

EIR Daily Alert Service

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- Draghi Falls; Who's Next? More Importantly: What's Next?
- India Authorizes Rupee-Denominated Trade
- China-CELAC Forum Meets To Discuss Poverty Alleviation and Development
- In Italy, Draghi Is Out (But He Might Return)
- Former Italian Prime Minister Conte Gives Analysis, We Are on the Brink of the Abyss
- In Europe, Farmers Mobilize in the North, Taxi Drivers in the South
- Haiti's Archbishop Asks, 'Who Will Slow the Haitian People's Ascent to Calvary?'
- EU and U.S. Blink on Kaliningrad Blockade
- Biden in Israel, Promises Iran Will Be Denied Nuclear Weapons, but Stops Short of Military Threat
- Study Detailing Post-Nuclear War Global Cooling in Bloomberg
- *Harper's Magazine* Considers 'The American Century Is Over'

EDITORIAL

Draghi Falls; Who's Next? More Importantly: What's Next?

July 14 (EIRNS)—The second most pro-NATO head of government in Europe was forced to resign this Thursday, July 14, when his government coalition fell apart in the face of exploding anger in the population against his policies of war and austerity. Italians took to the streets en masse, waving the national flag, to celebrate Mario Draghi's fall.

Draghi was never a politician, only a hatchet man carrying out his promise to do “whatever it takes” to defend the British Crown and its financiers throughout his career. This Director General of the Italian Treasury who sold out Italy in the 1992 *Britannia* royal yacht conspiracy; this Goldman Sachs speculator; this “quantitative easing” former head of the European Central Bank turned Prime Minister enforcing NATO’s war and sanctions, personifies the European Union “speculators first!” policy which devastated families, industries, farms, and communities across Europe for decades.

It is the same policy which the City of London and Wall Street have been imposing on the United States as well.

Former Russian President, currently vice chair of the Russian Security Council, [Dmitry Medvedev](#) situated Draghi’s resignation appropriately. He posted to his Telegram channel a tryptic of pictures: Boris Johnson, Mario Draghi, and an unknown shadow wearing a question mark.

Mario Draghi’s policies are the same European Union policies which Dutch farmers are opposing with determination and creativity, driving their tractors, adorned with biting, humorous couplets, in long columns down highways and into the cities, spraying manure on police and politicians’ homes when appropriate, blockading food distribution centers, demanding the financiers’ policies and any government which implements them be thrown out. German farmers are now joining their ranks, rolling out their tractors in their support. This is new: joint Dutch-German protests against the EU policy of “finance capital before all.” Like Draghi’s fall, such actions will embolden others in Europe—and, soon enough, in the United States.

Similarly, worldwide, the treasonous, imperial United States crafted out of the Anglo-American “Special Relationship,” known as “British brains and American brawn,” is no longer seen as the all-powerful hegemon. India’s central bank announced on Monday, July 11 that international trade financed in rupees is now allowed. The London dollar is no longer king.

President Joe Biden is presently in Southwest Asia, with the intent, as he and his advisors have said repeatedly without embarrassment, to show that the U.S. is still powerful, in order to counter growing Russian and Chinese presence in that region. U.S., Chinese, and regional observers are all skeptical of the prospects for his reported intention to get the ball rolling this July 16 on the formation of an anti-Iran “Middle East NATO” military alliance of the U.S., the Gulf states, and Israel (with Saudi Arabia agreeing to pump out more oil in the process).

This shifting, new global reality is captured on the cover of the latest issue of *Harper's Magazine*, the second oldest magazine in the United States: Its cover headline is “The American Century Is Over.” The “American Century” was the mantra of the Anglophile Wall Street faction dedicated to the treasonous “Special Relationship” between the U.S. and the British Empire.

The fight is now to determine what will replace that stinking Wall Street-London system.

Draghi, for example, is out; but will he himself, or a new “Draghi” come back as the next Italian government? Which government will fall next? The government of Sri Lanka has fallen, with no replacement visible. What government could function under the conditions of total economic breakdown, where there is no fuel, no medicine, no food available for the people? And where the IMF demands more austerity?

More than *who* will replace these governments, the question now is: Around what principles can the sovereign nations of the world join together to establish the new system of international relations, finance and economy under which societies and human beings flourish?

Steps toward a new system are being made, but so far only piecemeal. Russia is demonstrating that the principle of trading commodities among nations on the basis of long-term contracts at fixed prices, eliminating the speculative market, works to the mutual benefit of producer and consumer. China is encouraging, facilitating, and coordinating great regional

infrastructure projects between nations around the planet around its Belt and Road Initiative.

But these steps, as important as they are, will not secure survival. The cascading economic breakdown of the trans-Atlantic region and huge chunks of the developing sector must be stopped. Peace will only be secured, and the high rate of economic growth and scientific progress required to eradicate the oligarchic speculative system and its devastation attained, with an entirely new international system. Designing the principles required for such a system to work was the specialty of American statesman and physical economist Lyndon LaRouche, who wrote volumes on that subject. One place to start, is reading his remarkable 1975 document, “[IDB: How the International Development Bank Will Work.](#)” The core principles of the work were republished in May in *Executive Intelligence Review*; we recommend you study them.

The principles outlined by LaRouche there and in a multitude of other writings, are summarized in the eight measures outlined in the petition being circulated internationally by the Schiller Institute: “[Call for an Ad-hoc Committee for a New Bretton Woods System.](#)” Its starting point is the basic principle: “We must make people the priority of the economy.... The new economic order must guarantee the inalienable rights of all people on Earth.”

- Watch [Harley’s Updates](#) with Harley Schlanger on Friday July 15, 2022: Every weekday morning on The LaRouche Organization, Schlanger will give you the strategic briefing you need to start your day.

NEW ECONOMIC ORDER

India Authorizes Rupee-Denominated Trade

July 14 (EIRNS)—The Reserve Bank of India announced this past Monday, July 11, that trade denominated in rupees is now authorized. Trade carried out in rupees obviously facilitates trade with countries

suffering under U.S. sanctions (Russia, Iran, Venezuela, etc.). But Professor [N.R. Bhanumurthy](#), a prominent economist and Vice Chancellor of India's Dr. B.R. Ambedkar School of Economics University (informally known as BASE University), in Bengaluru, emphasized in an interview published today with Sputnik news service that the decision will also allow India flexibility in responding to “shocks from the global financial system.”

If other countries, for example, run out of dollar reserves, trading in rupees offers them an option: “If the U.S. dollar becomes too expensive, it creates trouble for countries with a forex crisis to trade. In that situation, countries with limited foreign exchange reserves can always explore rupee-denominated trade.”

India's decision also opens the way to its long-term goal of having the rupee be included in the international currency basket (now solely including the dollar, pound, euro, yen, and renminbi), he emphasized. The U.A.E. has already signed an agreement for rupee-based trade.

Prof. Bhanumurthy shrugged off Sputnik's question: “Could India face U.S. anger in some sense?” “I doubt all this can happen. We are sitting with a substantial foreign exchange reserve. If that were the case, China would have faced retaliation long back. Retaliation options are very limited in forex markets. Productivity is one thing everybody can compete for; the rest is only settlement. Countries can only compete in productivity.”

China-CELAC Forum Meets To Discuss Poverty Alleviation and Development

July 14 (EIRNS)—Representatives of China's Foreign Ministry and officials from the foreign ministries of the 32 member nations of the Community of Latin American and Caribbean States (CELAC) met virtually yesterday for the second annual “[China-CELAC Forum on Poverty Reduction and Promotion of Development](#)” to discuss these pressing issues, the Argentine-Chinese daily *DangDai* reported today. According to the Spanish-language edition of *People's Daily*, the hope is that the event will become an annual feature to foster deeper cooperation in

the area of poverty reduction and rural development in the post-COVID era. Officials from the United Nations also participated.

Attending from China was Xu Jianmin, Director General of the Department of General Affairs of the National Administration for Rural Revitalization, the entity that organized the first, Aug. 31, 2021 China-CELAC Forum on poverty reduction; Li Xin, Deputy Director of Information of the International Center for Poverty Alleviation; and Liu Shouying, dean of the Economics School of Renmin University. All attending were committed to addressing the setbacks that occurred in the region as a result of the COVID pandemic and to exchange information, especially with China, on how to make a dent in the poverty that had increased over the past two years.

Global Times today reports on CELAC's estimate that the number of people living in extreme poverty rose by 5 million between 2020 and 2021, due to social and economic problems stemming from the pandemic. The daily quoted Gustavo Martínez Pandiani, Undersecretary for Caribbean and Latin American Affairs at Argentina's Foreign Ministry and National Coordinator of the CELAC, who reported that the pandemic exacerbated social inequality and "had a devastating impact on the most vulnerable." Solutions must be found through bilateral and multilateral cooperation, he argued. From the Ibero-American side, there is great interest in China's rural revitalization program and its strategy for achieving balanced urban and rural development. China's experience in building infrastructure and providing public services in its drive to reduce poverty is of great interest to Ibero-American and Caribbean nations, *Global Times* reported.

COLLAPSING WESTERN SYSTEM

In Italy, Draghi Is Out (But He Might Return)

July 14 (EIRNS)—With the resignation of Italian Prime Minister Mario Draghi today, the second most pro-war, pro-NATO government in Europe after the British, has collapsed. Draghi resigned after the Five Star Movement (M5S) did not vote, as promised yesterday, for a government

economic bill on which Draghi had demanded a confidence vote in the Senate today. The M5S has been critical of both the Ukraine and economic policies of the government. Lega head Matteo Salvini had said in advance that if the M5S did not back the confidence vote, the Lega would leave the government. “It is better to call Italians to vote [in early elections] than having them on a roller coaster for nine months,” Salvini tweeted.

The opposition Fratelli d’Italia (FdI) party also called for an early vote.

Draghi went to President Sergio Mattarella to announce his resignation. Mattarella told him to seek a new majority in the Parliament next week. Former Prime Minister and kingmaker of the last two governments Matteo Renzi is already campaigning for a “Draghi 2,” an all-technocrats cabinet, supported by some parliamentary engineering under the usual ECB blackmail. If Draghi fails, Mattarella could give the mandate to someone else (improbable), and if all options are exhausted, he will dissolve Parliament and go for early elections.

Former Italian Prime Minister Conte Gives Analysis, We Are on the Brink of the Abyss

July 14 (EIRNS)—In his speech to the M5S parliamentary group on the eve of the Italian Senate confidence vote, M5S head and former Prime Minister Giuseppe Conte motivated the decision to break off from the government coalition as necessary because of the dramatic economic and social situation in Italy, about which the government is not doing enough. Although Conte is opportunistically riding the tide of social discontent for electoral purposes, nevertheless, the reality principle has found a tool to assert itself.

Conte said that he had presented then-Prime Minister Mario Draghi a series of proposals last week, to address “the dramatic moment that the country is living through, concerning the emergencies that everyday citizens, businessmen, neighbors, people we occasionally meet present to us: a dramatic reality, different from the one which may be being felt in the palaces of power.”

“Our paper interprets the strong discontent not of the M5S, but of citizens and producers. It expresses and interprets this dramatic moment of the serious economic and social crisis.”

Conte mentioned recent statistics which “are photographing a country on the brink of the abyss. The M5S is the only political force that is questioning this emergency and is pressing the government. I have a strong fear that September may be the month when social conflict will escalate in the streets, families will be faced with the lacerating choice of whether to pay their bills or buy groceries.”

The problem is that Conte’s recipes for Green Deal and Keynesian handouts won’t solve the crisis; they will make it worse.

In Europe, Farmers Mobilize in the North, Taxi Drivers in the South

July 14 (EIRNS)—While farmer protests continue to paralyze the Netherlands, [RadioGenova](#) tweeted a video of German farmers in the Main-Taunus region in a tractorcade blocking the region’s border roads as a demonstration in solidarity with their Dutch colleagues.

Meanwhile, Italian taxi drivers are continuing their protest in major cities, paralyzing traffic there. In Rome, 1,000 taxi drivers have surrounded the government building, kept at distance by the police, shouting slogans against Uber, and Draghi as a speculator, and shooting off fireworks. Five of them chained themselves to street lamps.

Uritaxi national leader Claudio Giudici, participating in the protest from Rome, launched a call to strikers to not commit violent actions. Taxi drivers want the government to abandon a liberalization scheme which violates constitutional protection of public services. Media leaks on Uber managers’ corruption two days ago have given more momentum to the protest.

The taxi protest is one symptom of an explosive situation, with farmers starting to protest in Italy, too, and other social sectors ready to stand up in protest against price inflation.

Haiti's Archbishop Asks, 'Who Will Slow the Haitian People's Ascent to Calvary?'

July 14 (EIRNS)—The violence between rival gangs that now dominates several parts of Haiti's capital, Port-au-Prince, witnessed one of its worst manifestations beginning July 8, when two gangs began a shootout over control of the Brooklyn section of the capital's largest slum, Cité Soleil. Residents were trapped, unable to leave or obtain food, water, or medical care; nor were ambulances or other vehicles allowed to enter. After five days, the toll of that rampage left 89 dead, 74 wounded, many missing, with charred bodies visible, corpses left to rot, houses destroyed, and thousands of refugees, according to the National Network for the Defense of Human Rights.

Although not usually of the same magnitude, scenes like that are played out in neighborhoods across the capital daily as rival gangs vie for control, trapping citizens where they live, often engaging in barbaric acts of violence, murdering men, women, and children, and forcibly recruiting children. Citizens are driven from their communities, and thus there are tens of thousands of displaced people in Port-au-Prince. As the *Miami Herald* documented July 8, an underfunded, outgunned, and outmanned national police force struggles to combat the gangs, still waiting for the U.S. to provide promised training for a specialized SWAT team and the equipment it urgently needs. It lacks even the most basic protective gear and weapons that could match what the gangs possess.

In the situation, providing humanitarian assistance is a nightmare. Gangs have blocked access roads into and out of the capital. Jean-Martin Bauer, country director for the UN World Food Programme, warns that "the situation is spiraling out of control," and "getting worse every day," with at least 1.3 million people in the capital suffering from acute food insecurity. People can't get to work; farmers from outside Port-au-Prince can't get their products to market; gasoline is in short supply, and food price inflation is running at 53%.

A thoughtful person is tempted to ask the same questions posed by Port-au-Prince [Archbishop Msgr. Max Leroy Mésidor](#), in response to the events of Cité Soleil. In a statement published by *Le Nouvelliste* July 12, he demanded to know: “Who will slow the Haitian people’s ascent to Calvary? ... Where is the government? Where are those responsible for Justice and Public Safety? What does it mean to be a neighbor to the so-called friendly countries of Haiti? What is the purpose of the various international meetings on Haiti’s situation for?...”

Within the current system, there are no answers to those questions. That’s because Haiti’s descent into this hell—with no government to speak of, no functioning institutions, and an international community incapable of providing real solutions—is no accident, in the same way that Sri Lanka’s devastation, and that of so many other African or Ibero-American or Caribbean nations is no accident. The rotting trans-Atlantic system has no use for countries like Haiti or Sri Lanka. The Schiller Institute’s “[Plan To Develop Haiti](#),” published in October 2021, offers the means to liberate it from that disintegrating system as part of a broader development perspective involving the U.S. and other nations of the region, and China’s Belt and Road Initiative.

As more nations of the Global South align themselves with an emerging new order opposed to the “rules-based” imperial one, institutions like the BRICS and the Community of Latin American and Caribbean States (CELAC) and the China-CELAC Forum can also play a positive role in uplifting Haiti and the Western Hemisphere’s other more impoverished nations.

STRATEGIC WAR DANGER

EU and U.S. Blink on Kaliningrad Blockade

July 14 (EIRNS)—The European Commission blinked yesterday regarding sanctions affecting the Russian transit of goods through Lithuania to Russia’s exclave of Kaliningrad. In what appears to be a backdown from a frontal confrontation with Russia over the exclave, the EU Commission

issued “guidance,” ruling that “confirms that the transit of sanctioned goods by road with Russian operators is not allowed under the EU measures. No such similar prohibition exists for rail transport.”

State Department spokesman Ned Price also endorsed the decision in equally contorted fashion; he praised “the unprecedented economic measures that our Allies and partners, including Lithuania, have joined us in taking against Russia for its unprovoked war against Ukraine.”

The Lithuanian Foreign Ministry, while saying Vilnius would comply with the new guidelines, left no doubt as to its official view that the tighter restrictions were its preference. It worried that “the publication of the new ... guidelines may give the unjustified impression that the trans-Atlantic community is softening its position and sanctions policy toward Russia.”

The ministry said Lithuania would continue checking goods transiting its territory to ensure the sanctions are not circumvented, “reserves the right to unilaterally prevent such attempts,” and did not say when the transit of banned goods would resume. Lithuania’s state-owned railways, Lietuvos Gele inkeliai (LTG), said it would wait for instructions from the country’s authorities.

The EU Commission guidance does assert that “member states shall check whether transit volumes remain within the historical averages of the last three years, in particular reflecting the real demand for essential goods at the destination.”

Russian Foreign Ministry spokeswoman Maria Zakharova responded positively, but cautiously. “The decision to lift restrictions on the rail transit of certain goods is based on a realistic approach and common sense. However, we still have questions about this document,” Zakharova said. Moscow will closely monitor EU measures, and the Russian Foreign Ministry was carefully studying clarifications provided by the European Commission, “bearing in mind the need to achieve the primary goal, that is, ensure support of all areas of life in the Kaliningrad region.”

Biden in Israel, Promises Iran Will Be Denied Nuclear Weapons, but Stops Short of Military Threat

July 14 (EIRNS)—President Joe Biden and Israeli Prime Minister Yair Lapid today publicly signed the “Jerusalem U.S.-Israel Strategic Partnership Joint Declaration,” a document which reaffirms “the unbreakable bonds” between the U.S. and Israel and commits the U.S. to never allow Iran to acquire a nuclear weapon capability. The United States’ “steadfast commitment to preserve and strengthen Israel’s capability to deter its enemies and to defend itself by itself against any threat or combination of threats ... [is] bipartisan and sacrosanct ... vitally important to the national security of the United States itself,” it states. Integral to this pledge, “is the commitment never to allow Iran to acquire a nuclear weapon, and that it is prepared to use all elements of its national power to ensure that outcome.”

U.S. commitment to Israel’s military superiority in the region, including support for and cooperation on Israel’s missile defense programs and high-energy laser systems, is also stated.

In a [joint press conference](#) after their 50-minute private meeting and signing of the document, Biden did not, however, satisfy Lapid’s demand that the U.S. mount a credible military threat against Iran’s nuclear program. Lapid had publicly (and undoubtedly privately) repeated that demand after Biden arrived in Israel, insisting that “the only thing that will stop Iran is knowing that if they continue to develop their nuclear program the free world will use force. The only way to stop them is to put a credible military threat on the table. It should not be a bluff, but the real thing.”

Biden, however, told the press conference: “I continue to believe that diplomacy is the best way,” even though he promised that “we’ll make sure Israel can defend itself, by itself.”

In an interview broadcast Wednesday night, July 13, on Israel’s Channel 12 (taped prior to flying to Israel), Biden did say, when pressed, that he would use force against Iran as a “last resort” to prevent it from obtaining nuclear weapons, although still stressing his preference for negotiating with

the Iranians instead. Asked if the U.S. would use force to stop Iran's nuclear program, Biden replied "as a last resort, yes. Iran cannot get a nuclear weapon."

When interviewer Yonit Levi asked the President if he had received any commitments from Lapid or his recent predecessor Naftali Bennett that Israel would not act alone militarily against Iran's nuclear sites, as it has threatened, without first notifying the U.S., Biden would not comment, nor would he speak to possible Israeli involvement in any potential military action by the U.S. to prevent Iran from going nuclear.

The other differences seen between the two were over Russia (the joint statement merely expresses "concern" over the Ukraine conflict, neither expressing support for sanctions against Russia nor charging Russia with "unprovoked" actions), and interest in a two-state solution to the Israel-Palestine conflict. Biden argued for the two-state solution, but Lapid, when asked by a reporter whether he still supports the concept of a two-state solution with the Palestinians, agreed that "a two-state solution is a guarantee for a strong democratic Israel with a Jewish majority," but ignored a second question regarding whether he'll advance the issue if he is elected prime minister in the November election.

SCIENCE AND TECHNOLOGY

Study Detailing Post-Nuclear War Global Cooling in Bloomberg

July 14 (EIRNS)—Not everybody is as obtuse as New York City's Emergency Management Department in their discussions of a nuclear war. In an article released July 7 in Bloomberg, titled "Nuclear War Would Force Earth Into 'Little Ice Age,' Study Shows," the author presents a far more sober analysis. "A fresh study on the global impact of a nuclear war has concluded that any conflict would plunge the world into darkness, cause temperatures to plummet and wipe out much of the world's sea life," he reports. The study, "[A New Ocean State After Nuclear War](#)," is from a group of researchers at Louisiana State University who ran computer simulations on the climatic impacts in two cases, which they then

compared: an India-Pakistan nuclear exchange and a U.S.-Russia nuclear exchange.

According to the article, “They found that in all scenarios, firestorms would release soot and smoke into the upper atmosphere, blocking out the Sun and forcing temperatures to fall by an average 13° F in the first month. That, in turn, would cause ocean temperatures to fall and sea ice to expand by more than 6 million square miles, blocking major ports including China’s Tianjin, Copenhagen and St. Petersburg. Researchers said changes to Arctic sea ice would likely last thousands of years, describing the event as a ‘nuclear little ice age.’ ”

The report’s abstract summarizes: “Like volcanic eruptions and large forest fires, firestorms from nuclear war would transport light-blocking aerosols to the stratosphere, resulting in global cooling. The ocean responds over two timescales: a rapid cooling event and a long recovery, indicating a hysteresis response of the ocean to global cooling. Surface cooling drives sea ice expansion, enhanced meridional overturning, and intensified ocean vertical mixing that is expanded, deeper, and longer lasting. Phytoplankton production and community structure are highly modified by perturbations to light, temperature, and nutrients, resulting in initial decimation of production, especially at high latitudes. A new physical and biogeochemical ocean state results, characterized by ... and thicker Arctic sea ice. ... In the largest U.S.-Russia scenario (150 Tg), ocean recovery is likely on the order of decades at the surface and hundreds of years at depth, while changes to Arctic sea-ice will likely last thousands of years, effectively a ‘Nuclear Little Ice Age.’ ”

The report’s lead author, Cheryl Harrison, of Louisiana State University’s Department of Ocean and Coastal Science, Center for Computation and Technology, said in addition: “It doesn’t matter who is bombing whom. It can be India and Pakistan or NATO and Russia. Once the smoke is released into the upper atmosphere it spreads globally and affects everyone.”

Bloomberg also references Russian Foreign Minister Sergey Lavrov, who warned that there is a “serious” risk of nuclear war because of NATO’s proxy war against Russia in Ukraine.

U.S. POLITICAL AND ECONOMIC

***Harper’s Magazine* Considers ‘The American Century Is Over’**

July 14 (EIRNS)—The July issue of *Harper’s Magazine*, the “monthly magazine of literature, politics, culture, finance, and the arts” in publication since 1850, posted a cover story for July: “The American Century Is Over.” This is not news to the readers of *EIR*, but it is refreshing to see it as the cover of the second-oldest monthly magazine in the U.S.

The lead essay, “Empire Burlesque—What Comes after the American Century?” by Daniel Bessner, begins by quoting Henry Luce in 1941 declaring the American Century, calling on the U.S. to join the war against the Axis and “accept wholeheartedly our duty and our opportunity as the most powerful and vital nation in the world and ... exert upon the world the full impact of our influence, for such purposes as we see fit and by such means as we see fit.” The global hegemon.

After a long review of post World War II policies of “liberal interventionism” by author Daniel Bessner, an associate professor at the University of Washington’s Henry M. Jackson School of International Studies, the article concludes:

“The American Century did not achieve the lofty goals that oligarchs such as Henry Luce set out for it. But it did demonstrate that attempts to rule the world through force will fail. The task for the next hundred years will be to create not an American Century, but a Global Century, in which U.S. power is not only restrained but reduced, and in which every nation is dedicated to solving the problems that threaten us all. As the title of a best-selling book from 1946 declared, before the Cold War precluded any attempts at genuine international cooperation, we will either have ‘one world or none.’ ”