

International Briefs

Ukraine's Economic Collapse Accompanied by Huge Financial Shortfalls

The productive capacities of the economy of Ukraine, after more than five-and-a-half months of war, are disintegrating. Maria Repko, the deputy executive director of the Centre for Economic Strategy in Ukraine, proclaims in an article in the Aug. 4 issue of *Foreign Affairs*, entitled, "Ukraine's Economy Will Collapse Without More Aid Now," that the pace of losses incurred by Ukraine as a result of the war is increasing in a way that the national economy cannot handle and that budgetary "losses are piling up far faster than Kyiv can manage."

The West has promised to give Ukraine more than 31 billion euros in budgetary aid, but thus far, has delivered only 11 billion euros. In May, the Ukrainian monthly budget deficit reached \$5 billion, but on July 13, Oleg Ustenko, President Zelensky's economic advisor, told the *Financial Times* that the Ukrainian government now needed \$9 billion a month from foreign countries to plug the budgetary shortfall, because its revenues keep shrinking and its expenditures keep rising. The nation's inflation rate is 21.5%. Ukraine's central bank is printing money (monetizing its debt) at an increasing pace, threatening hyperinflation. Ukraine's central bank set its interest rate at 25%, the highest in Europe.

On July 21, Ukraine asked its creditors for a two-year payment freeze on 11 issues of its international bonds, worth a total of \$20 billion. Ukraine has at least \$120 billion of foreign

debt. The freeze was agreed to, but Fitch downgraded Ukraine's debt to "C." Then, on July 26, Ukraine's Naftogaz, its state-owned gas company and the largest state-owned company in Ukraine, missed payment on \$335 million in interest and principal on its foreign debt.

In 1991 the International Monetary Fund (IMF) and City of London shock-therapy economists took over the Ukrainian economy, and produced a twenty-year arc of industrial destruction. For example, by 2012, Ukraine's machine-tool production had been cut by 95% relative to 1992. In January-May 2022, Ukraine steel plants reduced steel production by 47% compared to January-May 2021, producing but 4.24 million metric tons, according to Ukrmetallurgprom, which represents Ukraine's metallurgical industry.

Ukraine's government is now mobilizing "alternative" fuel to provide feedstock for mobile boiler rooms. The Ukrainian State Forest Resources Agency is collecting firewood from almost all regions of the country. The total volume of the declared need is more than 7 million cubic meters. Ukraine is being transformed backwards to a wood-based energy economy.

Modi Declares India Will Be a Developed Nation in 25 Years

Speaking on the occasion of India's 75th Independence Day, Prime Minister Narendra Modi made a strong push for the development of the nation. "By the 100th year of Independence, we have to work with the vision of accomplishing what our freedom

fighters dreamt of," Modi said. He called on youth in particular to devote themselves to this goal, saying "We must resolve to work towards a '*Viksit Bharat*' (Developed India) and remove any vestiges of colonialism from any corner, or in our hearts."

"In the coming years, we have to focus on '*Panchpran*' (five pledges). First: to move forward with bigger resolutions and resolve of developed India; second: to erase all traces of servitude; third: be proud of our legacy; fourth: the strength of unity; and fifth: the duties of citizens, that also includes the PM and CMs," Modi said, referring to the prime minister and state chief ministers. "We will work towards the development of the entire humanity. That is the strength of India," he urged.

Pakistan's Imran Khan Praises India's Sovereign Policy of Russian Oil Buy

Speaking on the occasion of Pakistan's Independence Day (Aug. 14), former Prime Minister Imran Khan expressed solidarity with India on the issue of sovereignty—implicitly rejecting the *divide et impera* mandate of British geopolitics—while speaking to a large Independence Day rally in Lahore on Aug. 13. Using the issue of India's continued purchases of Russian crude oil despite U.S. sanctions pressure, Khan said: "If India, which got independence at the same time as Pakistan—if New Delhi can take a firm stand and make their foreign policy as per the needs of its people, then who are they, who are towing the line?"

Khan was referring to the government of Pakistan's Prime Minister Shehbaz Sharif. "[The United States]

ordered India not to buy oil from Russia. India is the U.S.'s strategic ally. Pakistan is not. Let us see what India's foreign minister said when the U.S. asked them not to buy Russian oil," he continued. Khan then played a clip of Indian Foreign Minister Subrahmanyam Jaishankar speaking at a June 3 security forum in Slovakia. There, Jaishankar responded to allegations of India "funding" war through purchases of Russian crude oil, by noting that the United States and Europe have "squeezed every other source of oil" for India by denying oil from other countries coming to market, such as that from Iran and Venezuela.

Khan went on in his praise of Jaishankar: "This is what an independent country is." Khan said that he, too, had spoken to Russia about buying oil, before his ouster that was backed by the U.S. State Department. "But this [Pakistani] government has no courage to say no to U.S. pressure. Fuel prices are skyrocketing, people are below the poverty line. I am against this slavery."

Mexican Congresswoman Calls for NATO To Be Disbanded

Mexican Congresswoman Yeidckol Polevnsky Gurwitz, an outspoken leader in President López Obrador's Morena party, concluded her Aug. 3 speech supporting the government's nominee for Ambassador to Russia, with a short, but fervent call for a campaign for NATO to be disbanded:

"All those here who talk about peace, and so many things, why haven't they spoken out against NATO? Because NATO should have ceased to exist when the Warsaw Pact dissolved! NATO is nothing but a pretext to intervene and create conflicts everywhere, to continue selling arms and to be abusive. And our government is not going to go there. We—and I

invite you—let's carry out a campaign to say 'No more NATO!' and then we will not have any more conflicts."

German Farmers in Huge Tractorcade Rally at Ag Ministry to Defend Food

On Aug. 15 a huge convoy of farmers with some 400 tractors rolled into Bonn and surrounded the Federal Ministry of Agriculture which is still in that city. The farmers were protesting the EU's so-called "climate" policy, which is dictating measures that aim to eliminate farms and cut food production. German farmers and ranchers were demonstrating in solidarity with the Dutch farmers who were protesting shutdown policies of the Amsterdam government. A rally of thousands of farmers and supporters took place outside the Bonn ministry.

Among the many signs, one said simply, "We Are Here Again," referring to the massive protests in February 2020. Another, "No Farmers, No Food, No Future." Also, "Green Ideology Has Brought Farmers to Their Knees." The farmers' focus is on the European Commission order to sharply reduce chemical pesticides by 2030, so that one tractor brandished a sign reading: "Ban on Plant Protection Will Endanger Food Safety."

German farmers are planning a national rally to begin on Aug. 31 in Bonn, to be called a "365" [day] demonstration, not to stop until the green mandates are rolled back.

Swiss Minister: Ukraine Conflict Could Quickly Escalate to Nuclear War

Although Switzerland's official position is to condemn Russia's war against Ukraine in the strongest possible terms, Federal Councilor of

Finance Ulrich "Ueli" Maurer spoke his own mind at a Swiss People's Party event on Aug. 12 in the canton of Appenzell Ausserrhoden. Maurer first explained his view that the war in Ukraine was a "proxy war" between NATO and Russia. The struggle for power, he said, according to CH Media, was being fought on Ukraine's back.

Whereas Defense Minister Viola Amherd and Chief of the Armed Forces Lt. Gen. Thomas Süssli had previously tried to assure Swiss citizens that a nuclear war was unlikely, Maurer, a former defense minister, warned of the danger that the war could spill over into other states. He hoped "that the situation in Ukraine does not escalate further," but said he could not rule out "that in a few weeks there will be a nuclear war in Europe."

EU's Borrell Embraces Double Standards

The EU's foreign policy chief, Josep Borrell, explained an old chapter in the "rules-based order" rule book in an interview with Spain's *El País* on Aug. 11. He was confronted with the double standard in the great concern for the people of Ukraine, but no such concern for those of Palestine. Borrell admitted that conditions in Gaza were scandalous, and that Gazans were "trapped in an open-air prison"—but supporting Kiev against Moscow, he said, was a "moral imperative."

Borrell tried to set Western politicians at ease about double standards. He explained: "We are often criticized for double standards. But international politics is to a large degree about applying double standards. We do not use the same criteria for all problems." Borrell has clarified something about today's confusing world.