

EIR Daily Alert Service

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EDITORIAL

Put Out the Fires, but Also Lock Up the Pyromaniacs

July 4, 2023 (EIRNS)—When the Prigozhin mutiny occurred back on June 23-24, LaRouche movement spokesmen quickly noted that, although the

details of the revolt and its suppression were still hazy, there was little doubt that those who had motive to attempt to destabilize and destroy Russia—*cui bono*—were British and American intelligence services operating on behalf of the City of London and Wall Street financial interests. And therefore, the real question that the Prigozhin affair posed was: What’s coming next? What will be London’s next provocation in their effort to trigger a nuclear confrontation between NATO and Russia? We suggested that a close eye be kept on the Zaporozhye Nuclear Power Plant (ZNPP).

Like clockwork, the London ventriloquists who control the mouth of their dummy Volodymyr Zelenskyy, had him announce—on July Fourth, no less!—that his enemy Russia was about to attack ZNPP (which Russia controls) in order to deliberately cause a nuclear incident: “Now the whole world must realize,” the Ukrainian President lied, “that the only source of danger for the Zaporozhye nuclear plant is Russia itself and no one else.” He called for NATO forces to directly intervene: “To stop it is the duty of everyone in the world.” Then NATO would be directly at war with Russia—and the planet would be a hair’s breadth away from a full-scale thermonuclear exchange.

Renat Karchaa, the advisor to the CEO of Rosenergoatom, which runs ZNPP, warned very specifically in statements to TASS: “In the nighttime on July 5, Ukrainian troops will try to attack the Zaporozhye Nuclear Power Plant with the use of high-precision long-range weapons and kamikaze drones. They plan to airdrop bombs stuffed with radioactive waste that were removed from the South Ukraine Nuclear Power Plant to a military airfield in Ukraine.”

And so we again ask: What’s coming next? Because so long as the bankrupt and collapsing trans-Atlantic financial system is not put out of its misery, through the bankruptcy reorganization of the entire global system that Lyndon LaRouche prescribed, that system’s drive for global war to eliminate Russia and China, in particular, will not stop.

The reason for that was again made evident at the July 4 summit of the eight heads of state and government of the Shanghai Cooperation Organization (SCO)—including the “big three”: Xi Jinping (China), Vladimir Putin (Russia), and Narendra Modi (India)—which represents some 40% of the world’s population, and called for an end to the system of wars and looting, and in its stead “creating a community of the common destiny of humanity.”

The task of mobilized forces around the planet, such as the [International Peace Coalition](#) initiated by Helga Zepp-LaRouche, is to urgently “put out the fire” of the danger of nuclear war, while simultaneously ensuring that a new global security and development architecture is organized to replace the current deadly, bankrupt system.

- Watch [Harley’s Updates](#) with Harley Schlanger on Wednesday July 5, 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

Shanghai Cooperation Organization Seeks for ‘Creating a Community of the Common Destiny of Humanity’

July 4, 2023 (EIRNS)—The 23rd [Shanghai Cooperation Organization Heads of Council Meeting](#) concluded its day-long videoconference summit on July 4 under Indian chairmanship, with the participation of Prime Minister Narendra Modi of India, President Xi Jinping of China, and President Vladimir Putin of Russia, as well as the leaders of Pakistan, Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan. Iran was admitted as a ninth member to the SCO at the meeting.

Reflecting some of the growing tensions in the region and the world, the final [New Delhi Declaration](#) denounces that “existing conflicts are aggravating and new conflicts are emerging,” and calls for the “formation of a common vision of the idea of creating a community of the common

destiny of humanity.” The Declaration denounces international terrorism and drug trafficking, rejects as a violation of international law the use of unilateral economic sanctions that have not been approved by the UN Security Council, calls for support of Afghanistan’s right to develop, and forcefully restates the principle of indivisible security:

“The Member States reiterate that unilateral and unlimited expansion of global missile defense systems by certain countries or groups of countries has a negative impact on international security and stability. They consider unacceptable attempts to ensure their own security at the expense of the security of other States.”

Although the New Delhi Declaration is more focused on security issues than on economic policy, it does note that the SCO members “spoke in favor of implementing the [SCO] Roadmap for gradual increase in the share of national currencies in mutual settlements by the interested Member States.” On the Belt and Road Initiative, the Declaration reports: “Reaffirming their support for China’s ‘Belt and Road Initiative’ (BRI), the Republic of Kazakhstan, Kyrgyz Republic, Islamic Republic of Pakistan, Russian Federation, Republic of Tajikistan and Republic of Uzbekistan note the ongoing work to jointly implement this project, including efforts to link the construction of the Eurasian Economic Union and BRI.” In other words, all of the members of the SCO endorsed that formulation, except for India—not really surprising, since India has never backed the BRI.

Xi, Putin, and Modi Address the SCO Summit

July 4, 2023 (EIRNS)—The strongest formulations at the SCO Heads of State Council summit of the needed new international order came from China’s [President Xi Jinping](#). Xi began by stating: “The SCO has been growing stronger in recent years. This means development opportunities as well as unprecedented risks and challenges. As the great Indian poet Rabindranath Tagore put it, ‘The sea of danger, doubt and denial around man’s little island of certainty challenges him to dare the unknown.’ We must rise to the call of our times.... To this end, I wish to make the following proposals:” Xi then listed five proposals.

First: “We must be highly vigilant against external attempts to foment a new Cold War or camp-based confrontation in our region.”

Second: “China stands ready to work with all sides to implement the Global Security Initiative, promote the settlement of international disputes through dialogue and consultation, and encourage political settlement of international and regional hotspots, so as to forge a solid security shield in our region.”

Third: “Ten years ago I proposed the Belt and Road Initiative, and on its tenth anniversary, China will hold the third Belt and Road Forum for International Cooperation. I welcome your participation. We should work together to broaden the Belt and Road as a ‘path of happiness’ benefitting the whole world. China proposes that the SCO scale up local currency settlement between member states, expand cooperation on sovereign digital currency, and promote the establishment of an SCO development bank.”

Fourth: “All nations in the region aspire to see harmonious development of different civilizations. We welcome all sides to work together to implement the Global Civilization Initiative...”

And fifth: “We should ... advance modernization of the entire humanity through collective efforts to promote equal rights, equal opportunities and fair rules for all.”

Russia’s President [Vladimir Putin](#) said that Russia is under attack through “a hybrid war, with illegitimate anti-Russian sanctions that are unprecedented in scale.... This is especially important today, when geopolitical discord grows bigger, the degradation of the international security system continues, risks of a new global economic and financial crisis increase against the backdrop of an uncontrolled debt accumulation by developed countries, social divide and growth of poverty all over the world, deterioration of food and environmental security.”

As for measures to address the financial crisis, Putin said: “We are making wider use of national currencies for mutual settlements. In particular, over 80% of commercial transactions between Russia and the

People’s Republic of China are made in rubles and yuan.... Russia has been very active in implementing the SCO roadmap for the transition to national currencies in mutual trade ... to take coordinated measures to remove regulatory barriers, to establish the necessary payment infrastructure and to create an independent financial system.”

Indian Prime Minister [Narendra Modi](#) welcomed the participants, noting that “the thousands of years old cultural and people-to-people ties between India and this region are a living testament to our shared heritage. We do not see this area as an ‘extended neighborhood,’ but as an ‘extended family.’ ”

India Starts Using Yuan To Pay for Russian Oil

July 4, 2023 (EIRNS)—India has dramatically increased its purchases of Russian oil over the past year, reaching a new high of 2.2 million barrels per day in June, according to data from the commodities analytics firm Kpler. Russia previously supplied only 2% of India’s oil imports; now it provides 46%. India is the world’s third-largest oil importer.

Over many months Russian and Indian officials have been trying to work out a form of payment in local currencies, based on some sort of ruble-rupee arrangement, but this has not materialized. Russian Foreign Minister Sergey Lavrov even complained publicly that Russia could not keep accepting payment in rupees, since it was accumulating large, unused rupee deposits.

Now, according to a report published by Reuters yesterday, some Indian oil refiners have begun to pay for the Russian oil in Chinese yuan, instead of in rupees or dollars. India’s use of the yuan is highly significant, since historic tensions between India and China have thus far interfered with the two countries’ cooperation to find a common approach to the matter of the growing de-dollarization of the world financial system.

Reuters reported that India’s biggest purchaser of Russian crude, Indian Oil Corp., became the first state refiner to pay for some Russian purchases

in yuan last month. At least two of India's three private refiners are also paying for some Russian imports in yuan, two other sources claimed.

China and Honduras Stepping Up Economic Ties

July 4, 2023 (EIRNS)—Today Chinese Minister of Commerce Wang Wentao and Honduras's Minister of Economic Development Fredis Cerrato jointly announced, via video link, the official launch of their negotiations on a free trade agreement. The decision to move on this front was made when Presidents Xi Jinping and Xiomara Castro met June 12 in Beijing, Chinese Foreign Ministry spokeswoman [Mao Ning](#) noted today, reiterating that “China stands ready to work with Honduras to further tap the potential, create more highlights, and work for more outcomes in the mutually-beneficial cooperation, so as to create an even brighter future for the relations between the two countries.”

Honduran Foreign Minister Eduardo Reina had reported June 30 that a Chinese government delegation was expected in Honduras in the first half of July for those negotiations, accompanied by “a good number of businessmen.” The first 11 Honduran banana and 9 shrimp companies have already been certified for export to China, and work is underway to clear exports of coffee, melons, tobacco, and meat products. The FTA would also open up exports of textiles, auto parts and other products generated by Honduras's maquiladoras (assembly shops).

That may seem like small stuff, but for Honduras, which receives 50% of its export revenue from trade with the United States, increasing access to the largest market in the world is much needed.

Honduras is also one of the four poorest countries in the Americas, and lacks the most basic infrastructure required to improve the lives of its people. More hospitals, schools, a functional network of secondary roads, and above all, electricity, are urgently needed. The state power company, ENEE, reported a daily deficit of 130 megawatts in the peak usage hours (between 6 to 10 p.m.) in June, with the resulting blackouts and rationing sparking protests and highway blockades.

Givanildo Sosa, an investment officer of the National Investment Council, told BNAmericas in a June 30 interview that the government has plans for \$1.6 billion in construction investment for 2023, in health (“basically the construction of hospitals” starting work on five this year, he said), and upgrading the primary road network, telecommunications, electricity, seaports, and international airports. The big projects President Xiomara Castro raised in Beijing were Chinese financing of three hydroelectric dams and the construction of a north-south railway in Honduras, linking its Pacific and Caribbean coasts. China has built hydroelectric dams in Honduras before, and is already working on another one. According to Sosa, Chinese participation in the railway project is intended, but Honduras is waiting to see the details of the conditions China proposes for the project, before giving the go-ahead. Honduras has proposed for decades that such a railroad would function as a “dry canal,” transforming the country by making it a cross-isthmus connection between the Atlantic and the Pacific, second only to the Panama Canal.

STRATEGIC SHOWDOWN

Zelensky Prepares World for Attack on Zaporozhye

July 4, 2023 (EIRNS)—Ukrainian President Volodymyr Zelenskyy used his nightly address to instruct the West what they had to do when—not if, but when—Russia attacks the Zaporozhye Nuclear Power Plant (ZNPP). “Now the whole world must realize that common security depends entirely on global attention to the occupiers’ actions at the station.... [T]he world sees—and can’t help but see!—that the only source of danger for the Zaporozhye nuclear plant is Russia itself and no one else. Unfortunately, there was no timely and large-scale response to the terrorist attack against the Kakhovka hydroelectric plant. And this can inspire the Kremlin to new evil. To stop it is the duty of everyone in the world. No one can be left out because radiation does not leave anyone out.”

Russia's Karchaa Reveals Kyiv Plans for July 5 Attack on Zaporozhye Nuclear Plant

July 4, 2023 (EIRNS)—Today on Rossiya-24 TV, Renat Karchaa, the advisor to the CEO of Rosenergoatom, stated: “In the nighttime on July 5, Ukrainian troops will try to attack the Zaporozhye Nuclear Power Plant with the use of high-precision long-range weapons and kamikaze drones. They plan to airdrop bombs stuffed with radioactive waste that were removed from the South Ukraine Nuclear Power Plant to a military airfield in Ukraine. The standby bombing plan provides for the use of a Tochka-U high-precision rocket with a warhead stuffed with radioactive waste. If this madness doesn't stop, there will be a big catastrophe,” TASS quoted him as saying.

Andrii Yusov, a representative of Ukraine's Defense Intelligence Directorate (GUR) apparently responded to Karchaa's charge. He said on Ukraine's Channel 24, reported Ukrinform, that new Russian falsehoods about the situation at the ZNPP are a “primitive and lying psychological operation.” It is meant to sow confusion about Ukraine's broad information campaign on the terrorist plans of Russia, and to cover for their preparation and information cover for an upcoming attack, he said.

Later in the evening, Ukraine's Armed Forces announced on Facebook: “The Armed Forces of Ukraine officially report that a provocation could be prepared in the near future at the territory of the Zaporozhye Nuclear Power Plant, which has been occupied by Russian terrorists since March 4, 2022.” The UAF claimed that today the Russians placed foreign objects similar to explosive devices on the external roof of the station's third and fourth power units, and that Russia intends to make it look like Ukraine is shelling the plant.

NATO's 'Post Russia' Operation Turns to 'Break Up China,' Too

July 4, 2023 (EIRNS)—The so-called Free Nations of Post-Russia Forum (FNPRF) confirmed today that it will hold its Seventh Forum in Tokyo on Aug. 1-2, under the title “Challenges and Opportunities for East and North Asia.” Who or what is sponsoring their Japan venture has not been

announced yet, but Jamestown Foundation’s “Breakup Russia” thug, [Janusz Bugajski](#), has announced that he is “looking forward to presenting” his book in Japan, *Failed State: A Guide to Russia’s Rupture*. “Japan defeated the Russian empire in 1905 and can establish good relations with emerging states in the post-Russia Pacific region,” he tweeted July 1, attaching to it a Free Nations of Post Russia Forum tweet on its upcoming forum in Japan.

The Jamestown Foundation and the Hudson Institute, both British-linked neocon bastions, sponsored the FNPRF’s Sixth “Forum” last April, which consisted of a four-day, three-city romp through the United States, starting in Washington.

The original aim of this Western intelligence agency-run separatist/terrorist operation was to break up the Russian Federation. But, on cue the FNPRF is gearing up operations to break up China, too. It is busy retweeting messages from their so-called “[Cantonians partners](#)” (Guangdong separatists) who promote the upcoming Seventh Forum in Japan and its topics, such as the “potential impact of R.F. [Russian Federation] collapse on captive nations within the P.R.C.,” and “drawing parallels between Russian and Chinese empires & examining their historical relationship.”

Slogans echo those against Russia: “China is not a nation, China is a prison for nations,” accompanied by differing maps of China divided into many “nations” including the so-called “Cantonians,” labeled, for example, “[Pearls of Yangtze River: Imagine a World without China.](#)”

Another map, labeled “Decolonized Russia and China,” produced by “Cantonians” is “not ideal,” because it misrepresents “independent states of post-Russia space,” writes [FNPRF](#) (as translated), “but it fully conveys and visualizes the main idea: the need for an Anti-Authoritarian Coalition (albeit in the form of an informal and non-public Alliance of the occupied nations and regions of the Russian Federation and China, together with NATO, Japan, Ukraine, R.Korea, Kazakhstan, Mongolia, Australia etc),

which now must actively and systematically oppose the Moscow-Beijing-Tehran-Pyongyang axis....”

COLLAPSING WESTERN SYSTEM

Top Bond Traders Warn To Fasten Your Seat Belts, We’re Heading for a ‘Hard Landing’

July 4, 2023 (EIRNS)—[Daniel Ivascyn](#), chief investment officer at PIMCO, one of the world’s largest bond trading firms, with \$1.8 trillion in assets under management, told the *Financial Times* in an interview published July 2, that investors should prepare for a “harder landing” than previously expected, because the world’s central banks are continuing their campaign of raising interest rates.

“The more tightening that people feel motivated to do, the more uncertainty around these lags and the greater risk to more extreme economic outlooks,” Ivascyn stated, adding in fluent bankerese: “We would argue that the market may still be too confident in the quality of central bank decisions and their ability to engineer positive outcomes,” he said. “We think the market is a bit too optimistic about central banks’ ability to cut policy rates as quickly as the yield curves are implying.”

But not to worry—a good speculator can always make a killing in a turbulent market, even if the physical economy is devastated. “A great trade will be to take advantage of the violent repricing of the public markets and then wait for private markets to adjust over the next few years and then rotate into what should be a really attractive opportunity,” he said. “Hold some cash, because we think the next two, three years is going to be quite target-rich for opportunities in the higher yielding space.”

The former CEO of PIMCO, [Mohamed El-Erian](#), who is now president of Queens’ College, Cambridge, and an adviser to Allianz, PIMCO’s parent company, wrote an op-ed yesterday in the *Financial Times* which also focused on central bank interest rate policy. “June was an extraordinary month for the central banking world,” he wrote, “one that could potentially

be remembered as a defining moment for the credibility of central banking in advanced countries.”

“Rarely do we witness such a combination of events within a few days. The Bank of England, a major central bank, surprised markets by increasing its interest rates for the 13th consecutive time by an unexpectedly large 0.50 percentage points. The European Central Bank raised rates and signaled more to come despite the eurozone economy shrinking and cautionary signals from leading indicators. The central banks of Australia and Canada, both closely monitored for their monetary policy insights, resumed rate increases after a pause in their tightening cycles. Smaller central banks in Norway and Switzerland continued on their path of raising rates.”

Only the Fed chose to pause on the rate increases, but they, too, will resume the upward trajectory, he forecast.

“The theme underlying all these developments is the persistence of inflation. That has led to a consensus among central banks that interest rates must remain elevated for a longer duration.”

And that, in turn, means that turbulence lies ahead. El-Erian concluded: “As noted in the recent annual report of the Bank for International Settlements, countries may already be ‘testing the boundaries of what might be called the region of stability.’ ”

No Power Supply, No Manufacturing Possible in Germany

July 4, 2023 (EIRNS)—“As an industrial location, Germany has a serious problem. We don’t have as much energy available as we need,” warned Markus Krebber, the head of the leading German energy firm RWE. “This gap leads to high prices and thus to justified concerns about competitiveness. We are seeing the first signs of de-industrialization,” he was quoted in RT as having said in June.

The shortage of domestically generated power supplies in Germany, particularly after the mid-April exit from nuclear power decreed by the greenie government, has turned the country into a net importer of electricity

from its neighbors. That has likewise compelled other corporate executives to sound the alarm over Germany's endangered future as an industrial hub.

U.S. POLITICAL & ECONOMIC

Biden To Be Focused on NATO for Next Ten Days

July 4, 2023 (EIRNS)—In the wake of yet another mass shooting in the U.S.—this one in Philadelphia last night—President Joe Biden will spend the next ten days focused on expanding NATO against Russia. It all starts tomorrow when Biden welcomes Swedish Prime Minister Ulf Kristersson to the White House, an opportunity to reaffirm America's enthusiastic support for bringing Stockholm into NATO "as soon as possible," the White House said July 1, the *Washington Post* reported yesterday.

On July 9-10, Biden heads off to the U.K. to meet with King Charles and Prime Minister Rishi Sunak. After that, he goes to Vilnius for the July 11-12 NATO summit and from there, on to Helsinki on July 13 for a Nordic summit.

The *Post* notes, however, one ripple in the agenda: Turkish opposition (and Hungarian opposition, too) to Sweden's accession to the alliance. Will the Swedes join at the summit? "The President is very optimistic that they will, and we look forward to welcoming them into the alliance," National Security Council spokesman John Kirby said June 26. "The conversations between Sweden and Turkiye continue. We encourage that dialogue."

On Ukraine, Lithuania's madman President Gitanas Nauseda is calling on the alliance "to be bolder" in addressing the Kyiv regime's demand to become a member of the alliance. "We should not hesitate to take bolder decisions, because otherwise the Putin regime will decide that the Western allies are too weak, [that they should be] pushed to the corner and they will surrender," Nauseda told Reuters in an interview yesterday. "Our stronger wording on Ukraine's [membership] perspective would for sure increase the fighting spirit of Ukrainian soldiers on the battlefield. And this is very important."

Nauseda told Reuters that a promise of an easier path to NATO membership after the war and more military support pledges could be offered to Ukraine at the next week's gathering. "We have some countries which are cautious about the stronger wording on Ukraine's perspective. But I already see some shift in the minds of their leaders," Nauseda said. "We all understand that right now, in the midst of the war, Ukraine is not able to join NATO immediately. We understand that. Ukrainians understand that. But we need to create procedures, how to proceed ... so there is no wasting of time if the war is over and victory is on the Ukrainian side."

Nauseda said he expects Ukrainian President Volodymyr Zelenskyy to show up in Vilnius, despite his warnings that he sees "no point" in going if Kyiv is not given a "signal" at the meeting: "I hope he will be here and he will play an important role in the decision-making in Vilnius," Nauseda said.

Yellen To Visit China To 'Ease Tensions,' While State Department Issues Travel Warning

July 4, 2023 (EIRNS)—U.S. Treasury Secretary Janet Yellen will travel to Beijing on July 6 for a four-day visit, officially promoted by the administration as a follow-on to Secretary of State Tony Blinken's June 18-19 trip, and designed to "ease tensions." Although a senior Treasury official cautioned reporters to not expect "significant breakthroughs" from Yellen's trip, the White House is making it sound as though they want to establish some kind of normalcy in the relationship, while the U.S. engages in "de-risking"—not to be confused with "decoupling," of course.

China remains skeptical, to say the least, since the words do not match the deeds. The latest State Department advisory will not help, since it warns Americans to "reconsider" traveling to China where possible, since they would be putting themselves at risk of "arbitrary" law enforcement by Chinese officials, "without fair and transparent process under the law." including charges of espionage for merely "conducting research" of publicly available information. The Chinese authorities "appear to have

broad discretion to deem a wide range of documents, data, statistics or materials as state secrets and to detain and prosecute foreign nationals for alleged espionage,” the department said in its updated advisory. “Security personnel could detain U.S. citizens or subject them to prosecution for conducting research or accessing publicly available material inside the P.R.C.”

Greetings from the President of Belarus to Americans on the Fourth of July

July 4, 2023 (EIRNS)—Belarus President Aleksandr Lukashenko posted his “[Congratulations by President Lukashenko to the people of the United States of America](#)” to the website of the Belarus Embassy to Washington today:

“President of the Republic of Belarus,

“Minsk, July 4, 2023:

“On behalf of the Belarusian people and on my own behalf I sincerely congratulate the Americans on their national holiday—Independence Day. Every year, to the words that are traditionally heard on the occasion of national holidays, we, Belarusians, add heartfelt and kind wishes for peace to the people of the whole world.

“Today’s hot conflict in Europe, which is still local, may turn into a real global disaster tomorrow affecting all continents. Therefore, in the run-up to the U.S. electoral campaign, we believe that only capable and responsible politicians should be the main criterion of voter trust.

“No doubt, the people for whom the main value is not capital or material wealth, but the priceless lives of their children, relatives and friends, ought to do their utmost to bring our common home back from the brink. On this special day, I wish the residents of the United States of America peace, civil harmony and the right, independent choice which will shape the future of your country.

“Aleksandr Lukashenko”