

## EIR Daily Alert Service

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## EDITORIAL

### The United States of America Had a Purpose...

July 4 (EIRNS)—Let’s remember that it was on Independence Day, July 4, 1821 that President John Quincy Adams issued the famous reminder to his countrymen that America does not go abroad in search of monsters to destroy. But his purpose in that message was to hold up what the American republic of the War of Independence *did* do: “America, with the same voice which spoke herself into existence as a nation, proclaimed to mankind the inextinguishable rights of human nature, and the only lawful foundations of government.... She has, in the lapse of nearly half a century, without a

single exception, respected the independence of other nations while asserting and maintaining her own.” And he concluded: “America’s glory is not dominion, but liberty. Her march is the march of the mind. She has a spear and a shield: but the motto upon her shield is, Freedom, Independence, Peace. This has been her Declaration: this has been, as far as her necessary intercourse with the rest of mankind would permit, her practice.”

The Schiller Institute’s founder, Helga Zepp-LaRouche, pointed out in her July 3 address that what remained of this great idea was destroyed in the 1990s by the forcing of the Wolfowitz Doctrine, that America would use the threat of “sole superpower” military force to ensure that no other nation or group of cooperating nations could become its equal. This constituted turning the United States itself over to Wall Street and the City of London to break down and abandon its remaining industrial strength, trusting that American military “dominion” would intimidate economic competitors and destroy their allies in war whenever desired.

Lyndon LaRouche himself forecast with precision, as early as 2011, that this meant provoking Russia into war to crush it. This, he said, would leave the City of London and Wall Street free to write off their unpayable debt bubbles of hundreds of trillions so as to build new mountains of speculation.

But in fighting this war London, Wall Street and NATO have found themselves destroying the United States and European economies with hyperinflation. They are marching the nations closer and closer to an unsurvivable nuclear war. Thankfully, they see the great majority of nations looking not for a way into this war alliance, but out of it.

With a series of bold and truthful international petitions and conferences, the Schiller Institute has gained collaborators and intellectual force beyond all comparison to its active numbers. Some of the videos of the leaders of this process have quickly found many hundreds of thousands of viewers. The new Schiller Institute petition just launched by more than 500 active and influential people worldwide, is a [“Call for an Ad-Hoc](#)

Committee for a New Bretton Woods System” of credit and monetary relations among nations. The core of it is formed by the “four economic laws of Lyndon LaRouche,” which wall off speculation and establish national banking and credit, in order to bring all nations into the development of frontiers of industry, technology, education, science and space exploration.

Please sign this petition and circulate it; think what you can do to spread its impact anywhere in the world. America, as President Quincy Adams said, thought of itself as a nation presenting new ideas—of liberty and progress—to the whole world. Now we have to join a search for economic development and peace already underway among nations like the BRICS, and provide it with the idea of productive cooperation which will make it work.

- Watch Harley's Updates with Harley Schlanger on Tuesday July 5, 2022: Every weekday morning on The LaRouche Organization, Schlanger will give you the strategic briefing you need to start your day.

## STRATEGIC WAR DANGER

### ***The Intercept* Unveils Azov Battalion as a Threat to U.S.**

July 4 (EIRNS)—A June 30 article in *The Intercept* “Foreign Fighters in Ukraine Could Be a Time Bomb for Their Home Countries,” does nothing new to expose the neo-Nazi Azov Battalion, but places it in the long line going back to the 1980s in Afghanistan, of global terrorists who were recruited and trained by Anglo-American intelligence agents to fight Russia.

The article, by Seth Harp, deals with the Azov Battalion’s wing of foreign fighters, the Misanthropic Division. Its point is not to expose Azov, but to heighten the threat of neo-Nazis to the NATO countries. “Radical miscreants from all over the world who subscribe to the blood-and-soil ideology of neo-Nazi subcultures like the Misanthropic Division, have a

very real opportunity to travel to Ukraine, get military training, and participate in intense armed conflict against a technologically advanced enemy,” says Harp. “If they survive, their combat experience could give them the confidence and ability to carry out acts of political violence in their home countries. This is clearly cause for concern at a time when incidents of hate crimes and domestic terrorism are on the rise.”

## COLLAPSING WESTERN SYSTEM

### U.S. Recession Estimate Getting Rapidly Worse

July 4 (EIRNS)—The Atlanta Federal Reserve’s GDPNow model estimate for the annual rate of real GDP growth in the second quarter of 2022 is now down to  $-2.1\%$ , having been lowered by another  $1.1\%$  in the week ending July 1. The importance of this is the pace at which the bank’s second-quarter GDP estimate is getting worse—lowered by  $3.4\%$  in three weeks—indicating the second-quarter contraction may be worse than the first quarter; and the continuing plunge of two indicators in the U.S. economy—the consumption of households, and business capital investment (connected to productivity). The Atlanta Fed economists’ release said, “After this morning’s Manufacturing ISM Report On Business from the Institute for Supply Management and the construction report from the U.S. Census Bureau, the nowcasts of second-quarter real personal consumption expenditures growth and real gross private domestic investment growth decreased from  $+1.7\%$  and  $-13.2\%$ , respectively, to  $+0.8\%$  and  $-15.2\%$ , respectively.”

CNBC quoted Nicholas Colas of DataTrek Research about this estimator: “GDPNow has a strong track record, and the closer we get to July 28th’s release” of the first Commerce Department estimate of second-quarter GDP growth “the more accurate it becomes.”

## GREEN GREAT RESET

### **Australia Is Already Freezing for Freedom**

July 4 (EIRNS)—A life-threatening wintertime flooding emergency is hitting the state of New South Wales and the state capital Sydney, with the Sydney Dam having been overtopped Sunday night, July 3. The southeast of the country is under a La Niña condition and already suffered severe rainstorms and flooding in March and April. It is also suffering electricity shortages and facing the threat of blackouts.

Regardless, the newly elected Prime Minister Anthony Albanese found that “global NATO” duty required him to present himself personally to Ukrainian President Zelenskyy in Kiev on July 3—such a trip could not be cancelled!—bringing APCs and other armaments and pledging more “for as long as it takes.” Zelenskyy told Albanese, of course, that nothing Australia could do would be “enough.”

Australia’s governments have been all for “global NATO” since the time of the AUKUS deal, but the country is learning that global NATO’s war policy comes without electricity. Australia has no nuclear power; solar and wind have rapidly increased from 8.5% of capacity a decade or so ago to 25% now; natural gas was supposed to increase at the same rate but no pipeline infrastructure has been built to bring it from its basin sources in the west of the country, so it has increased only from 18% to 20%, according to the Department of Industry, Science, Energy and Resources. And baseline coal infrastructure has been allowed to age out. Wind and solar have grabbed a big chunk of supply from coal; and in a very familiar story, this year the interruptibles have been failing to produce reliable power.

So when NATO’s war policy contributed to the tripling of world coal prices since the start of 2021—doubling in six months of 2022 alone—Australia’s allowable retail price for coal-fired electricity hit its government cap, and coal power generation started shutting down. At least 3 GW of coal power is newly offline now. Industries, households, even hospitals have been ordered to cut power use in this, only the first month of winter. Blackouts in the floods are likely next.

The Albanese government lifted the retail electricity price cap again effective July 1, and household electric bills will immediately rise by \$10-20/month on average (about 10%) while likely not drawing coal-fired plants back onto the grid. The wholesale price, not capped, has gone to AUS\$300-500/MWh or AUS\$0.30-0.50 per kWh.

Sky News quoted former Liberal Party senior official Michael Kroger on June 22: ‘We’ve got more uranium, oil, gas, gold, diamonds, whatever. We are the most ... energy rich country on the globe. We’re exploding with natural resources, yet we have an energy crisis. What a farce.’ He should realize that such resources are not in themselves national wealth. An industrialized country which gives itself “poor country” crises by failing to develop modern infrastructure, and then chooses both “great leap backward” energy technologies and war with China and Russia, threatens to make itself “a farce.”

## NEW ECONOMIC ORDER

### **Indonesian President Widodo and Putin Dialogue on Diplomacy and Economic Initiatives in Moscow**

July 4 (EIRNS)—Russian President Vladimir Putin met Indonesian President Joko Widodo in the Kremlin on June 30, where they discussed diplomacy, and a stunning array of economic initiatives and projects between the two countries. Widodo is the rotating chair of the G20 this year; next year he will chair ASEAN.

Widodo briefed Putin on a meeting that he held with Ukrainian President Volodymyr Zelenskyy in Kiev the day before, and delivered to Putin a message from Zelenskyy, whose contents are not publicly disclosed. In his remarks, reported on Kremlin website, Widodo said “efforts to restore global supply chains are futile without integrating Russian food and fertilizer supplies and Ukrainian grain supplies.” He further remarked that at G7 summit on June 27, “I asked them for guarantees that Russian food and fertilizers would be exempt from sanctions.” Putin replied: “Formally, they are not included in the sanctions;

this is true. But the owners of our companies that produce fertilizers, and even their family members, have been put on the sanction lists. This makes it difficult to conclude contracts and complicated financial transactions. They have imposed sanctions on cargo insurance. That is, they have not formally imposed any sanctions on the products, but they have created a situation where it is much more difficult now to supply these products to foreign markets.”

Otherwise, the two presidents discussed a wide array of initiatives:

- Presidents Putin and Widodo are working on negotiations for a draft free trade zone agreement between Indonesia and the Eurasian Economic Union. After their meeting, [Putin](#) told reporters at their joint press conference: “We attach much importance to creating a free trade zone between Indonesia and the Eurasian Economic Union. We hope talks on the corresponding draft agreement will be held before the end of the year and will produce results.”

- A senior Indonesian government official told the Singapore [Straits Times](#) July 1, that the Indonesian state-owned oil company Pertamina and the Russian-controlled oil company Rosneft “are going ahead with their project to build [an oil] refinery in the Indonesian province of East Java to produce fuel and raw materials [feedstocks] for the petrochemical industry.” The Jakarta-based joint venture has completed a \$16 billion pre-planning phase, to be 45% owned by Rosneft and 55% by Pertamina, which will give Indonesia, which produces nearly 1 million barrels of oil per day, more ability to refine its own oil, and not buy refined products on the world market.

- On July 1, the Russian Embassy in Jakarta said that President Putin offered to have Russian Railways invest in Indonesia’s new capital, named Nusantara, in Kalimantan, whose construction, to begin in August, had been delayed by the pandemic.

- During their Moscow joint press conference, Putin stated, “With its unique experience, competences and unparalleled technology, Rosatom State Corporation is willing to take part in joint projects, including projects

related to the non-energy use of nuclear technology, for example, in medicine and agriculture.” Russia has completed the conceptual design and plans to build a 10 MW experimental nuclear reactor at Serpong, near Jakarta. Rosatom is the world’s largest exporter of nuclear power.

Indonesia, with 274 million people, is the world’s fourth most populous nation (after China, India and the U.S.), and the largest Muslim nation by population. Putin reported June 30 that “recently a delegation from Russia’s Muslim regions visited Jakarta for the first time in history.”

### **Russia To Complete First New Sea Port in Decades**

July 4 (EIRNS)—Western sanctions against Russia are indeed backfiring, as key transportation infrastructure projects Russia had been procrastinating on launching are being given top priority. In May President Vladimir Putin directed that Russia transportation should be reoriented from the direction of Europe, to the East and South. Crucial to this directive is the completion of the International North South Transport Corridor (INSTC) that connects St. Petersburg, on the Baltic, to the Caspian Sea, on to Iran and from there to the Indian Ocean port of Mumbai, India. The corridor will serve to integrate all of Central Asia, giving sea access to the landlocked region. The INSTC was central in the discussions at the June 29 Sixth Caspian Summit where the leaders of host Turkmenistan, Azerbaijan, Iran, Kazakhstan and Russia met in Ashgabat.

While St. Petersburg and Kaliningrad have come under the threat from the West’s sanctions and other anti-Russian policies, Russia has decided to anchor the northern part of the INSTC, not at St. Petersburg, but at a new Arctic port on the Kola Peninsula, in Murmansk. On June 20 President Putin met with [Murmansk Region Governor Andrey Chibis](#), and made it clear that in 2023 Russia will solve the problem of the import and export of goods through the opening of the country’s largest commercial port in Murmansk, the first in decades.

The new port is at Lavna on the western shore of the Kola Bay, and because of its great depth is a non-freezing port. The project had already been initiated several years ago to transport coal to Germany, but in 2020,

Germany drastically cut back on coal imports because of its insane anti-CO2 policy, throwing the project into question. Nonetheless the coal terminal with an annual capacity of 18 million tons and 46 km of railway infrastructure is to be completed by 2023. Other facilities for other mineral exports as well as general cargo are also planned. The private investment into the project is to exceed 60 billion rubles (\$800.1 million).

Commenting on the importance of the new port, [Boris Komotsky](#), a member of the State Duma Committee on the Development of the Far East and the Arctic, told URA.RU, reported Yekaterinburg-based news agency Oops Top: “We see the example of Kaliningrad, when the Lithuanians took quasi-military actions. Care must be taken to provide logistics that do not fall under anyone’s restrictions. The Northern Sea Route is an important strategic and economic prospect for the country: sea transportation remains the cheapest, and here we will be able to pass through our own territory. This will strengthen the sovereignty of Russia: if you do not look back, whether or not you will be allowed to transfer your goods, this is sovereignty.”

Mikhail Blinkin, director of the Institute for Transport Economics and Transport Policy at the Higher School of Economics told URA.RU “In fact, the exit to the big world will go along the Northern Sea Route. The Murmansk region is key on this path. To the right—there will be a road to Asia; to the left—to Europe. Murmansk will become the sea gates of Russia. In ‘peaceful’ times, this was only actively discussed, but in the current *force majeure* conditions, there is no time for talking. For the country, this is no longer a luxury, but a necessity,”

### **Breaking: Grain Prices Drop After Russian Announcements and Negotiation**

July 4 (EIRNS)—The German agriculture newsletter [Agrarheute](#) reported that June 30-July 1 saw a sharp drop in the international prices of wheat and other grains, by 20% or more, after announcements of a very large coming Russian fall harvest, and of negotiations on Black Sea grain transport involving Russian Prime Minister Sergey Lavrov and UN

Secretary General Antonio Guterres. Russia's Agriculture Ministry said, the newsletter reported, that its wheat harvest was expected to be 14% higher than in 2021, and that it could have 41 million metric tons of wheat for export in the 2022-23 season, up 25% in a year. In addition Russia is lowering its export tax on grains—in part due to the strength of the ruble.

Wheat, corn and grain prices are still 15-20% higher than at the start of 2022.

### **China, Russia May Move To Bring Iran and Saudi Arabia into BRICS, Shanghai Cooperation Organization**

July 4 (EIRNS)—Tom O'Connor, writing in *Newsweek* on July 1, under the headline, “As NATO Grows, China and Russia Seek To Bring Iran, Saudi Arabia Into Fold,” assesses that both Iran and Saudi Arabia could be brought in as members of the BRICS, and possibly, the Shanghai Cooperation Organization, as a result of Russian and Chinese diplomatic initiatives.

O'Connor reports that Iran began its formal membership ascension into SCO at the September 2021 summit, and that the Iranian Foreign Ministry announced June 27 that it will seek to join the BRICS. Further, on May 26, during his North Africa/Southwest Asia visit, Russian Foreign Minister Sergey Lavrov said in an interview with RT Arabic, “Many countries of the Arab world are interested in establishing partner relations ... to build constructive and positive (not antagonistic) alliances that are not aimed against anyone. They are gradually acquiring a global character, which is reflected in the development of the BRICS Five.... Our Saudi friends and Argentina are interested in it. Argentine Foreign Minister Santiago Cafiero expressed his country's desire to become a full member of BRICS.” China specifically invited Saudi Arabia to attend the BRICS + summit June 24 (it did not, although the Saudi Foreign Minister had attended the first-ever “BRICS+” Foreign Ministers meeting in May). Argentina's President Alberto Fernández attended the BRICS+ summit, as one of the specially invited guests.

O'Connor states the obvious: that Iran has been harshly treated by the U.S. and the West with sanctions, and feels it is prevented from playing its rightful role in Southwest Asia, as well as the world; while Saudi Arabia is uneasy wedged into the role of simply being the U.S. ally in Southwest Asia. But beyond standard "geopolitics," O'Connor sees a larger economic development role.

He quotes Matthew Neapole of the Macdonald-Laurier Institute think tank in Canada: "The BRICS and the SCO share one important ideological quality: they are both focused on multipolarity, and their summits have even been held back to back with one another at times. Both are angling to act as force multipliers for this drive for multipolarity, to help along with alternatives [‘i.e, in currency or banking’]" inserted O'Connor.

"The U.S. and its allies are grossly underestimating China, in particular," Akhil Ramesh of the Pacific Forum adds. "BRICS, SCO, development banks such as AIIB, NDB, and infrastructure initiatives such as China's BRI are all different platforms for engaging mostly poor countries that do not get a say in world affairs or have a seat at the high table."

## U.S. POLITICAL AND ECONOMIC

### ***Washington Post* Discloses Significant Fissures in U.S. Support for Ukraine**

July 4 (EIRNS)—The *Washington Post* published a story July 2, "As Ukraine War Bogs Down, U.S. Assessments Face Scrutiny," which surfaced fissures in the former phalanx of United States support for the British Empire's Ukraine military adventure. It not only disclosed some who have become war-weary, but it raised the obvious, but for the warmongers dreadful comparison likening the rose-colored assessments of the British-U.S.-trained Afghanis' ability to win the war in Afghanistan, to similar fake assessments about the ability of Ukraine military forces to carry the day in Ukraine.

“The scrutiny is fueled by U.S. government assessments of other wars, notably in Afghanistan, where officials habitually glossed over widespread dysfunction and corruption and sidestepped questions of whether battlefield successes were not only achievable but sustainable,” said the paper.

“Successive administrations insisted Afghan forces were ‘in the lead’ even as their performance was deeply flawed.” Starting August 15, 2021, U.S. and NATO forces hastily withdrew their forces in the dead of night from Afghanistan, marking a 20-year fiasco for NATO.

Rep. Michael Waltz (R-FL) pointed to the Afghan disaster, in which the White House had often downplayed “the overall strategic debacle”: “I think in Ukraine, they’re very much focused on the amount of stuff that they’re moving and the speed with which they’re moving it, once it’s approved by the White House, and I think losing sight of the fact that Russia is grinding the Ukrainian military down.” Waltz added that the Pentagon is “describing their success and their very narrow mission set, but what they’re not explaining is, does that mission set meet American interests?”

Rep. Ro Khanna (D-CA) was quoted that the United States cannot resign itself to a “prolonged never-ending conflict that is wreaking havoc on the American economy and the global economy.” Khanna asserted that, “People don’t want to see a resigned attitude that this is just going to go on as long as it’s going to go on. What is the plan on the diplomatic front?”