

## EIR Daily Alert Service

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## EDITORIAL

### **Ask Yourself: Who Are the Autocrats? Who Are the Fascists?**

Aug. 27 (EIRNS)—Consider first the following reports from Russia and China—the two nations designated by Western so-called “leaders” as “autocracies” which threaten “our values”—on ongoing national problem-solving.

Russia is mobilizing to save and advance its economy under the brutal conditions created by Western economic sanctions. On Friday, Aug. 26, President Vladimir Putin held a working meeting with Sergei Aleksandrovsky, CEO of Aeroflot, the country's leading commercial airline and national carrier. Russia is the largest country in the world, its territory covering 11 time zones. Lacking a high-speed rail grid, domestic air flights are a strategic question for national unity and functioning. Hence the government has paid close attention to the defense and development of all aspects of the national aviation industry. For Aeroflot, whose international operations were slashed by sanctions, the Russian government committed 50 billion rubles (about \$850 million) for the company, over 10 billion rubles (\$170 million) of which were disbursed in April and May to subsidize passenger services and cover operating expenses.

Aleksandrovsky reported where things stand: Aeroflot now flies to 111 destinations, 18 more than in 2021; it has significantly increased the number of flights on certain routes; and the government support allowed the airlines to drop its airfares by up to 10% over 2021 levels, 29% over 2019's. As a result, passengers per flight have increased "considerably." Plans are underway now to contract 323 aircraft (of various types), which will be equipped with Russian-made engines and other parts coming online as a result of the national drive to build up national production to substitute imports banned by the sanctions. For that, 3,500 new pilots will have to be trained, and eight full flight-simulators purchased to train them. Aleksandrovsky reported that this is a joint effort between the airline and the aviation industry; Putin noted such a large order will be a serious impetus for the development of that industry.

Now to China, which is suffering its worst heat wave and drought since 1961, affecting one-half of its territory. One of the measures taken, is the mobilization of a huge cloud-seeding operation across 10 provinces. Cloud-seeding to deepen clouds (thus cooling temperatures) and induce rainfall is not a new technology, having been developed in the United States in 1946. Work on enhancing such weather modification methods is being done also in various U.S. states, also facing record droughts and heat waves, but

China is mobilizing nationally as a concerted effort. Zhou Yuquan, chief scientist of the China Meteorological Administration, reported on Aug. 26 that between Aug. 1-25, China had deployed 91 cloud-seeding flights, with a cumulative flight time of 260 hours, and launched 116,000 rain bombs and 25,000 rain enhancement rockets, and ignited 2,000 flares by devices on the ground. Scientists from the Institute of Atmospheric Physics of the Chinese Academy of Sciences are watching and studying the results.

This being China, we can be sure other experimental approaches being worked on before the current crisis hit, are now getting greater support.

The reports cited do not represent game-changing action; they simply exemplify the proper principle of government. Facing existential problems, these nations' governments have stepped up, mobilizing the businesses, people, credit and scientific capabilities required to resolve them. Let Twitter denounce it as "state-sponsored leadership," but this is, in fact, the essence of the American Constitutional system, which is organized around the principle that government of, by, and for the people is formed in order to defend the General Welfare of the current generation, and those to come.

Compare this to the chaos called the United States today. Faced with an existential drought, hyperinflation, industrial collapse, and an out-of-control military-industrial-intelligence complex, President Biden, his administration, the U.S. Congress and the vast majority of both parties, have abdicated all responsibility for governing, handing power over instead to Wall Street and its Federal Reserve, as has the succession of U.S. governments since 1971.

On Aug. 26, Wall Street's Federal Reserve Chairman Jerome Powell announced to the annual Jackson Hole, Wyoming gathering of central bankers, financiers and their economist servants, that the Federal Reserve intends to keep raising interest rates and imposing crushing austerity, come what may. The media reported his promise of "some pain" to come. What they didn't report as widely, is that he invoked the example of former Fed Chairman Paul Volcker's "successful" model of (supposedly) lowering inflation, launched in 1979.

This is no small threat. Volcker advocated the Trilateral Commission's policy of inducing the "controlled disintegration" of the U.S. and world economy. The succession of usurious interest rate hikes he launched starting on Oct. 6, 1976, reaching at their height a 20% baseline interest rate, succeeded in fulfilling his statement to the congressional Joint Economic Committee that "the standard of living of the average American has to decline."

Then-Presidential pre-candidate Lyndon LaRouche issued a call for the prompt impeachment of Paul Volcker. He warned:

"In earlier public statements, Mr. Volcker has stated himself to be a supporter of a doctrine of 'controlled disintegration' for both the United States and the world economy. Now, under the semantic pretext of 'anti-inflation' 'fiscal austerity,' Volcker has abused his powers as Federal Reserve chairman to implement measures which constitute an efficient effort to plunge the U.S. economy into misery, chaos, and confusion of the sort ultimately worse than the conditions experienced during the Great Depression of the 1930s. In light of the evidence of a conscious intent behind Mr. Volcker's attempts to ruin the U.S. economy, his conduct in office must be regarded as no better than treasonous in character, if not formally treason by the strict language of the U.S. Constitution."

LaRouche emphasized two Constitutional measures immediately available to reduce inflation, while building up production in and the productivity of the United States economy. The first involved adjusting the value of U.S. gold reserves through negotiations with relevant economic powers at the time; the second, forcing the Federal Reserve to implement selective credit-flow controls so as to ensure adequate credit for maintaining the operating capital of business employers. "This would not solve our nation's problems, but would give us breathing-room for developing a comprehensive, long-term set of monetary and investment-incentive measures. A depression is not necessary. Any official who adopts a policy of 'controlled disintegration' of the United States economy is

engaged in a treasonous undermining of our nation's overall security at this juncture," LaRouche wrote.

LaRouche was a physical economist, statesman and true leader who always went to the American people and told it "like it is," and they would respond. LaRouche understood the power and morality of the human mind when mobilized, and he conveyed the once-great American spirit, that there is no problem that cannot be solved if the people put their minds to it.

Join us in celebrating the [100th anniversary](#) of his birth at a Sept. 10-11 international Schiller Institute conference, led by his wife Helga Zepp-LaRouche and committed to the adoption of LaRouche's policy in the U.S. and globally.

- Watch [Harley's Updates](#) with Harley Schlanger on Monday August 29, 2022: Every weekday morning on The LaRouche Organization, Schlanger will give you the strategic briefing you need to start your day.

## COLLAPSING WESTERN SYSTEM

### **Fed Chair Powell Demands More 'Pain' of Americans and Foreign Nations**

Aug. 27 (EIRNS)—When the Kansas City Federal Reserve's annual Jackson Hole Economic Policy Symposium (this year on "Reassessing Constraints on the Economy and Policy") opened Friday, Aug. 26, first up at 8 a.m. was Fed Chair Jerome Powell to deliver "The Word" to the usual dozens of central bankers, policymakers, academics and economists who come to these rituals.

Said Mr. Powell, in summary: Having brought you nothing in the dozen years after the Crash except an exploding stock market; then having brought you a runaway inflation and disappearing real incomes; now the Fed will bring you "pain." "Some pain," to quote him exactly. Included in that pain is higher unemployment, he made clear.

His brief speech was laced with phrases such as: “reducing inflation is likely to require a sustained period of below-trend growth;” monetary policy “will be sufficiently restrictive;” and defeating inflation “will likely require maintaining a restrictive policy stance for some time”—i.e., interest rates will continue to rise sharply over the foreseeable future.

The financial world got the message. The U.S. stock market plummeted, and foreign currencies dropped sharply against the dollar, expecting U.S. interest rates to continue their upward trend, triggering deadly capital flight out of developing sector markets in a rush back into the dollar. “The Fed will not pivot even if the economy and markets take a hit,” Invezz reported summarily. By the end of Aug. 26, the Dow had fallen more than 1,000 points, with all U.S. stock markets falling by 3-4%.

Powell delivered a brass-knuckle warning that if his painful policy were resisted, the world would instead get a new round of Paul Volker’s “successful” 1980s shock therapy—i.e., interest rates of more than 20%. “The successful Volcker disinflation in the early 1980s followed multiple failed attempts to lower inflation over the previous 15 years,” Powell stated at the conclusion of his remarks.

A nervous Bank for International Settlements General Manager Agustín Carstens, however, worried lest the “pain” be too much and too fast, and crash the entire system in the process. The phenomenally portly Carstens chose an image from aviation in his speech to the Friday luncheon session: “We may be approaching what in aviation is called a ‘coffin corner,’ the delicate spot when an aircraft slows to below its stall speed and cannot generate enough lift to maintain its altitude. It takes skilled piloting to get the aircraft back to a safer, stable place”—not exactly a ringing endorsement of Powell’s bravado.

### **China Experts See Financial Crisis, Dollar System Collapse Coming**

Aug. 27 (EIRNS)—“The Jackson Hole central banking conference in the U.S. is likely to be another venue to witness the economically unsustainable international currency system centered on the U.S. dollar,” as countries

around the world “increasingly look for substitutes for the failing system,” China’s *Global Times* daily wrote Aug. 27.

Of the Chinese experts cited by *Global Times*, Mei Xinyu, a research fellow with the Chinese Academy of International Trade and Economic Cooperation under the Ministry of Commerce, was the most on target. He referred to the collapse of U.S. economic productivity under the Federal Reserve’s money-printing as what had dug a “grave for the dollar system.”

In Mei’s view, “the dollar’s status as the world’s currency was based on the U.S.’ once-paramount economic productivity.” That productivity was gutted as the Fed’s “quantitative easing policy ... fundamentally decimated the U.S. manufacturing sector’s competitiveness.” Now, whatever policy the Federal Reserve chooses to deal with inflation, is “unlikely to bolster the U.S.’s real economy.... The sudden tightening after years of easing, along with the large role of the virtual economy in the U.S. economy, is very likely to cause a financial crisis, Mei said,” *Global Times* reported.

“The U.S.’s wanton sanctions against other countries have accelerated the fall of the U.S. dollar-based system,” he added.

Other experts emphasized that because of China’s actual (not virtual!) economic strength, China’s yuan will remain a stable major currency, even if it depreciates in relation to the dollar as Fed interest rate hikes increase capital flows into the dollar. This, in the context of countries around the world looking to alternatives to the dollar.

### **City of London and Frankfurt Out To Control Italian Election Result**

Aug. 27 (EIRNS)—Not Putin, but the City of London and the ECB in Frankfurt are massively interfering in the Italian general elections, preparing a 1992 “*Britannia*” scenario, or a 2011 “ECB Letter” scenario for Italy in the next weeks: a financial attack combined with a ECB ultimatum, backed by a doomsday perspective painted by the media, to force through a continuation of financier-agent Mario Draghi’s policy, possibly with Draghi himself again.

According to the City of London daily *Financial Times*, as per S&P Global Market Intelligence data, investors have borrowed over €39 billion, betting on falling prices of Italian debt notes. The total value wagered has surged to levels last seen during the 2008 global financial crisis.

Algebris fund founder David Serra, an ally of former Prime Minister Matteo Renzi, told the daily *La Stampa* that “one month ago we had a dinner in London with 40 investment bankers and fund managers: 35 of them were planning to short Italian bonds.”

Serra says that the rationale for the bets against the Italian debt are the perspective that the Lega would get into the government. The last time they did, they pulled out the idea of printing national currency notes, the “Minibot.” However, he claims, that contrary to the hedge funds, he is not worried, as he has learned that populists never implement what they say.

In order to appease the City of London, would-be Prime Minister Giorgia Meloni has sent to London her emissary Guido Crosetto, a former official who currently heads the association of Italian defense industries. Meloni herself was invited to the City by several banks and funds, but it is not clear whether she will go before the Sept. 25 Election Day.

Italian media speculate on a financial crisis unleashed by speculative attacks on Italian bonds, exploding the cost of living and an ECB failure (deliberate or accidental) to supply an adequate insurance of support at their Sept. 8 board meeting. It suffices for Christine Lagarde to make one of her gaffes or to say that the so-called new safety net “Transmission Protection Instrument” (TPI) will be activated with conditions.

In that case, not only will the result of the Sept. 25 general elections be other-directed, but parties might recall Mario Draghi to run an emergency regime.

### **European Energy Crisis Sharpens as U.S. Supplies Will Be Less Than Expected**

Aug. 27 (EIRNS)—The energy crisis in Europe escalates as gas prices at the TTF market in Amsterdam closed at a new all-time record of

€339/MWh on Aug. 26, after the U.S. Freeport LNG export facility pushed back its restart date to mid-November. In one year the gas price has increased by 550%. This, and a letter by Energy Secretary Jennifer Granholm sent last week and published by the *Wall Street Journal*, imploring seven major refiners to limit fuel exports, is a signal that Europe won't get as much help from the United States as promised. Granholm asked politely—but threatened that if the refining companies did get going to “proactively” limit exports, “the Administration will need to consider additional Federal requirements or other emergency measures.”

On the other hand, the crisis would disappear if the Europeans bought Russian gas at a price fixed by long-term contracts, as they used to do before the EU liberalization of the energy market. Dmitry Medvedev is quoted by TASS in an interview with France's LCI TV Channel saying: “We are ready to supply gas in volumes that were contracted even now. However, this will definitely depend on the position of Western countries, the position of European countries. If our arms are twisted, if payments are banned or the delivery of repaired turbines or the Nord Stream 2 launch is rejected, then supplies of this kind will not be probably in volumes the Western countries expect.”

## STRATEGIC WAR DANGER

### Belarusian President Warns NATO About Nuclear Exercises

Aug. 27 (EIRNS)—Belarus President [Aleksandr Lukashenko](#) indicated yesterday that there are now aircraft of the Belarusian air force equipped to carry nuclear weapons. “They have to understand that no helicopters or aircraft will save them if they decide to aggravate the situation. Putin and I once said in St. Petersburg that we will refit Belarusian Sukhoi aircraft among other things so that they could carry nuclear weapons. Do you think we talk nonsense? Everything is ready!” he said, the official BelTA news agency reported.

In the process of his remarks, Lukashenko implicitly raised the question of military exercises that can unintentionally lead to war. “We are very

concerned about training flights of U.S.A. and NATO aircraft, which are training to carry nuclear warheads. It is very stress-inducing for us. This is why I ask you to consider a tit-for-tat response to these things. Without overdoing it.”

Lukashenko was referring to NATO’s annual Steadfast Noon nuclear exercise which, as far as is publicly known, is NATO’s only nuclear operations exercise. It involves all of the countries where U.S. nuclear weapons are stored, plus a number of other countries which also participate in NATO’s nuclear planning group but don’t have any nuclear weapons on their territory, Poland among them. Steadfast Noon was last held in October 2021, hosted in Italy. The alliance has made no announcements regarding the 2022 iteration of the exercise.

“They should think about it,” Lukashenko continued. “I’d warned them: if God forbid some serious provocation against Belarus happens, our targets have been locked in. Decision-making centers. We know them. I don’t threaten anyone. This is why you don’t have to worry.”

### **SPD Dissidents Urge German Chancellor To Change His Ukraine Policy**

Aug. 27 (EIRNS)—The pro-Ukraine policy of Chancellor Olaf Scholz is opposed by many of his fellow Social Democrats, some of whom have now sent a letter signed by members of the Bundestag and European Parliament with the title: “The Weapons Must Be Silent!”

“The escalation spiral must be stopped,” they write. While denouncing the Russian military operation, they call for a “*modus vivendi*,” which would allow the conflicting parties to coexist in peace. “With every delivery of weapons, it is important to carefully weigh up and consider where the ‘red line’ lies, which could be perceived as entering the war and provoke corresponding reactions,” the letter adds, warning that this conflict could escalate into a nuclear confrontation. The letter proposes talking to such neutral states as Indonesia, India and South Africa to mediate between the conflict parties, with the aim of achieving a ceasefire. Furthermore, the pro-armaments dynamic in the West must be replaced by a pro-peace

policy, including confidence-building steps modeled on the 1970s détente. The present approach of NATO is no basis for a security structure which must be built through talks, the letter's signers declare.

Among the signers are Bundestag members Jan Dieren, Rainer Keller, Tina Rudolph, Carolin Wagner and Jens Peick, several members of state (Land) legislatures; former Bremen Mayor Carsten Sieling, Bremen SPD state chairman Reinhold Wetjen, and Dortmund Mayor Thomas Westphal. SPD Members of the European Parliament (MEPs) include Dietmar Köster, Joachim Schuster and Constanze Krehl.

### **Ukraine Admits Planning War against Russia Since December 2019**

Aug. 27 (EIRNS)—Oleksii Danilov, Secretary of Ukraine's National Security and Defense Council, stated on Aug. 26 that the Zelenskyy regime had launched its preparations for war on Russia with its deliberate rejection of any compromise options offered in the last Minsk Agreement session in December 2019.

“We have been preparing for a war, and preparing very massively. And the fact, that as of today, we have already weathered 180 days of the war and we are on our own territory, we haven't yielded it, this indeed shows that we have been gearing up for the war,” Danilov told the NTA TV channel, according to TASS.

“And our preparations for the war began after Dec. 8-9, 2019.... When on Dec. 8-9, 2019 in Paris, our country's President Zelenskyy did not agree to those conditions offered to us by Russia, France, Germany.... He said: ‘No, friends, there will be no Minsk-3, we will stand up for our country.’ The following day we began to realize that a big war with the Russian Federation was imminent,” he told NTA.

Ambassador of the Lugansk People's Republic in Russia Rodion Miroshnik told TASS later the same day that the Kiev regime's preparations became obvious within the first three months of 2021. “The fact that Ukraine received an instruction not to agree on anything, either in Minsk or in the Normandy formats, and that they began to prepare it for

military conflict, became completely clear within the first three months after Paris. They completely changed the line-up of the negotiators and completely avoided any agreements capable of providing at least some long-term truce,” he said.

“The significance of Zelenskyy or Danilov in preparing for the military conflict was minimal, the decision was made for them by Western leaders,” he charged. “No adequate President, guided in his actions by the interests of his people, could make a decision to destroy his country and his people in the interests of another state.”

## NEW ECONOMIC SYSTEM

### **Nigeria Demands \$410 Billion for Energy Infrastructure as ‘Climate’ Agenda**

Aug. 27 (EIRNS)—Speaking at the inaugural meeting of Nigeria’s Energy Transition Plan, Aug. 24, Nigerian Vice President Yemi Osinbajo insisted that Nigeria will need \$10 billion a year in investment in energy infrastructure—for the next 40 years—in order to meet its 2060 climate goals. Considering that Western countries have not even come close to their promised \$100 billion a year Climate Funding package (agreed to in Paris, 2015), this demand is the equivalent of throwing down the gauntlet on the entire COP “climate change” game, as Western forces will never be able (or willing) to generate the credit, nor would they endorse the spirit of development contained within it.

“For Africa, the problem of energy poverty is as important as our climate ambitions,” Osinbajo insisted, according to a statement from his office published in the *Premium Times*. “Energy use is crucial for almost every conceivable aspect of development; wealth, health, nutrition, water, infrastructure, education, and life expectancy are significantly related to the consumption of energy per capita.

“Nigeria would need to spend \$410 billion above business-as-usual spending to deliver our transition plan by 2060, which translates to about \$10 billion per year. The average \$3 billion per year investments in

renewable energy recorded for the whole of Africa between 2000 and 2020 will certainly not suffice.

“The current lack of power hurts livelihoods and destroys the dreams of hundreds of millions of young people. And although Africa’s current unmet energy needs are huge, future demand will be even greater due to expanding populations, urbanization, and movement into the middle class.

“It is clear that the continent must address its energy constraints and would require external support and policy flexibility to deliver this. Unfortunately, in the wider responses to the climate crisis, we are not seeing careful consideration and acknowledgement of Africa’s aspirations.”

Not even close: The *Premium Times* reported that World Bank officials present offered a “package” in the range of \$1.5 billion, as did the U.S. Exim Bank representative.

## UNITED STATES

### **YouTube Proves Itself an Instrument of Tyranny**

Aug. 27 (EIRNS)—The Schiller Institute’s Aug 23 interview with Col. Richard Black (ret.), titled “[U.S./Ukraine Disinformation Boards Are ‘Instruments of Tyranny,’](#)” was removed from YouTube with the label “violating YouTube’s Terms of Service” about 24 hours after it was posted. It already had over 6,000 views and a few hundred comments at the time. It has been reposted using Vimeo on the Schiller Institute and The LaRouche Organization websites.

There is an obvious irony—in the interview, Colonel Black exposed the “Disinformation” operations—both the one in Ukraine which targeted him (and 30 others who had also addressed Schiller Institute conferences) and the one in the U.S., at the Department of Homeland Security—as “instruments of tyranny” functioning within “censorship states.”

YouTube promptly exposed itself as precisely such an “instrument of tyranny” by censoring this highly distinguished military officer and political leader. Recall that Colonel Black finished his military career as

Chief of the Army's Criminal Law Division at the Pentagon, and then represented his district politically in the Virginia House of Delegates and then in the Virginia Senate.

The Schiller Institute's [April 26, 2022 interview](#) with Colonel Black, exposing the fact that the failed U.S. leadership is driving the world toward thermonuclear war, now has nearly 3 million views in eight languages (including 940,000 in English and 633,000 in Russian).

This also involves a "strike" by YouTube, meaning the Schiller Institute cannot post or stream anything on their platform for a week. It is being protested.

### **Replacement for Failed 'Ministry of Truth' Board Already in Action**

Aug. 27 (EIRNS)—The Aug. 24 announcement of the cancellation of the press censorship department called "Disinformation Governance Board" (DGB) has to be viewed with more than grains of salt. A long-term background committee called the Homeland Security Advisory Council, which combines retired "prominent" opportunists that have served in our government, with representatives of the "business" community, has already stepped in to conduct the media management role that was rejected across the board when the Biden Administration attempted, without success, to assemble such a dictatorial apparatus under the psychologically unstable Nina Jankowicz.

In recent months, there has been extensive press coverage of the blowback against both the Jankowicz nomination (much of which ignored how close she is to the security apparatus in Ukraine) and against the discontinued DGB. *Vanity Fair* reported, for example, that Republican lawmakers across the board nicknamed the DGB a "Ministry of Truth," borrowing from George Orwell's well-known novel on dictatorship, *1984*, with many Republican Congressmen jumping into the fray, including Josh Hawley ("make policing of Americans' speech top priority") and even Mitt Romney ("terrible idea"). Similarly, an array of left-wing and liberal voices raised attacks on Homeland Security monitoring the press, and linked it to government attacks on minorities. *New York* magazine writer Benjamin

Hart captured the idiocy of the idea, writing, “Presenting anyone from the government as an arbiter of truth in 2022—much less defining ‘disinformation’ in a way that more than 40% of the population would agree with—seemed doomed from the get-go.”

However, the psychological engineers and fascist-oriented power groups that intend to crush the morale of the American population to an even greater degree than achieved thus far, have no intention of backing off on this approach. In the same way the U.S. government since the Obama days has been financing “independent” fact-checking outlets all over the planet through the smokescreen of the National Endowment of Democracy, this board of more than 30 former government officials and “business” stars—which most people have no idea even exists—is ready to step in and pick up the DGB mission. According to [CNN](#), which not surprisingly appears “supportive” of press control, on Aug. 24 “a Homeland Security Advisory Council subcommittee issued a set of recommendations to the secretary, including its assessment that there is ‘no need for a separate Disinformation Governance Board.’ However, the council, which provides guidance and recommendations to the DHS secretary, noted that the ‘underlying work of Department components on this issue is critical.’ ‘DHS must be able to address the disinformation threat streams that can undermine the security of our homeland,’ the advisory report said.”

*EIR* will have more to say on this subject and how this game of getting Americans to bend to censorship has been played before, and is being played now.