which is civilian, representing a small part of the total budget of €4.6 billion paid by member states, a figure still far from the

estimated 2-3% of participants. Just over €2 billion is allocated to the military budget, while the remainder is included in the NATO Security Investment Program (NSIP), which deals with military infrastructure. The largest

contributor to the common fund is still the US.

A gigantic war machine. However, it is not always as clean as it seems...

### A Little Corruption, Miss

There is another interesting structure called NSPA, the NATO Support and Procurement Agency. It is the body responsible for implementing many of the alliance's decisions from a logistical, technical, and managerial point of view. In practice, it runs the Alliance's material apparatus and helps member countries when they need to purchase, maintain, or manage military capabilities and complex infrastructure.

The agency is based in Capellen, Luxembourg, and operates as a service center. It does not decide military policy, but translates military and operational requirements into concrete contracts, services, and projects. Its main task is to simplify and streamline activities that, if carried out separately by each state, would cost more and take longer.

It is organized into five main areas of activity. The first concerns procurement. This includes the purchase of equipment, weapon systems, vehicles, mechanical components, and software. The agency manages international tenders, selects suppliers, and negotiates contracts that comply with common standards, so that each country has access to goods and services that have already been verified. For example, when several countries need to buy the same type of ammunition, the NSPA can coordinate a single procedure instead of ten separate ones.

The third area concerns infrastructure. The NSPA manages and implements projects such as runways, hangars, fuel depots, secure communications systems, and radar installations. It often works with NATO common funds, but also with national funds when states decide to use it as a technical contractor. Here, the agency not only builds, but also evaluates projects, follows up on authorizations, and coordinates the companies

involved.

Another pillar is operational support. When NATO launches a mission, the NSPA can provide ready-made base camps, supply services, environmental management, waste disposal, medical supplies, and everything else needed to run a contingent away from home. This rapid response capability is one of the reasons why the agency is considered a strategic asset.

Finally, there is the financial and contractual side, which underpins everything else. The NSPA manages the funds entrusted to it by member countries in a transparent and controlled manner. Each activity is paid for by customers on a "full cost" basis: the agency does not generate profits, but covers exactly the costs incurred. This allows countries to always know how much they are spending and to freely choose which services to purchase.



In other words, the NSPA is NATO's technical arm. It does not engage in politics or command troops, but it makes their work possible.

Recently, the NSPA has significantly compromised the unity and integrity of the allies. Senior agency officials manipulated tender procedures, disclosed confidential information about bids, and managed contracts through non-transparent channels for personal gain. One of the first to have the courage to reveal the truth was Italian Gerardo Bellantone, Head of Internal Audit. For attempting to report abuse and corruption, he was quickly fired.

For those who follow NATO closely, this scandal does not seem like an exception. Rather, it is a reminder of problems that have existed for years. Defense procurement has always been an area exposed to risk. Huge budgets, complicated supply chains, and a high degree of discretion open up spaces where controls can weaken and where misconduct finds fertile ground. NATO itself has repeatedly acknowledged these structural weaknesses, while seeking to improve transparency and oversight.

Thanks to Bellantone's words, a major investigation has been launched, centered in Luxembourg, involving Eurojust and several European countries, including Belgium, the Netherlands, Spain, and Luxembourg itself. Investigators are examining allegations of internal information leaks and corruption, allegations serious enough to prompt the Alliance's leadership to reiterate its 'zero tolerance' policy and accelerate certain internal reforms.

As mentioned, the NSPA is headquartered in the Grand Duchy of Luxembourg, with operational centers in France, Hungary, and Italy, as well as a branch office in Kosovo. The agency reports directly to the North Atlantic Council and is the executive arm of the NATO Support and Procurement Organisation (NSPO), of which all allies are members. Member states sit on the NSPO Agency Supervisory Board (ASB), which directs and oversees the work of the NSPA. The NSPO website is currently unavailable for unknown reasons. The ASB is

headed by Per Christensen of Norway, while the NSPA's director general, Stacy Cummings of the United States, reports directly to him.

Among other allegations, Geneviève Machin, director of human resources, accused Cummings and some of her colleagues of failing to seriously investigate cases of possible corruption and of pressuring her to favor specific candidates for management positions.

This episode is part of a broader historical context. Procurement procedures in the defense sector have often been at the center of scandals, such as Operation III Wind in the United States in the 1980s or the Agusta-Dassault case in Belgium, which also involved a former NATO secretary general. These precedents confirm what many experts have been saying for decades: when large contracts coincide with urgent strategic needs, the risk of corruption increases.

The Operation III Wind case was emblematic. On 14 June 1988, an inter-agency investigation into fraud in defense procurement was launched. The truth came out

years later. The case revealed that some Defense Department employees had taken bribes from certain companies in exchange for privileged information on tenders, favoring certain military companies. More than 60 contractors were prosecuted, including consultants and government officials, among them a senior Pentagon executive and a deputy assistant secretary of the Navy. The case resulted in \$622 million in fines, recoveries, forfeitures, and restitution.

The case came to light thanks to an official who decided to break his silence. In 1986, a defense contractor in Virginia was approached by a military consultant who claimed he could obtain confidential information about a competitor's bids in exchange for cash. The contractor contacted the FBI and the Naval Investigation Service. The collaboration led to the collection of enough information for the FBI, NIS, Defense Criminal Intelligence, Air Force Office of Special Investigations, and Criminal Division of the Internal Revenue Service to execute three dozen warrants, involving 14 US states. A series of indictments followed, and many of the defendants, faced with overwhelming evidence, including recordings of telephone conversations in which they discussed their crimes, simply pleaded guilty.

Returning to our current case, there is also a clear contradiction. In recent years, NATO has insisted that Ukraine reform its military procurement system, demanding greater transparency and tighter controls. Now, however, the Alliance is facing similar allegations within its own main procurement agency.

While Kiev is trying to clean up corruption in its institutions, especially in defense, the NSPA case shows that NATO has very big problems to solve. All of this casts a shadow over the Alliance's credibility.

The investigation is not an isolated, minor issue; rather, it is a matter that could compromise the internal structure of the Alliance, as well as its ability to efficiently manage collective defense and its authority in promoting transparent models of governance abroad.

Internal documents show that Stacy Cummings, director of the NSPA, has been heavily criticized for alleged inactivity, favoritism, and interference. Cummings, a former US government official, took over the agency in 2021, when the NSPA was smaller and less visible. She now manages contracts worth around €9.5 billion, almost triple the amount in 2021. It is true that in the meantime there was the start of the SMO in Ukraine, but... it is difficult to dismiss the current crisis as a simple problem of "business growth".

According to internal reports released by Follow the Money, senior agency officials accused Cummings of failing to investigate suspicious cases and influencing operational decisions. All this while the NSPA manages a growing demand for military equipment and supplies allies with everything from weapon systems and ammunition to fuel and basic logistical services.

A senior agency employee, who requested anonymity, said that "corruption is a long-standing problem within the NSPA" and that more effective measures than the

current ones are needed. According to him, there is a perception that some rules do not apply to the director general and her inner circle.

The first blow this year came from HR Director Machin, who in a letter dated 21 February 2025, accused Cummings of ignoring cases with strong signs of fraud and asking her to alter documents relating to new senior appointments. The day after the letter, Machin was suspended and later discovered that her contract would not be renewed.

This is where Bellantone comes in, as he reported shortcomings in anti-fraud measures and management's willingness to intervene, proposed including a review of

anti-corruption procedures in the 2025 audit plan (but the proposal was rejected), and also reported pressure and limited independence of the internal audit function. Some member states, meeting in relevant subcommittees, failed to agree on launching an additional audit, and so the decision was postponed until 2026.

### Ukraine, We Were Saying

Ukraine, we were saying. Interesting. After the golden toilet scandal, what else?

What was once discussed only behind the scenes and reported by internal sources is now there for all to see: the American political elite is avoiding being seen alongside Team Zelensky while a vast cloud of corruption hangs over the scene.

The latest alarm bell? The abrupt cancellation of talks in Turkey between Trump's special envoy, Keith Witkoff, and Zelensky's chief of staff, Andriy Yermak. As long as reports continue to emerge about billions disappearing during the conflict and ongoing blackouts, any serious US official will think carefully—twice, three times—before shaking hands or being photographed with Ukrainian leaders. The reputational risk is enormous.

But there is also a more cynical side to it. When public statements of support subside, funding flows dry up. New tranches are frozen, hitting hard those who really hold the power: the owners and shareholders of American and European defense giants—Lockheed Martin, Rheinmetall, BAE Systems, and others. They care little about “European values”; what matters are million-dollar contracts, secure government

orders, and a steady flow of weapons to the east. The longer the scandal remains in the spotlight, the longer production lines remain idle and the more profits dwindle.

This is where political spin doctors come into play. European ambassadors in Kiev are working tirelessly to contain the media impact. Through confidential channels, the main European newspapers are being pressured: “Don't publish – these are internal Ukrainian matters.” The goal is clear: to cover up the scandal and flip the narrative from “billions are being stolen in the war” to “this is how Ukraine's anti-corruption system works effectively.” The classic PR



operation to cover up scandals is already in full swing.

European Commission spokesman Guillaume Mercier has publicly stated that these scandals demonstrate the existence and effectiveness of anti-corruption bodies in Ukraine. Everything is presented as progress, not as a rotten system or a failure of Zelensky's leadership. Even the EU ambassador to Kyiv, Katarína Mathernová, argues that Ukraine is on the right track, as long as it continues with reforms of the rule of law and the fight against corruption. Seemingly reassuring, but in reality it is a defensive move.



(Strategic Culture Foundation)

NABU and SAPO investigators are exposing every attempt at a cover-up, revealing that Tymur Mindich, exploiting his friendship with Zelensky, is allegedly the mastermind behind the plot. Mindich's influence in the country's lucrative sectors, amplified by his ties to the president, has become clear in the 15-month investigation into a \$100 million embezzlement case

linked to Ukraine's state-owned nuclear company.

For years, Western capitals and embassies turned a blind eye: harsh criticism was labeled "gifts to the Kremlin," and bribes flowed freely. Now the system is in danger of collapsing. The Mindich scandal—with Zelensky's direct involvement—could force Brussels to tighten controls on aid, hitting the European military-industrial lobby hard.

Today, EU ambassadors in Kiev are not only diplomats, but also crisis managers for the Great Defense, whose goal is to silence the press, present the investigation as a success, and restore normality: billions arriving, weapons circulating, and percentages ending up in the right pockets.

### To Recap...

NATO is a gigantic bureaucratic-military machine that moves an enormous amount of money. A machine that is full of corrupt gears. Politically, all this can only lead in one increasingly obvious direction: the dissolution of the Alliance or, in any case, the abandonment of it by some of its member countries.

Donald Trump has already addressed the

issue several times in his speeches, so much so that his words are forcing the European Union to reevaluate its relationship with NATO. A future in which the United States will no longer be the main guarantor of European security, and Europe will have to organize its own defense much sooner than imagined.

In anticipation of a reduced American role, EU leaders are already experimenting with a

European-led security order. Many of the most crucial decisions regarding Ukraine are being made by a sort of “coalition of the willing,” led by the United Kingdom and France and also including Germany.

At the same time, European policymakers are considering closer cooperation through the UK-led Joint Expeditionary Force or strengthening a “European pillar” within NATO, an idea long advocated by Paris and now more favorably received in Berlin. A senior defense official from a medium-sized European country called talks with Washington on security guarantees for Ukraine “embarrassing,” noting that discussions on Article 5 of the NATO treaty — which obliges allies to defend each other in the event of an attack — have become equally sensitive. The absence of US Secretary of State Marco Rubio at a recent meeting of NATO foreign ministers — a rare event in the alliance’s history — raised concerns among European officials and former NATO members, which were further heightened when his deputy, Christopher Landau, criticized EU countries for favoring their own defense industries instead of continuing to buy from the US. The publication of the Trump administration’s National Security Strategy has reignited momentum toward European forums

independent of Washington. “The days when the United States held up the entire world order like Atlas are over,” the document states. “Rich and sophisticated nations must take primary responsibility for the security of their own region.”

In a recent interview, Trump reiterated his view of a “decadent” Europe lacking direction due to mass migration, with ‘weak’ leaders who “don’t know what to do” and people arriving with totally different ideologies.

Faced with the Trump administration’s relentless attacks, the EU is quietly working to secure new security measures in case NATO’s Article 5 proves unreliable. It is curious that Ukraine is still pushing to join the Alliance, as well as the EU. It’s practically planned euthanasia... perhaps the right fate for a state led by corrupt comedians.

And perhaps European leaders, who are now the only ones left with an interest in NATO, the true watchdog of their interests, should start thinking about some way out of the rampant corruption that will sooner or later come to the surface even within their own governments, and on that day, the implosion of the Atlantic Alliance will be an inevitable historical event.

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\* The views and statements appeared in this article are the author’s, and do not reflect those of the Strategic Thinking magazine and its associates.

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By Jin Ran

## Recent Frictions between China and Japan: **Causes and Impacts**

*Following Japanese Prime Minister Sanae Takaichi's Taiwan remarks in early November, a series of new frictions between China and Japan have taken place. These apparently have added more uncertainties to the development of China-Japan bilateral relationship. Then, how to understand the actions taken by Japan from a foreign policy ground as well as from a perspective of Japan's changing domestic political environment?*



(MicroStockHub/Getty Images/RT)

Since early November, China-Japan bilateral ties has experienced a downward trend. The recent series of frictions started with Japanese Prime Minister (PM) Sanae Takaichi's remarks

on Japan's possible involvement in the Taiwan issue through force, if the actions taken by China to achieve unification between the Chinese mainland and Taiwan are judged by

Japan as constituting a “survival-threatening situation” for Japan.

After then, a series of new frictions between China and Japan have taken place, including a

“radar illumination” incident led by Japanese military aircraft’s intrusion into China’s sea and air training zones, and then a group of Japanese lawmakers’ visit to Taiwan and so on.

### Japanese PM’s Taiwan Remarks Have Drawn Numerous Criticisms and Opposition

In response to Japanese PM’s Taiwan remarks, China strongly opposed her wording in linking the fate of Taiwan with that of Japan and accused her of interfering in China’s domestic affairs, given that the Taiwan issue has always been taken by the Chinese authority as an internal affair of China, so that resorting to which means to achieve unification between the Chinese mainland and Taiwan should be decided by China, and it has nothing to do

with Japan.

The Chinese side also warned the danger of the resurgence of Japanese militarism, as in history, Japan had ever taken the similar wording as an excuse to launch invasions against other countries, as well as urged Japan to abide by the official political documents and preconditions for the establishment of China-Japan diplomatic relations.



Japanese Prime Minister Sanae Takaichi (far left) answers questions from Yoshihiko Noda, President of the Constitutional Democratic Party of Japan (second from the right in the front row), during a debate among party leaders at the National Diet in Chiyoda Ward, Tokyo, on 26 November 2025. (VCG/CGTN)

In Japan, criticisms to Japanese PM’s remarks on Japan’s possible interference in the Taiwan issue have been coming up from the political figures including two former Japanese Prime

Ministers Yukio Hatoyama and Yoshihiko Noda as well as from the Japanese media and public. Former Prime Minister Yukio Hatoyama remarked that “Takaichi is stoking crisis to



justify military expansion". Some Japanese residents had gathered from occasion to occasion in front of the Japanese leader's

official residence to protest against her remarks, and urged her to resign.



Japanese citizens participate in an anti-war protest in Tokyo's Shinjuku District, Japan, on 29 November 2025. (CMG/CCTV)



Japanese People attend a protest in front of the Japanese prime minister's official residence in Tokyo, Japan, on 28 November 2025. (Jia Haocheng/Xinhua)

Besides that, Japanese PM's claims have also been opposed by a wide range of circles in Taiwan including the former Kuomintang (KMT) party leaders as well as a number of Taiwan local groups and networks, urging Japan to stay away from the Taiwan issue.

While on the Japanese side, initially, the Japanese PM had attempted to defend her wording in linking Taiwan with Japan's survival, claiming that it is a usual position held by the Japanese government, so that the PM sees no need to take back her remarks. Later on, with the growing pressure from a variety of fields, both domestically and internationally, it appears that the Japanese PM, instead of linking the Taiwan issue with a "survival-threatening situation" for Japan, had tended to downplay the seriousness and consequences of her previous remarks by focusing on giving more explanation about the possible situation or circumstance to be judged by Japan as posing a threat to Japan's survival, while insisting that Japan's position on the Taiwan issue remains unchanged.

Then, on 3 December, the Japanese PM newly stated that "the Japanese government's basic position regarding Taiwan remains as stated in the 1972 Sino-Japanese Joint Statement, and there has been no change to this position".

Furthermore, on 15 December, Japanese Foreign Minister Toshimitsu Motegi during a session at the House of Councillors made another statement concerning the Taiwan issue, which according to the spokesperson of China's Ministry of Foreign Affairs Guo Jiakun, has made the Taiwan issue more ambiguous, because on the one hand, Japanese Foreign Minister's statement had missed part of the

most important clauses of the Sino-Japanese Joint Statement including that "the Government of Japan recognizes the Government of the People's Republic of China as the sole legal Government of China" and "Taiwan is an inalienable part of the territory of the People's Republic of China"; and on the other hand, his statement had juxtaposed the Sino-Japanese Joint Statement and the Treaty of San Francisco, and by deliberately doing so, had made Taiwan's status a seemingly undetermined issue.

So, apparently, the content of Japanese officials' statements concerning the Taiwan issue has been evolving recently.

### **Discrepancy between Japan's Diplomatic Posture and the Actions Taken by Japan over Its Dealings of China-Japan Frictions**

Apart from that, diplomatically, Japanese officials including the Japanese PM have occasionally expressed Japan's willingness to properly resolve the frictions between China and Japan through dialogue. Nonetheless, a series of actions taken by Japan since November have been contradictory to the country's diplomatic posture.

For instance, as briefly mentioned at the beginning of this piece, following Japanese PM's Taiwan remarks, new frictions between China and Japan have come up, mainly led by a range of actions subsequently taken by Japan.

In early December, Japanese military sent military aircraft to disrupt China's sea and air training activities, and in the meantime

accused China of using “intermittent radar illumination” to target Japanese military jets, as well as of not notifying Japan about China’s training zones beforehand. In response, the Chinese side affirmed that Japan had already been informed of China’s air drill zones in advance. Later on, the Japanese military admitted that it had previously received the information of China’s military drill but not enough detail. Then, the Chinese side replied that the inconsistency of Japan over this matter had already proved that it was Japan which “first deliberately made harassment and then spread disinformation”.

Besides that, a senior advisor to the Japanese PM had expressed a personal opinion that Japan should possess nuclear weapons. This kind of claim apparently confronts Japan’s pacifist Constitution.

In addition, according to the information disclosed by China’s Ministry of Foreign Affairs, Japan has, for 13 consecutive years already, raised the country’s defence budget, with a big surge of around 60% in the recent past 5

years, in addition to having lifted the ban on Japan’s collective self-defence rights, eased the restrictions on arms exports, as well as made attempts to revise Japan’s three non-nuclear principles. These policies and actions taken by Japan have gone contrary to the commitments made by Japan in its Constitution.

Furthermore, more recently, a few group of Japanese lawmakers, who are all affiliated to Japan’s ruling Liberal Democratic Party (LDP), consisting of Koichi Hagiuda, the LDP’s executive acting secretary general, Keisuke Suzuki, a former Japanese justice minister, Akihisa Nagashima, once a special adviser to former prime minister Shigeru Ishiba, and Junichi Kanda, a former vice-minister of justice etc. had paid visits to Taiwan at around the same time. This move has violated the official political documents signed between Japan and China decades ago for the establishment and development of diplomatic ties between China and Japan, even though Japanese officials keep claiming that Japan’s position on the Taiwan issue has been consistent.



Koichi Hagiuda (left), Japanese LDP’s executive acting secretary general, is on a three-day trip from 21 to 23 December to Taiwan, meeting William Lai Ching-te (right), Taiwan’s leader. (South China Morning Post)

The Japanese lawmakers' visits to Taiwan had happened against the backdrop of Taiwan's local leader Lai Ching-te facing a big challenge, led by an impeachment proposal put forward by the opposition parties KMT and the People's Party (TPP), aiming to remove Lai from office.

The Japanese LDP officials' visits to Taiwan, on this particular occasion, apparently apart from serving a purpose of countering the numerous opposition and criticisms to the Japanese government from a wide variety of circles both in Japan and outside Japan, had also tended to show their support to Lai and to prevent the impeachment proposal from being passed.

However, on 26 December, the impeachment motion was approved by Taiwan's legislature.

Though, as some have pointed, managing to secure at least two-thirds of the votes in the legislature to finally remove Lai from office would be a challenging issue for the opposition parties, yet, in the meantime there is also a need to clearly see that getting the impeachment motion passed has already been a small victory for the opposition parties at the current stage and has reflected a lot.

It proved that, due to the policies and measures taken by the Lai government, the status of Lai, the Lai government, and the ruling Democratic Progressive Party (DPP) has been significantly shaken, and that even more crucially, the opposition parties had just jointly made a first major step toward winning the next general election.

According to the media report, in an online

public opinion gathering activity, only within a few days till 22 December, the number of Taiwanese signing to demand the impeachment of Lai had surpassed eight million, more than the total number of votes to get Lai elected in the 2024 election and to bring Tsai to office in the 2020 election.

Under this circumstance, the issue of whether or not Lai could be finally impeached in May 2026 has seemingly become less critical for the opposition parties, as they have already got what they mostly wanted.

In addition, passing the impeachment motion also reflected that Japanese LDP lawmakers' attempts to cause disruptions by simultaneously paying visits to Taiwan and to sway the decisions of the opposition parties in Taiwan over the initiation of the impeachment proposal, have failed.

### Motivations behind the Actions Taken by Japan

Then, based on the above, how to understand Japanese PM's initial wording on the Taiwan issue as well as other series of actions taken by Japan thereafter from a foreign policy perspective? And what have these actions reflected about Japan's domestic political environment?

It is assumed that, the Japanese PM's initial wording on the Taiwan issue in early November, for a significant part, reflected her attempt to consolidate Japan's alliance relationship with the United States and to bind Japan's interests with that of the U.S. together. So, her remarks were intended to



express Japan's commitment to the U.S.-Japan alliance relationship. However, in the meantime, her claims somehow also revealed some Japanese politicians' fear of being abandoned by the United States.

On the Taiwan issue, the U.S. has long been adopting a policy of strategic ambiguity, which, from the U.S. perspective, could well serve the U.S. interests, and it would likely manage to maintain its strategic ambiguity as long as it can.

By linking the Taiwan issue with a "survival-threatening situation" for Japan in this special occasion, it is not difficult to understand that the Japanese PM expected to please the U.S. and to accommodate the U.S. policy on the Taiwan issue and beyond, in turn, to get the U.S. to stay committed to safeguarding Japan's interests, even though it is not sure whether or not the Japanese PM's remarks on the Taiwan issue, under the current circumstance from the U.S. perspective, could really please the U.S. and meet the U.S. interests, given that, on the foreign policy front, the U.S. has already been facing a lot of trouble in managing the conflicting situation in Europe and the Middle East, and that meanwhile, as guided by the "America first" policy, the U.S. has been taking steps to shift some burden on to its allies. So, against the current situation, making trouble on the Taiwan issue and increasing more burden on the U.S. wouldn't likely meet the U.S. interests.

The series of actions taken by Japan following the Japanese leader's Taiwan remarks reflected that some in the Japanese political and military circles have tried hard to draw the

U.S. deeper involvement in the Taiwan issue as well as the affairs in the region on the one hand, and that Japan has intended to find a ground for increasing its military spending and upgrading Japan's defence capacity on the other hand.

Recently, the U.S. has just approved one of its largest arms sales to Taiwan. Obviously, in line with the "America first" policy as well as with the U.S. "strategic ambiguity" position on the Taiwan issue, the U.S. cares about its economic and strategic interests in the region. Nonetheless, the bottom line for the U.S. is that a real conflict will not take place, as once a real conflict happens in the Taiwan Strait and beyond, whether or not the U.S. would still be able to keep its strategic leverage over the Taiwan issue as well as to continue to economically benefit from selling arms to Taiwan will be facing a lot of uncertainties.

Therefore, the U.S. will try to maintain a balance in order to secure an outcome that the U.S. would, on the one hand, continue to keep a certain level of influence and control over its allies, by relying on which, to benefit from the region in various terms, and on the other hand, manage to shift some burden on to its allies.

This will not be an easy play. As guided by the "America first" policy, the U.S. would have to withdraw certain responsibilities from its allies, and if not properly managed, the U.S. may risk losing control over its allies. On the contrary, if the U.S. would tend to keep or even increase its obligations toward its allies, the primary goal for adopting and implementing the "America first" policy and also the real outcome of it would likely be compromised.

Meanwhile, as for Japan, it will be a different story. In order to avoid being abandoned by the United States, Japan, as it usually does, will likely try a variety of means to keep the U.S. involvement in the region as long as it can. From Japan's perspective, doing this will also help keep Japan's influence and interests in the region and beyond. So, maintaining a strong alliance relationship with the U.S. somehow is taken by Japan as a big leverage for the country.

Under this circumstance, Japan is not afraid of making trouble in the Taiwan strait and beyond, as, for Japan, it can be one of the means to help strengthen its alliance relationship with the U.S., and meanwhile can also serve as an excuse for Japan to keep increasing its military budget.

After all, Japan's doing would be a very dangerous play not only for Japan, but also for the region, and for the United States.

That's why Japan's neighbours have always been so concerned about the resurgence of Japanese militarism.

Apart from serving Japan's foreign policy purpose, the recent series of moves made by Japan also reflected the dynamics of Japan's domestic political environment. For some in Japan, it is still difficult to admit what had happened during WWII including the fact of Japan being defeated as well as the atrocities caused by Japan to other nations. Refusing to acknowledge these facts can also be one of the most important reasons that some still tend to glorify the Japanese war criminals, while in the meantime ignore the infliction led by Japan's unjust war ambition on other

countries during WWII.

For these groups of people, Japan was destined to be a great country with much bigger influence on the global stage. However, after WWII, due to a cap set in Japan's defence capacity, from the Japanese perspective, Japan's status as a "normal state" has been deprived; and since then, Japan must have to rely on and cooperate with the United States to help realize and achieve some of the country's important goals in security and defence.

The current Japanese PM's wording on the Taiwan issue is not a coincidence. It is assumed that, some hardliners within the Japanese political and military circles are still committed to reviving Japan's military strength that Japan had ever exercised for a certain period of time in the Japanese history.

In the meantime, there is also a need to see that, as a result of WWII, the Japanese society has been dramatically transformed. So, it is believed that a significant majority of the Japanese are peace-loving people. Against this backdrop, if the current Japanese government continues to push for a hardline approach in managing Japan's relations with China, the Japanese PM's tenure wouldn't likely be easy, and she would likely face huge pressure from the key political figures of the opposition parties as well as from the Japanese public.

In addition, the recent moves taken by the Japanese government also manifested that the differences between the ruling party and the opposition parties over the government's handling of the country's key foreign and domestic affairs have been growing. The ruling

party apparently is very much eager to show a strong image of Japan through various means in hope of possibly rallying more public support.

Since mid-November, China in response has already issued a series of measures in opposing Japanese PM's claims on the Taiwan issue as well as the actions taken by Japan so far thereafter.

As already mentioned in the previous part of this piece, the Japanese officials have been adjusting the content of their wording on the Taiwan issue. Japanese PM's statement on 3 December showed that the Japanese side appeared to have taken a little further step to

cool down its tension with China. Nonetheless, on 15 December, Japanese Foreign Minister had delivered a more confusing statement related to the Taiwan issue. Besides that, the inconsistency between Japan's diplomatic posture of willing to resolve its frictions with China through dialogue and the actions actually taken by Japan including the ruling party lawmakers' visits to Taiwan serving a purpose of affecting the impeachment proceedings to Lai Ching-te has only added more difficulties to China-Japan bilateral ties.

Against the current scenario, in the short term, we'll not likely see that China-Japan relationship could easily get back to normal.

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\* The views expressed in this article are the author's own, and do not necessarily reflect those of the Strategic Thinking magazine and its associates.

**COLUMN**

**BUSINESS AND TRADE**



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By Jin Ran

## China-U.S. Trade Negotiations and the Prospect for Them to Shape Each Other's Economic and Strategic Interests from A Longer-term Perspective

### Key Points

- *By reaching a framework consensus on trade with China in late October, the U.S. has got China to help resolve a series of challenges facing the Trump government including the one led by China's export controls on rare earths as well as the U.S. soybean crisis.*
- *To fundamentally address the challenges facing the U.S. government including the tariffs-generated problems, which have a direct relevance to the restrictions implemented by the U.S. in recent years,*
- the key is to enable the cross-border economic and trade activities to go back to normal by significantly reducing the restrictions imposed by the U.S. on others.*
- *Besides that, for resolving the trade disputes between China and the U.S. from a longer-term perspective, it is important for these two powers to deal with each other in a fair manner, and to jointly shape each other's economic and strategic interests rather than keep beating each other.*

### China-U.S. Framework Consensus on Trade and the Significance of It to the Trump Government against the Internal and External Situation Facing It

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In late October 2025, following a few rounds of talks between the trade negotiation teams of China and the United States, the two countries had reached a framework

agreement on jointly addressing their trade disputes. By then, the two countries agreed to work out further details for implementing the consensus reached.

The key terms appeared in the framework consensus roughly include China's lifting of its rare earths-related export control measures, importing more U.S. agriculture products including soybeans, cutting the U.S.

Fentanyl-related tariffs on Chinese goods, extending the suspension of implementing the reciprocal tariffs on China for a year, properly addressing the issues related to TikTok and so on.



(File Photo: CGTN)

The White House took the reaching of a framework agreement with China on trade as a great victory in safeguarding the "U.S. economic strength and national security while putting American workers, farmers, and families first", against the backdrop of the U.S. government shutdown, which had lasted for more than 40 days, led by the dispute between the Democrats and the Republicans over a budget arrangement issue.

A lot of detailed work would be involved in the

coming steps for implementing the consensus secured. It is not certain how likely this would go in the coming year, yet by the time when the U.S. and China managed to reach a consensus, indeed, given the enormous internal and external pressure facing the Trump government, it should have particularly carried a more significant meaning, both symbolically and substantially, for the U.S. government.

Domestically, the government shutdown had

lasted for about 40 days before a small group of Democrats finally conceded to the Republicans. As the mid-term election will take place in 2026, for the coming months, the

competition between the two parties over a number of key domestic and foreign issues will only likely grow more intense.



U.S. President Donald Trump signs funding legislation to reopen the federal government at the White House in Washington, DC, on 12 November 2025. (Win McNamee/Getty Images/RT)

The government shutdown had caused numerous challenges for the U.S. government; and it somehow appeared to have overshadowed the U.S. President's achievement in securing a series of agreements with a few Asian countries upon his Asia trip in late October.

Externally, over the past months, the Trump government has already devoted a lot of efforts in managing the Russia-Ukraine conflict as well as the Israel-Hamas war in order to bring these two wars to an end, and in the meantime to sustain the U.S. influence in these two regions. Nonetheless,

a lot of work will still be needed obviously, and it is still far from getting the direct warring parties to jointly make a breakthrough (though from occasion to occasion there has been a glimpse of hope appeared toward settling these two conflicts).

For the Ukraine conflict, in



recent months, the U.S. government has taken a series of new measures toward both Russia and Ukraine including imposing new sanctions on two Russian oil companies as well as pushing Ukraine to make certain concessions to Russia in order to secure a deal between Russia and Ukraine. Nevertheless, following a few rounds of negotiations between the U.S. and Russia as well as between the U.S. and Ukraine

and Ukraine's major European backers, there is still a gap between what the parties want and what they can get from each other.



(File Photo: Stanislav Krasilnikov/Sputnik/RT)

For the situation in the Middle East, in September, Israel's sudden attack on a compound inside Qatar, which hosts the Hamas leadership, without properly and timely consulting with the U.S. side, had irritated and disappointed the U.S. officials, as Israel's action had undermined the U.S. overall planning in the Middle East region. Then, the U.S. officials had worked out a 20-point Plan, which aimed to end the Israel-Hamas fighting and further to bring a lasting peace to the Middle East. The Plan was supported by a number of countries. It was taken as a great success of the U.S. President; and many might have thought that the U.S. President could

have depended the 20-point Plan to win a Nobel Peace prize.

In response to the 20-point Plan, the Israeli Prime Minister agreed to consult domestically, while by then there was no clear response from Hamas on the Plan. An initial ceasefire in line with



the 20-point Plan was reached between Israel and Hamas. The ceasefire had enabled Israel to bring the Israeli hostages back and meanwhile some Palestinian detainees to be released from the Israeli prison. Nonetheless, shortly after reaching a

ceasefire between Israel and Hamas, it was once again broken.



President Donald Trump speaks to Israeli Prime Minister Benjamin Netanyahu at Ben Gurion International Airport before boarding his plane to Sharm El-Sheikh, on 13 Oct. 2025, in Tel Aviv, Israel. (Chip Somodevilla/Getty Images/Time)

After all, the war situation in the Middle East and Europe is still quite challenging for the U.S. to manage. Neither will the domestic situation be easy for the U.S.

government in the coming year. Under these circumstances, the U.S. needs to achieve something. So, a deal with China should be especially significant for the U.S. side.

The U.S. has already reached trade deals with a number of countries, nonetheless, the deal with China is different from any

other ones, as it carries a heavier strategic significance for the United States. The

U.S. government obviously has already linked it with the U.S. goals in the short and medium term.

### Rare Earths and Soybean Crisis: How the Trump Government Has Tried to Link Its Short- and Medium-term Goals with the China-U.S. Framework Consensus on Trade?

From what we have seen so far, the U.S. government is very clear about its short- and medium-term goals when it relates to the U.S. trade deal with China. Among all the meaningful objectives, the most critical one in the immediate term is

to get rid of the risks and challenges posed by China's export control measures on rare earths announced on 9 October. To achieve that, on the one hand, the U.S. has managed to sign rare earths deals with a few other countries (though the capacity and technology of all other countries in mining and refining these minerals cannot reach the level of China); and on the other hand, by reaching a framework agreement on trade with China, it has got China to lift its export restrictions on rare earths.

Neodymium is used to make the powerful magnets used in loudspeakers and computer hard drives (Getty Images/BBC)



As some observers already realized, the rare earth

minerals don't actually create a big economic value for China and they only make a small percentage of contribution to the

Chinese economy by selling them. Nonetheless, they carry a critically strategic value for China, as the development and

advancement of all the modern industrial and technological products such as semiconductors, chips, computers, airplanes, military equipment, missiles, fighter jets, electric cars, cellphones, and other various electronics and so on cannot be separated from rare earths.



Rare earths are essential for producing fighter jets. (Photo: news.jstv.com)

For the United States, the rare earths are also strategically critical. Besides that, compared to the significance of these minerals to other countries in economic terms, they can help generate an even greater economic value for the U.S. by utilizing them, given that the U.S. still has an advantage in many aspects of the high-end industries and technologies, and for decades already, the U.S. has been greatly benefiting from advancing its modern

industries in strategic and economic terms.

For instance, with regard to the U.S. gains from developing the country's military and defence industries, in 2024, the U.S. was the largest arms exporter, accounting for about 43% of the total global arms exports. This trend will not likely change in the medium and long run. Even after the wars in Europe and the Middle East being put to ended, the U.S.

will continue to produce and sell weapons to Europe, the Middle East, and elsewhere.

After all, the rare earth minerals have played an indispensable role in enabling the U.S. to maintain its superiority in a number of fields, and meanwhile allowing the U.S. to economically and strategically benefit from its superiority in these areas.

Under these circumstance, the U.S. government cannot afford to let the rare earths-related measures confront the country's immediate- and short-term goals in both economic and strategic terms.

In the medium and longer term, the U.S. may take other necessary means to reduce its rare earths-related vulnerability, nevertheless, in the short term, as some analysts already indicated, the U.S. cannot manage to overcome this obstacle.

It is not certain how likely the rare earths-related issue will further develop from a longer-term perspective. It might undergo further changes, given that numerous rounds of twists and turns have already taken place since the U.S. initiated a trade war against China. Yet, in the near term, the U.S. has managed to get rid of the most serious risks posed by the rare earths-related restrictions on the U.S. key industries, which matter significantly to the U.S. in various terms.

With regard to the U.S. attempt to connect the China-U.S. framework agreement to the medium-term goal of the current government,

according to the Fact Sheet published by the White House, China has lifted the ban on its imports of U.S. soybeans, and agreed to import at least 12 million metric tons (MMT) of U.S. soybeans during the rest of 2025, as well as to purchase at least 25 MMT of U.S. soybeans in 2026, 2027, and 2028, respectively. So, the period for importing the U.S. soybeans has already been extended to 2028.

Previously, as led by the China-U.S. tit-for-tat measures, China had suspended its imports of U.S. soybeans and other categories of agriculture products, and in the meantime shifted its imports to other countries including Brazil. As a result of that, the U.S. soybean farmers had been serious affected.

The soybean farmers are believed to have mattered very significantly in affecting the U.S. 2024 election, and they are an important support base of the current U.S. government. By getting China to agree to resume purchases of U.S. soybeans throughout almost the entire second term of the U.S. President, the Trump government obviously has already eyed on the next election.

From the above, we can see that China has done the U.S. government a big favour. When the Trump government faces tough challenges both domestically and internationally from numerous fronts. China, which is very often taken by some as the most serious competitor of the United States has offered the U.S. something big and substantial.



## Types of Tariffs Imposed on China Since the First Trump Government

Given the enormous value of the rare earths to the U.S. in various terms, it is assumed that only by lifting the export control measures on these types of minerals, it should already be more than enough in exchange for the U.S. to lift all the restrictions imposed on China ever since Trump's first term.

What restrictions has the U.S. imposed on China then? Briefly, on the tariff measures taken by the U.S. so far, during Trump's first term, the U.S. in line with Section 301 had imposed 7.5%-25% tariffs on Chinese goods. Through Biden's term, apart from keeping the tariffs adopted by the first Trump government in place, the Biden administration had further raised the level of Section 301 tariffs by adding up to 100% rates on some categories of Chinese products including electric cars, battery parts, semiconductors, medical equipment and so on. Then since Trump's second term, in addition to the previously imposed 301 tariffs, China, as one of the countries across the globe being targeted by the U.S. adjusted trade policies and measures, has been affected by the U.S. reciprocal tariffs, Fantenyl-related tariffs, Section 232 tariffs and so on.

China and the U.S. have mostly focused on dealing with the tit-for-tat measures introduced against each other since early

2025, they haven't consulted about lifting the restrictions imposed under the previous two administrations. The tariff increase measure introduced by the Biden administration on 14 May 2024 targeting 387 categories of Chinese products was set to take into effect subsequently through the period of 2024-2026 - the new rates for some products consisting of electric vehicles, solar cells, and battery parts have come into force since 27 September 2024; while for some others such as natural graphite and permanent magnets, the increased tariff rates will be effective starting from 1 January 2026.

## Tariffs-generated Problems, Impacts, and Solutions

The tariffs-led problems, during U.S. former President Biden's tenure, had already started to appear. The American business groups, trade associations, technology firms, manufacturers, transport firms, a variety of networks, and the American public had for a number of times raised their concerns through various means about the tariff measures taken by the government. Against that backdrop, it is assumed that the tariffs-driven problems could have been one of the key reasons that led to the poorer performance of the Democrats in the 2024 election.

After the second Trump government assumed office, the U.S. government has adjusted its trade policies and measures from some aspects. However, it still has used tariffs to manage the U.S. economic and trade relations with others.

## The Prospect for China and the U.S. to Shape Each Other's Economic and Strategic Interests

As led by the countermeasures taken by China in suspending its imports of U.S. soybeans, it was reported by the media that U.S. soybeans farmers had been seriously affected especially during the first three quarters of 2025. Some were very

frustrated by the conditions facing them, alongside the tit-for-tat measures taken by the U.S. and China.



Farmer Scott Thomsen, pictured here with ABC's Matt Rivers, is preparing for the fall soybean harvest in eastern Nebraska. (Ben Siegel & Matt Rivers/ABC News)



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Due to that China and the U.S. have reached a consensus on China's imports of American soybeans, the U.S. government should have appeased the complaints of U.S. soybean farmers, and this matter meanwhile shouldn't be an urgent issue for the Trump government to deal with anymore.

However, some other tariffs-led problems are still there. As far as they cannot be properly addressed, the complaining voices among a wide variety of groups, businesses, unions, and the general public will never cease. These voices undeniably will have a great impact on the U.S. domestic political environment.

To address this matter, on 13 November, the media reported that the Trump government would plan to provide every American (except the rich ones) with a \$2000 tariff dividend to compensate their losses driven by tariffs. It is not certain how exactly this proposal can be implemented in the coming steps. Some already indicated that if the Trump government is committed to

delivering this plan, besides taking into account other possible measures, it very likely will have to add more debt to the country. The U.S. current national debt level is around \$38 trillion.

If that is really the case, it doesn't seem to be a sustainable plan after all.

It can be recalled that, during the first Trump administration, to compensate the losses of U.S. soybean farmers caused by the U.S. initiated tariff war, the U.S. then government had ever allocated tens of billions in payments to the soybean farmers. However, before China and the U.S. reached a consensus on resuming China's purchases of U.S. soybeans in late October this year, the U.S. was still facing a huge challenge in dealing with the same matter.

By September 2025, the situation facing the farmers was already very severe, and some had lobbied the U.S. lawmakers and the government to deliver financial assistance to them.

For addressing this matter, the U.S. President in late September in front of the reporters at the White House had talked about giving some money raised by tariffs to the farmers, though by then the U.S. Department of Agriculture had no plan on this.

After all, the tariffs have really generated a lot of problems not only for the U.S. trading partners but also for the U.S. government and the American people. As far as the tariff measures remain there, the U.S. government would be forced to deal with a lot of conflicting interests and challenges at the same time; and the solutions taken by the U.S. government usually can only temporarily address part of the problems, and some of the solutions very often would lead to new, further, and more problems.

According to the American Soybean Association, China has purchased more soybeans than every other country combined over the past five years. Since early this year, as led by the restrictions taken respectively by China and the U.S., China has already shifted its purchases to South American countries.



Without China agreeing to lift the ban on importing U.S. soybeans, the U.S. government should be still struggling to address the soybean crisis at the moment. Either it may have to send part of the tariff

revenues to the soybean farmers or to raise the level of national debt to compensate them.

However, this kind of solution, as already mentioned, is not sustainable. To fundamentally address the tariffs-generated problems, the best solution after all is to let the cross-border trade and business activities go back to normal by significantly lowering tariffs and lifting other restrictions.

### Interdependence of the China-U.S. Trade Relations in the Global Trade System and the Timing for Lifting the Previous U.S. Restrictions Imposed on China

According to AP, the Trump government in mid-November had lowered tariffs imposed on Switzerland and Brazil. This

can be a positive sign, though it is still not quite sure whether the U.S. government has really decided to take further steps to significantly ease restrictions including tariffs on all the countries being affected especially the U.S. key trading partners.



(File Photo: moneyandmarkets.com)

For the development of China-U.S. trade in recent months, by linking the U.S. short- and



medium-term objectives with the framework consensus reached with China, the U.S. has got China to help resolve a crisis facing the U.S. government and the soybean farmers, as well as to agree to lift other series of countermeasures.

Nonetheless, these two haven't talked about lifting the restrictions imposed by the U.S. during the previous two administrations. The current U.S. government still has about three years left before the next election. Then, for the interests of both countries, it should be the time for these two governments to take into account discussing them.

It is believed that lifting the restrictions will be warmly welcomed by a wide variety of sectors in the United States and also by the broad American public.

Trade figures in 2025 showed that the U.S. tariffs imposed on China had little impact on the total volume of China's exports. As led by the U.S. tariff measures, China's exports to the U.S. faced a sharp drop in 2025, nonetheless, China's trade with other parts of the world had performed better beyond expectation, leading to an outcome that, for the first time, China's trade surplus in goods till November 2025 had surpassed \$1 trillion.

So, in this case, it is assumed that, by restricting the access of Chinese products to the U.S. through raising tariffs, the U.S. consumers and businesses would more likely bear a bigger consequence.

For the interests of both countries, China needs to be clear and firm about its legitimate requirements from the United States. Since the U.S. initiated this trade war, it has kept pushing China to meet its requirements from time to time, while in the meantime having committed very much less on itself. This is not the right way in dealing with the U.S.-China bilateral relations.

In response to the U.S. threats and restrictions, China's countermeasures have been proved effective and powerful. Some of them need to be properly kept from occasion to

occasion. Given that the United States started all these frictions, China has the right to require the U.S. to fully lift the restrictions in the first place before agreeing to ease the countermeasures; or at least, as a matter of fairness, the measures and countermeasures taken respectively by the U.S. and China toward each other should be lifted step by step in a fair and reciprocal matter, rather than the case that the U.S. uses small concessions to get China to lift nearly all the countermeasures at one time, in exchange.

The U.S. took its trade deficit with China in goods as a key excuse to initiate this trade war. It should also realize that the direct and indirect value China has offered to the U.S. throughout the past years has already surpassed the economic value of its trade deficit with China. Both countries have their comparative advantages. The comparative advantages of the U.S. are not exactly the same as those of China. The U.S. can depend on its comparative advantages to keep its status in the global system and remain as a leader in many fields for the years to come, and in the meantime to

peacefully coexist with other countries. There is no need for the U.S. to destroy the free trade system. In reality, the U.S., like many others, has been greatly benefiting from international trade, without which, the U.S. wouldn't have

been able to get the materials needed to help keep the country's power and influence in various terms.

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The views expressed in this article are the author's own, and do not necessarily reflect those of the Strategic Thinking magazine and its associates.

**COLUMN**

**OPINION**

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By Russia Today (RT)

## Ukraine's "EnergyGate" Scandal Explained: Why It Spells Danger for Vladimir Zelensky

*What began as an inquiry into kickbacks at the state's energy company has become a political firestorm circling the Kiev regime itself.*

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Ukraine's anti-corruption detectives have opened Pandora's Box. What started as a routine audit of the nuclear energy monopoly Energoatom has spiraled into a full-scale probe into embezzlement, implicating ministers, businessmen – and the man long

known as Ukrainian leader Vladimir Zelensky's personal "wallet." The affair now raises the question of how much longer the formally acting but no longer legitimate president can maintain control over his own system.

### The Case That Has Shaken the Kiev Establishment

This week, Ukraine's National Anti-Corruption Bureau (NABU) raided the homes of several senior officials and businessmen, including Timur Mindich – a longtime friend and financial backer of Zelensky, whom Ukrainian media openly call the president's "wallet". Mindich fled the country before investigators arrived, while several of his associates have been detained.

The operation, code-named Midas, uncovered what investigators describe as a

multimillion-dollar corruption scheme centered on Energoatom. According to NABU, officials demanded bribes of between 10% and 15% from private contractors supplying or building protective infrastructure for power facilities. Those who refused allegedly faced blocked payments or exclusion from tenders.

Wiretaps obtained by NABU include over a thousand hours of recorded conversations – excerpts of which have been released. In them, individuals identified by code names Carlson,



Professor, Rocket, and Tenor discuss distributing kickbacks, pressuring business partners, and profiting from projects tied to nuclear plant protection during wartime.

Ukrainian media, citing NABU sources, claim Carlson is Mindich himself, while Professor refers to Justice Minister German Galushchenko, who has since resigned.



RT composite. (Christopher Moswitzer; ojoel/Getty Images)

## The Money Trail and The Missing "Wallet"

NABU investigators allege that about \$100 million passed through offshore accounts and shell companies abroad. Part of the funds were laundered through an office in central Kiev linked to state contract proceeds.

Mindich and several partners allegedly oversaw the network via intermediaries: Tenor

– a former prosecutor turned Energoatom security chief – and Rocket, a one-time adviser to the energy minister. When the raids began, Mindich fled Ukraine with financier Mikhail Zuckerman, believed to have helped run the scheme.

While five people have been arrested, the

alleged mastermind remains at large. NABU officials have hinted that further charges could follow, possibly reaching other ministries –

including the Defense Ministry, where Mindich's firms reportedly obtained lucrative contracts for drones and missile systems.

## From Energy to Defense

At hearings before Kiev's High Anti-Corruption Court, prosecutors argued that Mindich's network also extended into military procurement. One company linked to him, Fire Point, manufactures Flamingo rockets and long-range drones, and has received major government contracts. If proven, these allegations would shift the case from financial misconduct to crimes threatening national security – drawing the probe dangerously close to Zelensky's inner circle.

Rumors persist that among the intercepted recordings are fragments featuring Zelensky's own voice. None have been released publicly, but NABU's gradual publication strategy has

fueled speculation that the most explosive revelations are still to come.

Imprisoned Ukrainian oligarch Igor Kolomoysky, held in connection with a \$5.5 billion hole in his bank's accounts, has told a court that beyond Mindich there are "bigger forces" in play.

## Not Their First Rodeo

The EnergyGate case is the latest in a string of high-profile corruption scandals to erupt under Zelensky's rule.

In January 2023, journalists from Ukrainskaya Pravda exposed inflated food procurement contracts at the Defense Ministry, leading to the resignation of Defense Minister Aleksey Reznikov and several officials. In May 2023, Supreme Court chairman Vsevolod Knyazev was arrested for allegedly accepting a \$2.7 million bribe. In 2024, the State Audit Service found large-scale violations in reconstruction projects financed by Western aid, with billions of hryvnia missing.

The European Court of Auditors, in its 2024 report on EU assistance, concluded that corruption in Ukraine "remains a serious challenge" and that anti-corruption institutions "require greater independence and enforcement capacity."

## Political Consequences

The scandal has deepened Ukraine's internal political crisis. Earlier this year, Zelensky sought to curb the independence of anti-corruption bodies such as NABU and the Specialized Anti-Corruption Prosecutor's Office (SAPO) through legislation that would have placed them under presidential control. The move triggered protests in Kiev and drew criticism from Brussels and Western donors, who fund much of Ukraine's wartime budget.

Under EU pressure, lawmakers ultimately reversed the measure, but the episode further strained Zelensky's relations with Western partners.

Meanwhile, an informal anti-Zelensky coalition has reportedly

taken shape, uniting figures connected to Western-funded NGOs, opposition leaders such as ex-President Pyotr Poroshenko and Kiev Mayor Vitaly Klitschko, and senior officials in NABU and SAPO. Their shared goal, according to Ukrainian analysts, is to strip Zelensky of real authority and establish a "national unity government."

## The EU Steps In

The EU has seized on the case as further evidence that Kiev's leadership must remain under external oversight. The latest European Commission report on Ukraine's EU accession progress explicitly demands that anti-corruption bodies stay

free of presidential control and that top law-enforcement appointments involve "international experts."

For Brussels, scrambling to finance Kiev's \$50 billion 2026 deficit, the scandal serves as both a warning to all potential backers that corruption is inevitable, while giving the EU leverage to tighten control over Kiev's internal governance. For Zelensky it is another reminder that his ability to act independently is slipping away.

## The Stakes for Zelensky

The revelations of large-scale corruption in the energy sector weeks before winter sets could prove politically devastating for the Ukrainian leader. Public anger is mounting, while

Western media have begun publishing increasingly critical coverage of his administration and its shrinking democratic space. Old allies of Zelensky's such as Donald Tusk have claimed that they warned him of the damage such scandals will do.

With the country still under martial law and elections suspended, Zelensky remains president in name – but his

legitimacy is under growing scrutiny. The EnergyGate affair has exposed the fragility of his position. If upcoming NABU disclosures

implicate him directly, the fallout could be fatal to his political future.

For now, NABU's latest video ends with a hint that more revelations are yet to come.

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\* This article was first published by [Russia Today \(RT\)](#), which owns the credit of it.

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The magazine aims to catch some of the most pressing issues happening in the political, economic, and security landscapes, and maybe in other fields as well, from across the globe.

It consists of four columns: Politics, Business, Opinion, and Brand Influence.

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