

## EIR Daily Alert Service

P.O. BOX 17390, WASHINGTON, DC 20041-0390

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## EDITORIAL

### Reverse Course from Disaster

June 13, 2022 (EIRNS)—The battle today remains clear: Overcome the contrived, militarized divide between the West, on the one side, and China, Russia and the Global South on the other. Going for a complete decoupling

of the two sides cannot work, and endangers world war. We need the new paradigm where nations work jointly to solve today's common problems of the food, energy and pandemic emergency, and together, to build infrastructure and create scientific breakthroughs.

The Schiller Institute has released more specifics today of the order of discussion, and some of the participants for this weekend's two-day, international conference deliberations, which reflects the ongoing, larger dialogue underway. We are going for a critical mass of activation worldwide, to reverse course from disaster. The conference title is "There Can Be No Peace without the Bankruptcy Reorganization of the Dying Trans-Atlantic Financial System."

The danger is extreme. The latest expression is the call for supplying Ukraine with nuclear arms. European Member of Parliament from Poland, Radoslaw Sikorski, former Polish Foreign Minister, proposed this June 11. He told the Italian daily *L'Espresso*, "We in the West have the right to give Ukraine nuclear warheads so that it can protect its independence...."

It is notable that Sikorski is the husband of Anne Applebaum, a key functionary of the infowars arm of Global NATO, including what was once called the Integrity Initiative media project of the British government. She is on the Board of the National Endowment of Democracy. These people are immoral lunatics.

The reality is that the West is collapsing. Look at the latest crisis looming for road transportation in the United States, which can mean an "everything" shortage this summer, not just a toilet paper shortage, or infant formula shortage. The double-headed problem is that first, diesel fuel is hyperinflating in price, and also in short supply in many places, but secondly, the required additive (since 2010) to make it burn cleaner—Diesel Exhaust Fluid (DEF)—is soon to be nearly unavailable. The biggest truck stop chain in the U.S., Pilot/Flying J, accounting for 20% of all diesel and DEF trucking sales, has raised a loud alarm. The lack of DEF means that thousands of long-haul trucks, buses, farm tractors and many other vehicles will be grounded. Food, medicine, and essentials won't get made

or delivered. Of note, the chief ingredient in DEF, along with water, is urea. Russia is the world's biggest exporter of urea.

On the other side of the world, South Korean ground transportation is in crisis, after seven days of a national truckers strike, prompted by impossible fuel prices and driving conditions. Steel-making, petrochemicals and other production have already had to cut back. This automatically has ripple effects on world supply lines, given the role of South Korea in world trade. But South Korean President Yoon Suk-yeol, in office just five weeks, is aligned with the crazies running the Global NATO show, for whom economic reality doesn't matter, or even exist.

The stumblebums of the leading governments of Global NATO—U.S./U.K./EU—can't provide for their populations, which goes right along with their threats to blow up the world. They and their policies must be superseded in the growing mobilization for a new paradigm, of, by and for the people.

The recourse in Washington is still to blame Putin for food, energy, inflation and any other problem, which has reached the ludicrous stage. For months, President Biden used the term, "Putin's price hike" to explain away inflation. Last week at the Los Angeles Summit of the Americas, Biden spoke out about the "Putin tax" that is causing energy and food inflation.

Add to this, the blame game both Biden and Germany are playing against Big Oil, for price-gouging and not producing. Biden castigated Exxon last week for not exploiting its oil and gas leases. "Drill more," he decrees. (This is the Biden who came into office, cancelling oil and gas pipelines, and leases for extraction.) Germany's Ministers of Economy Robert Habeck and Finance Christian Lindner are chattering about bringing anti-cartel action against the oil companies.

However deserving, this recourse is a diversion. It is a feint to blame anyone and anything, except the dying casino financial system that has brought the world to the point of collapse, and that must be replaced.

The truth about the economic and strategic crises will be on the agenda at this weekend's [Schiller Institute conference](#), along with the questions of culture and science to solve the problems and steer a new course for a secure future for humanity.

Helga Zepp-LaRouche, founder of the Schiller Institute, said today that participating in this coming conference is a declaration of independence from the past, doomed end-of-civilization policies.

Join the mobilization.

- Watch [Harley's Updates](#) with Harley Schlanger on Tuesday June 14, 2022: Every weekday morning on [The LaRouche Organization](#), Schlanger will give you the strategic briefing you need to start your day.

## STRATEGIC WAR DANGER

### Poles Keep Escalating: Nukes for Ukraine Now!

June 13 (EIRNS)—Poland's European Parliament Deputy and former Foreign Minister, current MEP Radoslaw Sikorski, in an interview with Italy's *L'Espresso* June 11, said "The West has the right to give Ukraine nuclear warheads so that it can protect its independence." Yahoo News reported in English: "He argued that Russia broke the terms of the Budapest Memorandum on Security Assurances by refusing to respect Ukraine's sovereignty and integrity, so nuclear weapons should be returned to Kyiv even though Ukrainians voluntarily disposed of them." (The "Budapest Memorandum" of May 1994 is the "[Memorandum on security assurances in connection with Ukraine's accession to the Treaty on the Non-Proliferation of Nuclear Weapons](#)," among Russia, the U.S., U.K., and Ukraine.)

Speaker of the Russian State Duma [Vyacheslav Volodin](#) responded in his Telegram channel (translation from the Russian) "...Sikorski is provoking a nuclear conflict in the center of Europe. He does not think

about the future of either Ukraine or Poland. If his proposals are implemented, these countries will disappear, as well as Europe. ...

“It is because of people like Sikorski that it is necessary to liberate Ukraine not only from the Nazi ideology, but also to demilitarize it, ensuring the country’s non-nuclear status.”

### **Chinese Defense Minister Warned That China Will Fight ‘to the Very End’ for Taiwan**

June 13 (EIRNS)—Chinese Defense Minister Gen. Wei Fenghe, in his address to the Shangri-La Dialogue meeting in Singapore yesterday, warned in no uncertain terms that the People’s Republic of China will resolutely oppose any efforts to split Taiwan from China. Taiwan is part of China, the Taiwan question belongs to China’s internal affairs, and national reunification will definitely become a reality, Wei said, reported *Global Times*.

“Peaceful reunification is the greatest wish of the Chinese people, and we have the utmost sincerity and are willing to make greatest efforts to achieve that. We are still making every effort with the greatest sincerities to deliver peaceful reunification now. The Taiwan question arose out of the weakness and chaos of the Chinese nation and is a legacy of China’s civil war, but it will surely be resolved as the Chinese nation achieves its rejuvenation,” Wei said. Those who pursue “Taiwan independence” in an attempt to split China will definitely come to no good end, and as the Democratic Progress Party authority attempted to change the status quo that both the mainland and Taiwan belongs to China, refused to recognize the 1992 Consensus, pursued incremental “independence” and acted as a pawn of anti-China foreign groups, it will only be used and abandoned by its masters, Wei said.

“Let me make this clear: If anyone dares to split Taiwan out of China, we will not hesitate to fight. We will fight at all costs. We will fight to the very end. This is the only choice for China,” Wei said.

““The pace of China’s development is unstoppable, and its commitment to the path of peaceful development is unswerving. China’s development is not a threat, but a great contribution to world peace and development,” Wei told the Dialogue according to the [China Military Online](#). He went on to say that the Asian-Pacific region features greatest growth vitality and development potential worldwide. Therefore, all countries should advance toward the good vision of building an Asia-Pacific community with a shared future and realizing lasting peace and universal security in this region.

## U.S. POLITICAL AND ECONOMIC

### Yet Another New War-Sanctions Economic Nightmare

June 13 (EIRNS)—The 150-175% inflation in the prices of diesel fuels in Europe and the United States has had a bad enough effect on transportation, farming, and so forth. Now a trans-Atlantic shortage of diesel exhaust fluid (DEF) threatens to stop diesel engines running entirely.

DEF is essentially two-thirds water and one-third urea, of which Russia was the number-one exporter by a large margin in 2019. Already in 2021, at the urging of Canada-based fertilizer conglomerates, Russian urea and other fertilizers were being subjected to large tariffs by the United States. Now, with Russian shipments curtailed by shipping, logistics and payment problems due to NATO’s war sanctions, storage of urea is threatening to run out. Bloomberg News today, citing the usual “people familiar with the process,” reported the Biden White House quietly urging large companies to start to buy and trade Russian fertilizer; if true, Russia’s statements that fear of the sanctions were preventing those companies from buying, are confirmed, and State Department claims of “no sanctions on fertilizer” are proven false.

To quote the *High Plains Journal* for June 10 (“[Diesel Exhaust Fluid Shortage a Scary Reality for the Supply Chain, Agriculture](#)”), “DEF is used in all diesel vehicles manufactured since 2010, which includes trucks, tractors, buses, RVs, and other vehicles the world relies on for agriculture

production and transportation of people, food and other goods. Although it is only an additive, they are designed to run with DEF; ‘without it, they will not run.’ ”

Shameek Konar is CEO of Pilot/Flying J, America’s largest network of “travel centers” (i.e., truck stops). He told the U.S. Surface Transportation Board at its recent meeting, “Pilot is facing a threat of severe reduction of rail service allocations.... On April 13, we were informed by the Union Pacific that we were required to reduce shipments by 26% and in subsequent conversations we were asked to reduce them even further by 50% or face embargos.”

Transport and tractor shutdowns are thus only a matter of time—or, action for peace on the Westphalia principle.

### **Trying To Be Seen Fighting Inflation, Biden Has Become an Absurdity**

June 13 (EIRNS)—President Joe Biden, “fighting inflation,” has become the kind of absurdity that makes people angry instead of making them laugh. He could be Alfred E. Neuman, but that he definitely does worry. Biden’s increasing frustration comes with the job of trying to divert all blame for inflation away from the Wall Street megabanks and the Federal Reserve, where it belongs. One result is that many state petroleum marketing/convenience store associations have encouraged their outlets to equip their gas pumps with a small picture of Biden right next to the small window which rings up the sale. Biden is shown pointing to the total you owe, and saying, “I did that!”

At the Summit of the Americas the President made a grandstand attempt to blame Exxon (and by implication other energy conglomerates) for inflation, and demanded that Exxon invest more in oil exploration and recovery and exploit its leases. He ended that clown show: “Exxon—Start investing and start paying your taxes.” Do we need to list? As “first acts” a year or so ago, Biden cancelled XL and stopped work on two other pipelines; banned drilling in the Alaska Wildlife Refuge; froze issuance of all oil reserve leases; his first executive order (Jan. 20, 2021) set “social

prices of carbon, nitrous oxide and methane” for all contracting precisely to stop investment in fossil fuels; etc.

But in Los Angeles he said, “One thing I want to say about the oil companies: They have 9,000 permits to drill. They’re not drilling,” he continued. “Why aren’t they drilling? Cause they make more money not producing more oil—the price goes up.”

Note that the German government of Chancellor Olaf Scholz is trying to do the same thing—blame oil producers for inflation rather than big banks.

Now the *Washington Post* carries a report June 13 that when Biden went to Iowa to announce a 15% ethanol requirement, he himself thought it was a bad idea and would have no effect on inflation. He was talked into it by aides, primarily Agriculture Secretary Tom Vilsack and Brian Deese, on loan from BlackRock, Inc.; after making the Iowa speech, Biden complained loudly to Chief of Staff Ron Klain and other aides that it was a mistake. The *Post* article is largely a mood piece about how worried Biden is that inflation keeps rising and that there is nothing, he thinks, he can do about it; it all depends on the Fed!

## **No, U.S. Program for the Americas Summit Is Not Superior to China’s Belt and Road Initiative**

June 13 (EIRNS)—During the June 6-10 Summit of the Americas in Los Angeles, U.S. National Security Adviser Jake Sullivan made the preposterous assertion that the embarrassing collection of initiatives the Biden-Harris administration presented there—a Partnership for Economic Prosperity, a flimsy plan to address the “root causes of migration,” building “resilient” supply chains, combatting climate change with low-tech green technology and other such nonsense—would be far superior to anything China’s Belt and Road Initiative (BRI) has offered the Americas. China’s projects are purely “extractive” Sullivan insisted.

What? Former Chilean Ambassador to China Jorge Heine had this to say about the Biden-Harris proposals. In comments published June 10 by *Washington Post* columnist Ishan Tharoor, whose column was entitled

“Biden’s Hemispheric Summit May End Up a Dud,” Heine was quoted: “it all looks very thin.” Keep in mind that China is now the first or second largest trading partner of most nations in the Americas. “When U.S. authorities visit Latin America,” Heine said, “they often talk about China and why Latin American countries should not deal with China. When Chinese authorities visit, all the talk is about bridges and tunnels and highways and railways and trade.” Certainly this is a more attractive vision, he assessed.

Then there’s the fact that Biden had promised to reverse Trump’s destructive policies toward the region, which didn’t happen. Biden ignored the region, adopting what Heine called a “Trump-lite” approach. Rhetoric “has been toned down but the policies have continued very much along the same lines.” To a region hit hard by the COVID pandemic and economic dislocation, this was a big disappointment, he pointed out. Heine told Tharoor that while most regional governments might prefer the U.S. model, due to shared democratic and cultural values, “the real challenge is development.... When China comes and offers trade and financing, that is welcome. That is the main priority. Latin Americans are not in the business of international great power competition.”

## COLLAPSING WESTERN SYSTEM

### **Trans-Atlantic Financial Shocks Producing Physical-Economic Loss in Developing Countries**

June 13 (EIRNS)—An increase in U.S. Treasury interest rates by more than a quarter-point in one day, and in the 30-year standard home mortgage rate by half a percentage point in one weekend, were signs of increasing financial chaos today as economic recession comes down on the trans-Atlantic nations. And Bloomberg’s headline, “Japan Starting To Crack” referred to the fact that the interest rate on Japanese government bonds broke out of the top of the Bank of Japan’s official range of 0-0.25% and went to at least 0.31%.

Worse, the dollar jumped as a result against nearly all currencies, with poor countries' currencies taking a big beating. This means accelerated capital flight and credit starvation in those countries, unless they protect themselves with capital and exchange controls as only Russia has in this crisis (China's capital controls are of much longer standing). This will add to the debt crises hitting these nations as they have to spend much larger amounts to import essential fuels and foods.

Against the dollar the Brazilian real has dropped from 21 U.S. cents equivalent on May 31 to 19.5 cents today; the Argentine peso from .85 cents on May 15 to .81 cents now; the Turkish lira from 6.3 cents on May 23 to 5.8 cents now; the Indian rupee from 1.3 cents June 3 to 1.28 cents now; the South African rand from 6.5 cents on June 3 to 6.2 cents now; and so on. (The Russian ruble is the exception, to such a degree that its current value, around 55/dollar, is hurting Russian exporters; the Bank of Russia central bank is likely to lower its discount rate again soon to let the ruble fall.)

Economists Pam and Russ Martens' "[Wall Street on Parade](#)" column for Monday, June 13 usefully described how the stocks of the big five Wall Street megabanks and the biggest European banks are leading the stock markets down. For example, only Morgan Stanley of the biggest Wall Street banks has seen a stock capitalization loss of less than 20%; it has lost 16% of its equity capital, while Citigroup at the other extreme has lost 38%. This means that despite their huge excess reserves the Fed has fortified them with, when the financial losses now hitting hedge funds and the like do reach them, they will have significantly less capital to keep them solvent.

Those banks' analysts, and other Wall Street pundits, spent the day spreading rumors of a full percent Federal Reserve discount rate increase on Wednesday, June 15. They are hoping a big "relief rally" of stocks can be ginned up later in the week when the Fed does not do that.

## **Another NATO Warrior Didn't Notice the Trench He Was Stepping Into**

June 13 (EIRNS)—South Korea's new President Yoon Suk-yeol has shown within his first five weeks in office that he is eager to sign the country up as a prime candidate member of "Global NATO" in the Pacific, with China as its target. But while Yoon has been under sail for Iliad, the 22,000-member Cargo Truckers Solidarity Union has been shutting down the country's major industries in protest against huge increases in fuel prices coming out of NATO's war sanctions and Green Deal. The biggest steelmaker POSCO has had to halt some plants, the leading automaker Hyundai Motor Company has had to cut production, and some cement producers have reduced operations, according to a CNN report dated June 13. And on that day South Korean petrochemical companies started cutting operations because their ex-factory shipments are down 90% and their inventories are becoming difficult to handle. This is after just seven days of the truckers' strike, but four rounds of unsuccessful negotiations with the new government.

## **Is German Intervention into Oil Markets Coming or Not Coming?**

June 13, 2022 (EIRNS)—The envisioned positive effect of the German government's rebate on the gasoline tax, making gasoline a bit cheaper for car drivers, has evaporated quickly, because prices have been going up again since June 8. The government has so far vehemently refused to intervene on the oil market, but coming under a lot of flak in the public and media for the flop at the gas stations, Economic Affairs Minister Robert Habeck (Greens) is now threatening to use the anti-cartel laws against oil companies—and this option even has the support by otherwise pro-market Finance Minister Christian Lindner (Free Democrats).

"It is good that Robert Habeck has now also taken up this ball," Lindner said on ARD's Tagesthemen broadcast last night. He added that it was up to the Cartel Office to examine how exactly fuel prices were made up (strange that this is ostensibly not known to Lindner).

Habeck wants the tightened antitrust law to allow companies to be broken up if necessary. In addition, it should be easier to skim off unlawful profits. That is the gist of a position paper from the German Ministry of Economics. So far, such action has been subject to high hurdles. The Economics Ministry now wants to bring forward the revision of the Act against Restraints of Competition to this year. In the coming weeks, there should be concrete proposals, which implies any action against the oil companies would come only late this year, if not even later. Irony has it that cracking down on the oil sector is on the Greens' agenda anyway...

Lindner also claimed that prices would still be much higher without the three-month reduction in the energy tax on fuels.

## NEW ECONOMIC ORDER

### Schiller Institute June 18-19 International Conference, Preliminary Program

June 13, 2022 (EIRNS)—The following is the preliminary program for the Schiller Institute June 18-19, 2022 international online conference, “[There Can Be No Peace Without the Bankruptcy Reorganization of the Dying Trans-Atlantic Financial System](#).” There will be live question-and-answer periods following each of the sessions' presentations.

**Panel 1:** Strategic Situation (Saturday, 9:00 am EDT; 3:00 pm CET)

1) Helga Zepp-LaRouche (Germany); founder, Schiller Institute:  
Keynote Address.

2) Andrey Kortunov (Russia); Director General of the Russian International Affairs Council (RIAC): “Russia and the Indivisible Security of All Nations.”

3) Col. Richard Black (ret.) (U.S.); former head of the U.S. Army's Criminal Law Division at the Pentagon; former Virginia State Senator: “The U.S. Is Leading the World to Nuclear War.”

4) Dr. Wolfgang Bittner (Germany); author of over 80 books; Doctor of Law.

5) Sam Pitroda (U.S./India); innovator, entrepreneur and policymaker: “India and the Emerging New World Architecture.”

6) Jay Naidoo (South Africa); Cabinet Minister under President Nelson Mandela, South Africa: “Africa, the Continent of the Future.”

7) Dr. Clifford Kiracofe (U.S.); former Senior Staff Member, U.S. Senate Committee on Foreign Relations; President, Washington Institute for Peace and Development: “Diplomacy and Cooperation in a Time of Crisis.”

**Panel 2: Economy (Saturday, 1:00 pm EDT; 7:00 pm CET)**

1) Diane Sare (U.S.); LaRouche independent candidate for U.S. Senator from New York: “The Collapse of the West and the Urgent Need to Join the Belt and Road Initiative.”

2) Daisuke Kotegawa (Japan); former Japanese Finance Ministry; former Executive Director for Japan at the International Monetary Fund: “Don’t Let This World Be Destroyed by Filthy Gamblers Who Call Themselves Wall Street and City of London Bankers.”

3) Dr. Uwe Behrens (Germany); logistics manager and author, Berlin.

3) Nino Galloni (Italy); economist; former Director General of the Italian Labor Ministry: “Make Africa Self-Sufficient Again.”

4) Geoff Young (U.S.); Democratic Party nominee for U.S. Congress in Texas 6th CD: “Why the U.S. Must Join the Belt and Road Initiative.”

5) Farm Producer Roundtable (U.S.): Jim Moore (Alaska), James Benham (Indiana), Jon Baker (Iowa), Mike Callicrate (Kansas), Frank Endres (California); Wilbur, Ken and Kyle Kehrli (Iowa), Robert Baker (Virginia): “Science and Culture to End Famine—Principles of Agriculture Productivity.”

**Panel 3: Principles of Science for Durable Economic Progress (Sunday, 9:00 am EDT; 3:00 pm CET)**

1) Jason Ross (U.S.); Secretary-Treasurer, The LaRouche Organization; Science Adviser to Lyndon LaRouche: “Vernadskian Time—Time for Humanity.”

2) Francesco Battaglia (Italy); Professor of Physical Chemistry at the University of Modena, Italy: “The Fraud of Climate/Energy Transition.”

3) Dr. Calabrese (U.S.) TBA

More to be announced.

**Panel 4:** Classical Culture and the Dialogue of Civilization (Sunday, 1:00 pm EDT; 7:00 pm CET)

1) Jacques Cheminade (France); President, Solidarité & Progrès: Keynote Address.

2) Felipe Maruf Quintas (Brazil); Professor of Political Science, Fluminense Federal University, Rio de Janeiro; columnist for *Monitor Mercantil*: “The Role of Brazil in the Dialogue of Civilizations and in the World’s Physical Economy.”

3) Zaher Wahab (Afghanistan); former Advisor to the Afghanistan Minister of Higher Education: “Afghanistan and the Universal Genius of Ibn Sina.”

4) More to be announced.

### **Turkey Working on Four-Way Meeting Involving Russia, Ukraine, Turkey and the UN**

June 13 (EIRNS)—Turkish Foreign Minister Mevlut Cavusoglu said yesterday that Turkey is ready to host a four-way meeting including representatives from the United Nations, Russia, Ukraine and Turkey itself. Speaking at a joint press conference with Czech Foreign Minister Jan Lipavsky on June 11, Cavusoglu said that “We told (Lipavsky) that the UN plan is the best, most righteous plan, and said that the details should be negotiated between the sides,” reported the *Daily Sabah*.

Of crucial importance, Cavusoglu said, is eliminating elements “casting dark clouds” over especially those for less-developed countries, and that

Turkey had told its Moscow of its position and is awaiting a reply. He remarked that the two Presidents were also tackling regional matters along with the latest developments in the context of the war in Ukraine and NATO.

The primary physical obstacle to freeing up grain exports from Ukraine's Black Sea ports is sea mines. The International Maritime Organization says that even if there were an agreement tomorrow, it would take several months to clear the mines and other obstacles, such as sunken vessels, from the shipping lanes. "Sea mines have been laid in port approaches and some port exits are blocked by sunken barges and cranes," a spokesperson for the IMO told Reuters. "Completely removing sea mines in the port areas would take several months."

"It's not safe for ships to get in or get out at the moment. Until the mines are swept, that situation is not going to change," said Guy Platten, secretary general of the International Chamber of Shipping, which is also working on opening up maritime channels.