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## EDITORIAL

### From Johannesburg to Vladivostok: The Tectonic Shift Continues

Sept. 13, 2023 (EIRNS)—Three weeks ago, in his remarks to the BRICS Business Forum during the Aug. 22-24 BRICS Summit in Johannesburg, South Africa, Russian President Vladimir Putin told the gathered leaders from dozens of nations: “I would like to invite representatives of your countries’ business circles to attend the Eastern Economic Forum in Russia that will take place on Sept. 10-13 in the city of Vladivostok, where, by tradition, the discussions will focus on issues that are also of interest to the business communities of the BRICS countries.”

The just-concluded Eastern Economic Forum (EEF) delivered on that promise. The BRICS discussion in Johannesburg of the new pathways for high-technology industrial development of the nations of the Global Majority, and of the new international financial and security architecture needed to make that possible, was continued and elaborated in Vladivostok. Putin personally took the lead in laying out a detailed vision of the full-scale transformation of Russia’s Far East—and of the surrounding area and nations—with science and technology, great infrastructure projects, population growth, and the training of a skilled labor force.

“One thing is clear,” Putin stated at the beginning of his keynote address to the Plenary Session of the EEF. “The Far East is Russia’s strategic priority for the entire 21st century, and we will stick to this.”

As in Johannesburg, there was also substantive discussion in Vladivostok, both in official EEF sessions and on the sidelines of the event, of how to establish among the nations of the Global Majority a new financial system free of dollar speculation, a system capable of financing not only trade but also the massive, long-term investments that will be occurring.

Although many in the West fail to recognize it, the new global, physical-economic center of gravity has shifted from the trans-Atlantic to the Asia-Pacific region. This is a development that Lyndon LaRouche famously elaborated on in his December 2004 “Dialogue of Eurasian Civilizations: Earth’s Next Fifty Years,” and which he had forecast well before then.

That tectonic shift was also a central point in Putin’s remarks in Vladivostok. Asked during the Q&A session after his plenary keynote, if his concept of the development of the Far East was the result of the sanctions and economic warfare recently launched against Russia, Putin said that was not where it came from.

"Firstly, we launched that project 10 years ago.... We started doing this long before the events that took place in the past few years, in 2014, and we did it because we saw the global economic development trends. We saw the rise of new centers of influence and economic development.... We saw what was changing and how, and we can see today that these trends have not slowed down but are gathering momentum."

After the 2014 fascist coup in Ukraine, Putin explained, "many processes began to accelerate. In this regard, we can only feel sorry that we did not implement the plans on infrastructure development, including the railway network to the Far East in good time. Because, honestly, the government miscalculated to a certain extent and believed that there would not be that much cargo shipment volume; even over the past few years it has been much bigger than one could imagine. But it is okay, we are making it work, there are plans that were developed earlier and consequently it will be easier for us to implement them even within a short time frame."

Putin then turned to the issue of Africa, which had also been central to the BRICS discussions in Johannesburg. He denounced the continuing neo-colonial debt slavery being imposed on that continent, describing the way in which the old colonial powers are still "trying to issue commands and pursue their neo-colonial policy there. They have put all African countries in debt, which runs into trillions of dollars. In other words, they have created a financial credit system for Africa under which the African countries can never pay off their loans."

From Johannesburg to Vladivostok, the nations of the Global Majority have now posed the issue squarely for the people of the United States and Europe: Join this emerging new global economic and security architecture, and stop the deadly slide in the West into depression and perpetual warfare.

• Watch **Harley's Updates** with Harley Schlanger on Thursday September 14, 2023: Every weekday morning on The LaRouche Organization, Schlanger will give you the strategic briefing you need to start your day.

# NEW STRATEGIC & ECONOMIC ARCHITECTURE

## Putin Takes a Page from Sergei Witte's Program for Siberian Development

Sept. 13, 2023 (EIRNS)—Speaking at the 8th Eastern Economic Forum in Vladivostok, President Vladimir Putin made it crystal-clear that Russia was initiating an all-out thrust to develop the tremendous economic and natural resources existing in the vast Siberian territory. Putin began his plenary remarks, "one thing is clear, the Far East is Russia's strategic priority for the entire 21st century, and we will stick to this."

During the last couple of weeks, Putin has been in discussion with regional leaders in the Arctic region and the northern Arctic states, talking about the need to push for developing the cities of the north along the Northern Sea Corridor and farther east in Magadan, Andyr and Yakutia. Then he had discussions with those responsible for the more southern region of Siberia and the cities of Blagoveshchensk, Khabarovsk, and Birobidzhan, which are close to the Chinese border. The challenges of developing this region are formidable.

The Siberian Development was initially launched in the 1890s under Russian Finance Minister Sergei Witte, who took charge of the construction of the Trans-Siberian Railroad, the first link that now traverses all of Russia's 11 time zones to the Pacific. In Putin's program there will be a significant upgrade of the Trans-Siberian Railroad and the Baikal Amur Mainline (BAM) which runs north of parallel to the Trans-Siberian line.

The original Trans-Siberian was built to unite the Russian Empire by rail, but also to reach the rich markets of the Asia-Pacific. Agreements with the Chinese Empire allowed Witte to build the last link of the extension of the line through Manchuria, the Chinese Eastern Railroad, bringing it into the midst of the Asian market. It was only when the Japanese, with the backing of their British supporters, succeeded in starting the first Sino-Japanese War of 1894, followed 10 years later by the Russo-Japanese War, that the Witte plan ended in shambles.

In Putin's endeavor, as well, he has the full support of China, which will benefit tremendously from this development. The mineral and other resources of the vast Far East region will serve to fuel the continued growth of the entire Asia Pacific region. The emphasis that Putin has put on the cities' infrastructure is to encourage people to migrate to the region, where the climate can often be difficult. As Witte had to do, the state must today subsidize some of the effort in order to assist people to move to the Far East. Witte offered free land for farming and likewise Putin is offering free land for setting up businesses. Improving the infrastructure of cities where people will live is of the utmost importance in encouraging the migration eastward. But the payoff will be great with Russia's Far East providing much of the resources the rest of the region needs.

There will also be an emphasis on the development of industry and of science and technology, and the presence of the Vostochny Cosmodrome will serve as a catalyst for developments in education in aerospace and related fields.

The difference from the earlier phase is that the center of world production and trade is now firmly in the Asia Pacific region. Developing the east of Russia both enhances that general trend and benefits from it. China, aware of the importance of Russia's moves, is also preparing to upgrade the economy of Heilongjiang in old Manchuria, which once was China's industrial heartland. And it is by no accident that Xi Jinping traveled to Heilongjiang last week to put an emphasis on the importance of the region in this new geometry that's developing.

## Russian VTB Bank's Kostin Discusses Creating a New Financial System

Sept. 13, 2023 (EIRNS)—There was clearly extensive discussion among the participants in the Eastern Economic Forum (EEF) in Vladivostok this week, both in official meetings and also discussions on the sidelines, over the creation of a new international financial system. One interesting case is an interview that Andrey Kostin, CEO of Russia's second-largest bank, VTB, gave to RT on Sept. 12.

"The dollar is illegally used as a weapon. It should not be done like this—we're talking about finance and the economy, why should it be used for other purposes than this? It should be free from political and geopolitical risks. That's the only reason" for de-dollarization, he stated. Kostin then addressed the need for a new financial system. "It is the right time for the Global South to start to build up this system because though the Global South removed the colonial system politically after World War II, the colonial system in the financial sector still exists, the empire built by the U.S. with the help of its allies still works," he stated. Kostin added that it is now "very clear to most of the world that if we continue like this there will be a threat of the [U.S.] using the financial system as a weapon."

"We see big changes in the balance of economic power in the world with such countries as China, Arab countries, and that allows us to create a different system which would be based on different principles—principles of independence, sovereignty, the use of currencies other than the dollar and euro."

RT concludes by noting: "Kostin first outlined his idea for a new financial system at the Financial Congress organized by the Russian central bank in July. His proposal included four primary principles: replacing SWIFT with a new messaging system; replacing U.S.-linked correspondent relationships among banks with horizontal links among local banks based on blockchain technology; creating an international depository settlement hub in the Persian Gulf to replace EU-based Euroclear and Clearstream; and creating new instruments for raising capital instead of using foreign currency bonds that are linked to the West."

The last of these four principles is by far the most interesting.

## Discussion at Vladivostok EEF Meeting About Creating a New Financial System

Sept. 13, 2023 (EIRNS)—The Eurasian Economic Commission (EEC) of the Eurasian Economic Union (EAEU) held a panel discussion on Sept. 11 within the framework of the Eastern Economic Forum in Vladivostok, under the headline: "Greater Eurasia: Drivers for the Formation of an Alternative International Monetary and Financial System."

One of the speakers was Sergey Glazyev, the Minister for Integration and Macroeconomics of the EEC, and Academician of the Russian Academy of Sciences, according to the account that Roscongress published. "In his speech (Glazyev) noted the successes of the Eurasian Economic Union in the transition to payments in national currencies and emphasized that this issue is especially relevant in the context of developing plans for the further development of the EAEU and its positioning in the Greater Eurasia space. Glazyev also emphasized that the creation of a new world currency is being actively discussed at key platforms of regional and interstate associations, including BRICS, whose weight in the world economy is constantly increasing." (The session video, in which Glazyev begins his address at 7:45 minutes, is dubbed into English.)

The Deputy Chairman of the State Duma of the Russian Federation Alexander Babakov also spoke in support of the idea of creating a new international unit of account, but emphasized that "Russia had to reduce the volatility of the ruble and pursue a monetary policy adequate to the tasks of national development," according to Roscongress.

Before the opening of the EEF, Glazyev had written on his Telegram channel, "Glazyev for Thinking People," on Sept. 8: "If we want to achieve macroeconomic stability and growth, it is necessary to stop the export of capital. To do this, introduce foreign exchange restrictions on capital transactions, reinstate the mandatory sale of foreign currency earnings and begin targeted lending for investments. (This is) how China, India and other successfully developing countries do it successfully." Glazyev contrasted this with the current policy at the Russian Central Bank, which is "driving us deeper into the swamp of the periphery of the world economy as a financial donor, as the management of the Bank of Russia, biased by Washington financial organizations, has been doing for many years."

# COLLAPSING WESTERN SYSTEM

## Putin Denounces Financial Colonialism vs. Africa, Expects No Change in D.C.'s Russia Policy after Elections

Sept. 13, 2023 (EIRNS)—After his keynote address to the Eastern Economic Forum (EEF) meeting in Vladivostok on Sept. 12, Russian President Vladimir Putin fielded numerous questions asked by moderator Ilya Doronov, managing director of the RBC TV channel. Excerpts of his responses to three questions follow:

**On Africa:** "What did the former colonizers [of Africa] do? Back in 1957—I was recently shown a photograph—they brought people from Africa in cages to European countries, for example, Belgium. It is an ugly sight, children put up on display in cages.... How can you forget this? Nobody in Africa will ever forget this. And now they are trying to issue commands and pursue their neo-colonial policy there. They have put all African countries in debt, which runs into trillions of dollars. In other words, they have created a financial credit system for Africa under which the African countries can never pay off their loans. These are not credit arrangements at all; it is a form of contribution, if you see what I mean."

**On Russia's monetary policy:** In response to the question, "How can you make any projections in a situation where you have no idea what is going to happen to the national currency?" Putin unfortunately endorsed the approach being taken by Russia's monetarist Central Bank Governor Elvira Nabiullina: high interest rates and a floating exchange rate for the ruble. "Of course, the Central Bank had to raise the key interest rate to 12%. I think that its decision was correct, and timely too. This will mean there are fewer opportunities to take out loans, it will constrain the economy and inhibit its development to a certain extent. However, this factor has a major bearing on mitigating inflationary risks. Everything must come at the right moment.... There are no good or very good decisions here; there are only difficult decisions, and they need to be adopted promptly. So far, both the Central Bank and the Government have done so, and rather effectively."

**On the U.S. presidential election:** Doronov stated, "We understand that Trump could be taken into custody at any time." To which Putin responded: "Why should we be concerned about that? I believe there will be no fundamental change in U.S. foreign policy towards Russia, regardless of who becomes President.

"It is true that we hear Mr. Trump say he can resolve many serious problems, including the Ukraine crisis, in a few days. Well, that is something to be happy about. It would be good. But, in the grand scheme of things, we ... by the way, despite the accusations of him having special ties with Russia, which is complete nonsense and absurdity, he imposed the greatest number of sanctions on Russia during his Presidency. So, I find it difficult to say what to expect from a new President, whoever it may be. It is unlikely, though, that any crucial change will take place, because the current authorities have conditioned American society to be anti-Russia in nature and spirit; that is how things are. They did this, and it will now be very difficult for them to turn that ship around. That is the first point.

"Second, they view Russia as an existential and constant adversary or even an enemy and implant this idea into the heads of ordinary Americans. This is not good because it fosters hostility. Despite this, there are many people in America who want to build good and friendly business relationships with us and, moreover, share many of our positions, primarily from the perspective of preserving traditional values. We have many friends and like-minded people there. But, of course, they are being suppressed.

"So, we have no way of knowing who will be elected, but whoever it is, it is unlikely that the anti-Russia policy of the United States will change.

"As for the persecution of Trump, well, in today's conditions, in my view, that's a good thing.... Because it reveals the rotten American political system, which should not be able to claim it can teach others about democracy.

"Everything that is happening to Trump is the political persecution of a political rival. That is what it is. And it is happening in the eyes of the U.S. public and the whole world. They have exposed their domestic problems."

## Wagenknecht Details How 'The Greens Are Damaging Our Industry' in Germany

Sept. 13, 2023 (EIRNS)—In a Sept. 10 interview with Switzerland's financial daily *Neue Zürcher Zeitung*, Germany's Die Linke politician Sahra Wagenknecht reiterated her assessment that the Greens are "the most dangerous party" in Germany: "The Greens are damaging our industry and the prosperity of millions with their so-called climate policy, which does nothing at all for the climate. They drive up prices and increase poverty."

The national government coalition that includes the Greens "is increasing the problems instead of solving even one, and it is penetratingly ignoring the wishes of majorities. And it has no concept at all for the future. For example, if you cut off Germany from cheap energy.... Cheap gas is indispensable for our industry, for the power supply and for heating—and if you don't want to buy it from Russia anymore, you have to have a plan for where else we can get it. But the traffic light politicians don't have one [referring to the Social Democrat/Free Democrat/Green, red-yellow-green coalition government]. And now the high energy prices are killing important parts of our industry, which is a tragedy. Then Economics Minister Robert Habeck of the Green Party presents his heating law, which scares people because older buildings can't be heated with a heat pump without insanely expensive conversions. Small tradesmen and homeowners are wondering how they are going to manage at all."

Asked what she thinks the Ukrainian President should do to end the war against Russia, Wagenknecht said: "He would have to be willing to compromise. After all, we can see that despite all the arms deliveries, the front is hardly moving, and Ukraine cannot win this war militarily. So what is needed is realism and a willingness to negotiate. I assume that the

Russians will not vacate Crimea, the Russian Black Sea Fleet has been there for 200 years, and there are hardly any inhabitants of Crimea who would like the Ukrainians to reconquer it. And in the Donbass, the population should decide for itself in a referendum under UN supervision which country it wants to belong to."

And, how would she envision German-Russian relations in the future?

"As much as this war is to be condemned, we need better relations with Russia again," she said. "The economic sanctions are primarily hurting Germany, not the Russians. The Russian economy is growing by 1.5% this year, while the German economy is collapsing. There is an economic war against our country, which our government is supporting out of blindness and stupidity."

## China Responds to International Financial Drive To Depreciate the Renminbi

Sept. 13, 2023 (EIRNS)—The *Financial Times* noted yesterday that on Sept. 11 "Beijing gave a strong warning against bets on renminbi depreciation and released a batch of positive lending data earlier than usual, spurring China's currency to bounce back from a 16-year low touched last week."

*Financial Times* reported on a statement issued by the People's Bank of China, the nation's central bank, which warned that authorities "are capable of and feel confident in ... keeping the renminbi exchange rate at a reasonably stable level.... We will act when we act, resolutely correcting one-sided speculation" against the renminbi.

The FT went on to quote an unnamed Shanghai-based currency trader: "The central bank showed its muscle this time and made a difference." And "China credit data came in stronger than market expected, showing some initial signs of credit stabilization on the back of PBOC's stepped-up policy efforts with its surprise rate cuts, mortgage supports as well as an acceleration on government bond issuances in August," said Xiaojia Zhi, chief China economist at Crédit Agricole.

# STRATEGIC SHOWDOWN

## U.S. Air Force Secretary Argues China Is Preparing for War Against U.S.

Sept. 13, 2023 (EIRNS)—Secretary of the Air Force Frank Kendall issued a "stark warning" that China is preparing for war against the United States, during a Sept. 11 speech at the annual conference of the Air and Space Forces Association. "Today the intelligence couldn't be clearer. Whatever its actual intentions may be I could not say, but China is preparing for a war and specifically for a war with the United States," he claimed, reported *The Hill*. Kendall said the U.S. must be ready for a "kind of war we have no modern experience with," though he stressed "war is not inevitable."

"Our job is to deter that war and to be ready to win if it occurs," Kendall said. "We're all talking about the fact that the Air and Space Forces must change, or we could fail to prevent and might even lose a war."

Kendall argued that it was vital to prepare for war because China is developing its forces at a rapid pace and has created two new military branches: a force designed to counter aircraft carriers, airfields and other critical assets, and a strategic support service that works to achieve information dominance in the space and cyber domains. "China has been reoptimizing its forces for great power competition and to prevail against the U.S. in the Western Pacific for over 20 years," he claimed further. "China has been building a military capability specifically designed to achieve their national goals and to do so if opposed by the United States."

It's not reported whether Kendall suggested that if the Biden Administration stopped playing games with the independence party in Taiwan, it might actually lower the tensions leading towards war.

# U.S. POLITICAL & ECONOMIC

## Will RFK, Jr. Run for President Outside the Democratic Party?

Sept. 13, 2023 (EIRNS)—Presidential pre-candidate Robert F. Kennedy, Jr. proposed on Sept. 7 that he may decide to continue his presidential campaign outside the Democratic Party, given the brazen drive by the party leadership to ensure the primaries and convention do nothing but rubber stamp President Joe Biden's re-election, no debate or opposition allowed.

RFK, Jr. told "Forbes Newsroom" broadcast: "If the DNC is going to rig it so that it is simply impossible for anybody to challenge President Biden, then I need to look at other alternatives because I can't go back to the people who support me and to my donors.... I need to show them a road to victory." What kind of alternative? "I don't know exactly, because I want to see what the DNC does. I want to see if they make it a fair contest. And I'm not asking that it be 100% fair, but I'm asking that there at least be a chance that it be plausible for somebody else to win other than their chosen anointed candidate."

RFK, Jr. might study what the Wall Street-run leadership of the Democratic Party threw at statesman Lyndon LaRouche to block him from winning the party's nomination. Such as in the 2000 Arkansas Democratic primary, when the DNC ordered state party officials to shift LaRouche's 22% of the vote over to Al Gore's column, since no LaRouche delegate would ever be allowed in the convention!

With the Democratic National Committee (DNC) scheduled to hold an unpublicized "public hearing" of its Rules and Bylaws Committee on Sept. 14 Thursday to finalize the 2024 primary rules, RFK, Jr. issued a four-minute video on his social media on Tuesday afternoon (Sept. 12) explaining how the DNC is rigging the process, and urging people to sign a short "Hands Off Our Votes!" petition which demands "the DNC put Democracy back into the Democratic Party." That evening, the *Wall Street Journal* published an op-ed by RFK, Jr., likewise exposing how "The Democratic Party Rigs the Primaries."

His charges evidently drew blood. Tuesday evening, the *Washington Post* posted an article featuring a letter "obtained by" the *Post* which DNC chair Jaime Harrison had sent to RFK's campaign, mightily protesting Kennedy's "erroneous" charges and "unsupported claims of Democratic vote-rigging in the primary."

The Establishment's problem is that RFK, Jr. continues to campaign against Biden's war policy, and that is gaining him support from many Americans. He warned in a Sept. 11 tweet on X, that the administration is putting the country on "the road towards a third world war," by preparing to send long-range missiles to Ukraine, and asked: "Is President Biden so out of touch with the American people that he thinks provoking war with Russia is more important than restoring our economic prosperity? Health? Schools? Infrastructure? Farms? Environment? Are there any Democrats in Congress with the spine to oppose this lunacy? Are there any Republicans?"

## British Getting More Nervous About U.S. Electorate, Some Moot Dumping Biden

Sept. 13, 2023 (EIRNS)—The British and their American "Tories" are beginning to flail around in search of a strategy to crush the revolt brewing in the United States against the whole lot of their policies. That now includes having second thoughts about whether Joe Biden is able to win re-election in 2024. So far, public discussion continues to focus on the so-called "Trump problem," although their troubles go far beyond that.

An Aug. 31 Lexington column in the City of London weekly, *The Economist*, raised the problem, citing election polls and other signs that "Joe Biden's Re-election Bid Is in Trouble," despite the fact that the Republican frontrunner is "under indictment for 91 felonies in four criminal cases."

On Sept. 12, Anglophile intelligence hack David Ignatius upped the ante, with an op-ed call in the *Washington Post* urging Biden to declare he has succeeded in all his goals, and withdraw from the race. "Time is running out," he admits, but a last-minute effort to let the process come up with a better ticket is needed. Ignatius asserts that "the essential test of a Democratic nominee today" is the same as it was in 2019: "Who is the best person to stop Trump?" The Biden-Harris ticket is not. "Right now, there's no clear alternative to Biden," he writes, but suggests new leadership could be found "in the arena."

The earlier Lexington column in *The Economist* featured poll results published by AP Aug. 17 which found that “fewer than one in four Americans (24%) want President Joe Biden to run again,” and “even 55% of Democrats do not think he should run.... He remains one of the most unpopular Presidents in modern history,” and his support from “working-class voters” is “deteriorating.” Also cited, an AP poll at the end of August which found that “77% of Americans think Mr. Biden is too old to serve effectively. His Vice President, Kamala Harris, has an even lower approval rating than he does.”