

EIR Daily Alert Service

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EDITORIAL

U.S.A., EU Pump ‘King Canute’ Economics, Back Perpetual War

May 12 (EIRNS)—President Biden’s May 11 trip to Illinois for an anti-inflation pep talk on energy and food with workers and farmers exemplifies the insanity about economics from the governing elites of the United States and Europe, which is one and the same with the evil design they are

pursuing for a Global NATO. Their intent to destroy Russia and contain China, and become the unipolar, rules-based ruler of the world, involves destroying what's left of the trans-Atlantic economy, and in the process, exterminating Ukraine, and perhaps triggering nuclear annihilation.

Biden went to Chicago on May 11 for a meeting with members of the International Brotherhood of Electrical Workers, and to Kankakee, Illinois for an outdoor meeting with a farm couple. His message on inflation is that we are seeing "Putin price-hikes." His answer? A King Canute command: "Produce more." Electrical workers should do things like build "a network of 500,000 charging stations" for e-cars, to reduce CO2 emissions and provide jobs. Farmers should double-crop. That should dampen the inflation and help relieve hunger, that he alleged Putin has caused. And other insanities.

The reality on energy in the U.S. is that the baseline electricity generation is so deficient, thanks to the green reset and related factors, that this month, regional electric authorities are predicting rolling blackouts for the summer in many parts of the nation. Southern Illinois has been forewarned of brownouts—especially ironic, since this is a coal mining area, and so many coal-generating plants have been shut that even the state's remaining nuclear reactors can't make up the power gap. Maybe each of the 500,000 charging stations should have a solar panel, and its own wee windmill?

The reality on agriculture in the U.S. is that the farmers, especially the high-tech, family-scale operations, are slammed by input hyperinflation and scarcities—from fertilizer, to crop chemicals, to spare parts for their machinery, to diesel fuel—not to mention farm families' own sticker shock at the grocery store and gas pump. Farmers have devised ways to use less fertilizer, improvise on repairs, and devise other contingency measures, during the lead time before this year's planting, which has been much more fraught than normal. Now the planting in Illinois' farm belt is in full swing. So Biden's late and glib order to double-crop is a mockery. Biden asserted things like, "We have your back," and promised discounted crop insurance,

to induce farmers to comply; and cited some other equally non-starter measures.

The reality on the general economy of the trans-Atlantic is reflected morbidly in even the Pentagon's moaning about so-called supply-chain problems slowing arms production. U.K. Defense Secretary Ben Wallace, at the Pentagon personally May 11, carried on about this.

But the grim humor is no joke, given the terrible danger and consequences of the war-promotion policy of the Global NATO expansion drive. Today, the Finland made its formal announcement that it will apply to join NATO, further provoking Russia and destabilizing Europe.

In the Indo-Pacific, Ursula von der Leyen, President of the European Commission, was in Tokyo, meeting with Japanese Prime Minister Fumio Kishida on such topics as jointly standing up to China in the Indo-Pacific "theater of tensions." Meanwhile, in Washington, D.C., the Biden Administration is hosting the leaders of eight of the ten ASEAN nations, in a two-day visit to coerce them to align with the new U.S. "Indo-Pacific Economic Framework," not yet released, which is all about geopolitical security, but no actual economics. It is going over like the proverbial lead balloon.

Thus, in this picture, the drive by the Schiller Institute and collaborators is critical for a mobilization for a new world economic and security architecture. The consequences of not having these are seen, besides in the suffering and death from warfare, in the spread of hunger and starvation. The latest summary world map of food insecurity—the polite term, released May 4 by combined UN and collaborating agencies, such as the [Global Network Against Food Crises](#), reports that, of the billion people lacking sufficient, reliable food, 193 million, in 53 countries, are in the most extreme condition of need, heading for starvation. Hundreds of millions more will follow, unless the situation is changed.

In this context, [President Vladimir Putin](#) made important points in his address to a meeting of economics leaders in Russia today. He said the global economic crisis "is largely caused by these sanctions. Those who

conceived them proceeded from short-sighted, exaggerated political ambitions and Russophobia, at the expense of their own national interests, their own economies and the wellbeing of their people, as primarily demonstrated by the rising inflation in Europe.” Putin made a point of reporting the good news that a record Russian wheat harvest of 87 million metric tons is expected this summer out of a record 130 million tons of grains overall.

With the right leadership ideas, we can build and produce our way out of war and starvation. [Lyndon LaRouche’s scientific principles of physical economy](#) are needed more than ever. Join with the Schiller Institute’s mobilization to stop the war, and get on with the future.

- Watch [Harley’s Updates](#) with Harley Schlanger on Friday May 13, 2022: Every weekday morning on [The LaRouche Organization](#), Schlanger will give you the strategic briefing you need to start your day.

STRATEGIC WAR DANGER

Finland Announced Application for NATO Membership

May 12 (EIRNS)—[Finland’s Prime Minister Sanna Marin](#) and [President Sauli Niinistö](#) issued a joint statement this morning endorsing Finnish membership in NATO. “Now that the moment of decision-making is near, we state our equal views, also for information to the parliamentary groups and parties. NATO membership would strengthen Finland’s security. As a member of NATO, Finland would strengthen the entire defense alliance. Finland must apply for NATO membership without delay. We hope that the national steps still needed to make this decision will be taken rapidly within the next few days,” concluded the statement, which appeared in English on both officials’ websites.

The leaders’ statement means that Finland is nearly certain to seek NATO membership, though a few steps remain to be taken in the

parliament, before the application process can begin, reported The Associated Press. Sweden is expected to follow Finland, soon.

Asked whether this presented a threat to Russia, Kremlin spokesman Dmitry Peskov said, according to Reuters, “Definitely. NATO expansion does not make our continent more stable and secure.” TASS quoted him as saying: “Finland joined the unfriendly steps that were taken within the EU framework with regards to our country. This can only cause our regret and is a cause for our corresponding tit-for-tat responses. The expansion of NATO and the alliance’s military infrastructure approaching our borders do not make the world, and, what’s important, our Eurasian continent more stable and safe. This is unmistakable,” affirmed President Putin’s press secretary.

Dmitry Suslov, Deputy Director at the Center for Comprehensive European and International Studies (CCEIS) at the National Research University Higher School of Economics, in Moscow, told TASS that he believes that such a step will aggravate the security of the Nordic countries, because, even according to Western estimates, “at this moment the level of threats to Finland and Sweden from Russia is zero.” Russia “will have to create a fortified military border with Finland,” said Suslov, a contributor to the Valdai Discussion Club. “Moscow will begin to see both Finland and Sweden as a source of military threat.”

Andrey Kortunov, general director of the Russian International Affairs Council (RIAC) remarked: “Whereas before NATO and the European Union differed in some respects, including their memberships, now we will see far greater similarity. Consequently, coordination between NATO and the European Union will be raised to a higher level.”

Meantime, Boris Johnson flew to Stockholm and Helsinki yesterday to offer Britain’s security umbrella, including its nuclear protection, to the two would-be NATO members, pending finalization of their membership (assuming Sweden decides to request it). The other assumption, of course, being that Russia would retaliate instant for their joining NATO. *Corriere della Sera*’s London correspondent wrote that the decision of Stockholm

and Helsinki to accept U.K. military protection is “shattering Macron’s idea of strategic autonomy. We have two EU countries that place themselves under the military protection of a non-EU country. The move has evidently been blessed by the U.S. and coincides with the AUKUS agreement signed with Australia last year: After Brexit, London is confirming its intention of becoming a global player in security, with the result of bypassing (and marginalizing) European structures.”

Russia Sanctions 31 Foreign Companies, Prohibits All Transactions

May 12 (EIRNS)—The Russian government yesterday released a list of 31 foreign companies, including foreign subsidiaries of Gazprom, on which it has imposed retaliatory sanctions, in a resolution that had earlier been decreed by Vladimir Putin, reported TASS on May 11. The companies are from Germany, France and other European countries as well as from the U.S. and Singapore. The list also includes former European subsidiaries of Gazprom, such as Gazprom Germania GmbH, Gazprom Schweiz AG, and Gazprom Marketing & Trading U.S.A., Inc., among others. All of these companies are ordered to stop using Gazprom’s trademark.

Although President Putin said May 3 he would be issuing a list of companies or entities from “unfriendly” countries to be sanctioned, yesterday’s action is attributed by some media to Ukraine’s hostile action yesterday shutting down the Russian pipeline on its territory used to transport gas to Europe.

The resolution explaining the sanctions prohibits the 31 entities from conducting any transactions with Gazprom, or from entering Russian ports. Russian authorities, legal entities or individual citizens are prohibited from concluding any transactions with the sanctioned entities, or any organizations under their control; this includes financial transactions and foreign trade contracts. Included on the list is EuRoPol GAZ is a joint venture between Gazprom and Poland's PGNiG, which owns the Polish section of the Yamal-Europe gas pipeline through which much of Gazprom’s gas supply to Europe flows.

White House ASEAN Summit Reeks of Anti-China and Indo-Pacific Security Agenda

May 12 (EIRNS)—Ahead of President Biden’s upcoming May 24 trip to South Korea and Japan, the May 12-13 Special ASEAN Leaders Summit began today in Washington, with the White House hosting eight of ASEAN’s ten member nations. (The Philippines couldn’t attend, due to its just-concluded presidential elections; Myanmar, formerly Burma, was not invited.) According to the [May 11 background briefing](#) given by a senior administration official, the schedule is jam-packed, with meetings at the Congress today with House Speaker Nancy Pelosi and other Congressional leaders, with business leaders and CEOs to discuss strengthening economic cooperation, including meetings with Commerce Secretary Gina Raimondo and U.S. Trade Representative Katherine Tai; and culminating with an “intimate” dinner with President Joe Biden tomorrow night. On May 13 there will be another group meeting with Biden, but the President will have no bilateral meetings at all with the guests. His meeting will take place after a working luncheon for the ASEAN leaders with Vice President Kamala Harris and Secretary of State Tony Blinken.

Amidst all the hoopla, there is a lurking suspicion that the ulterior motive here is to rope at least some of the ASEAN nations into the U.S. part of a Global NATO deployment into the Indo-Pacific aimed at China—telling them they should “choose sides.” As the senior administration official put it, hosting the ASEAN summit is intended to show that “our engagement in the region is broad-based and sustained,” because “there is a deep recognition that fundamental long-term challenges are playing out in the Indo-Pacific.” The secretive, soon-to-be-published Indo-Pacific Economic Framework (IPEF) is expected to lay out the framework for a geopolitical security alliance disguised as expanded U.S. economic engagement.

Chinese media—*Global Times* and *China Daily*—have warned of such developments this week, and on May 8, Chinese State Councilor and Foreign Minister Wang Yi held a video meeting with Cambodia’s Deputy Prime Minister and Foreign Minister Prak Sokhonn, since Cambodia

currently holds the rotating chair of ASEAN, in which he warned that Asian nations should be vigilant against any attempts to impose a Cold War mentality into Asia or promote geopolitical confrontation between camps, as it would undermine peaceful development for years. The world should listen to “Asian voices,” Wang said, and respect their wisdom. China welcomes countries from outside the region to play a positive role in regional development, he said, but will reject any action that undermines regional peace and stability.

Just how much the U.S. wants to sincerely engage the region was indicated in a May 12 report from *South China Morning Post*, noting that Cambodian Minister Kao Kim Hourn, who is a close advisor to Prime Minister Hun Sen, had asked Biden to give more one-on-one time to the visiting delegation, if he is serious about elevating U.S. ties in the region. Cambodia, the minister said, works with both China and the U.S. based on the principle of “inclusiveness,” but ASEAN leaders should be treated with “respect and equality” and should be allowed to spend some “useful time” with Biden. It’s a normal practice, he said, for the ASEAN chair to meet with the leader of the host country “whether formally or informally to have some sort of dialogue.” However, the U.S. Ambassador to Cambodia Patrick Murphy told him that no bilateral meeting was planned, because the two-day summit is very “long” and because Biden was “busy.”

COLLAPSING WESTERN FINANCIAL SYSTEM

Putin Tells His Economic Team, ‘Sanctions Frenzy’ Is at the Root of the Global Economic Crisis

May 12 (EIRNS)—In a meeting today with leading members of his economics team, Russian President Vladimir Putin reviewed the “challenging” situation in which his ministers and advisers must operate to create a stable economic environment, “given the complicated global situation and the pressures applied by Western countries through sanctions.” Among those attending were Prime Minister Mikhail Mishustin, Minister of Economic Development Maxim Reshetnikov, Minister of

Industry and Trade Denis Manturov, Finance Minister Anton Siluanov, and Bank of Russia Governor Elvira Nabiullina.

Speaking of the global crisis, Putin said it “is largely caused by these sanctions. Those who conceived them proceeded from short-sighted, exaggerated political ambitions and Russophobia, at the expense of their own national interests, their own economies and the wellbeing of their people, as primarily demonstrated by the rising inflation in Europe.” In some countries, he noted, the annual inflation rate is close to 20% and Eurozone prices have increased by an average of 11%.

The Russian leader warned that this “sanctions frenzy” will cause the people of the EU to suffer consequences “that will be hard to reverse. The same applies to the world’s poorest countries, which are already at the risk of hunger.” And, he emphasized, the responsibility for this lies with the Western elites “who are ready to sacrifice the rest of the world for the sake of preserving their global dominance.” In contrast, he explained, Russia has dealt with external challenges in a responsible and confident manner, finding solutions in order “to strengthen its economic sovereignty, technological and food security.” After “unscrupulous partners” left the country, domestic companies stepped in and were able to fill in those market niches and provide staple goods, industrial and service sector equipment, and construction and farm machinery, for example.

Putin outlined several other steps taken to deal with inflation and ensure the availability of an adequate budget; he noted the record ₺2.7 trillion budget surplus and the financial decisions made that allowed development projects to proceed. The ruble has gotten stronger, and the foreign trade surplus is breaking records, he said. Areas of concern include lower domestic demand and the shrinking of corporate and private accounts, which also affect economic development trends. He also pointed to steps taken to support Russian businesses and regions, assisting families with children through financial aid, restructuring debt of regions, and making loans available. Specific supports were developed for key industries—aviation, agriculture, and food production. Special measures were also

implemented to saturate the economy with liquidity, key for maintaining jobs as well, and facilitating mortgage programs to allow families to purchase homes, which will also bolster the construction industry.

Former New York Fed Chief Dudley Demands Interest Rate Increase to 4-5% Now, and Higher Soon

May 12 (EIRNS)—William Dudley, former President of the Federal Reserve Bank of New York (2009-2018), formerly of Goldman Sachs, asserted in a May 11 interview with [Bloomberg Surveillance](#) that the Federal Reserve should immediately raise interest rates up to between 4% and 5%—none of Fed Chairman Jerome Powell’s gradual half-point increases—and perhaps go up to between 5-6% in a month or two. It’s time for the Fed to stop “sugarcoating” its message on how high rates have to go, he said, adding that a 3-4% interest rate was in range six months ago, but now he thinks 4-5% is necessary, and “it wouldn’t shock me if it’ll be 5-6% a few months from now.”

Clearly uninterested in the chaos such a rate hike would unleash, Dudley argued that inflation is running well above the Fed’s 2% target. “The Federal Reserve has got to tighten monetary policy sufficiently to slow the economy down and push the unemployment rate up. That’s what’s required, and I think the Federal Reserve should be more forthright about explaining that to the American public. If you start to sugarcoat it, then financial conditions don’t tighten as much and you also run the risk that people will lose confidence in the Federal Reserve.” God forbid!

NEW ECONOMIC ORDER

Putin Expects an All-Time High Russian Grain Harvest, ‘Highly Important’ for Global Food

May 12 (EIRNS)—President Vladimir Putin, speaking today at a meeting of top Russian ministers on economics, reported on Russia’s crops and prospects. “We are expecting a good harvest this year. According to preliminary expert estimates, we may harvest 130 million tons of grain, including 87 million tons of wheat. If this happens, then the projected grain

harvests would hit an all-time high in Russian history. This will make it possible to meet domestic demand, with a substantial safety margin, and to expand global exports for our partners; this is highly important for global food markets.”

In his earlier remarks, he noted that the “ongoing sanctions frenzy” from the West, means “consequences that will be hard to reverse” for the “world’s poorest countries, which are already at risk of hunger.”

The last peak Russian wheat harvest was 85.3 million metric tons two years ago. The perspective of Putin, to do everything possible to produce maximum food supplies, despite obstacles, is the kind of approach, with collaboration among other nations, that could save hundreds of millions of lives, while agriculture was built up around the world.

Russia is the leading nation among nine wheat-production regions, which in recent years have together accounted for over 90% of the 200-plus mmt of wheat exchanged internationally each year, in commercial trade or food aid. Russia alone accounted for 20% of annual wheat exports in 2020/2021. A global map and short updates are given in “[Wheat Crop Prospects, April 2022](#),” *EIR*, May 6, 2022.

U.S. POLITICAL AND ECONOMIC

Forecasts for Summer Are Electricity Brownouts in Southern Illinois, with Rolling Blackouts in Many States

May 12 (EIRNS)—A summer version of the January 2021 Texas Freeze, in which multiple states suffered statewide electric outages, given the deficiencies of U.S. power generation and distribution, is now forecast for many parts of the country.

In Illinois, which President Joe Biden visited May 11 to promote the idea of building 500,000 car charging stations across the country, electricity brownouts and price hikes are set for this summer. Crain’s Business reported April 19, “Electricity costs will soar beginning in June in central and southern Illinois, due to inadequate power supplies following coal-fired

plant closures.” Customers will be socked with more than \$150 more on their yearly power bill, due to the supply limitations, and will have to suck up outages.

In California, the Independent System Operator, which oversees the power grid, warns of blackouts, because gaps in supply are likely, given that “the temperatures are still high, the demand is relatively high,” said Mark Rothleder, ISO Senior Vice President, according to the *Sacramento Bee* on May 6. Gov. Gavin Newsom has even become favorable to extending the 2025 date for the retirement of the Diablo Canyon nuclear station, because of the dire need for power.

The national picture of potential electricity price rises and problems was released May 10 by the Energy Information Administration, in its “Summer 2022 Electricity Industry Outlook.” One factor in the situation is soaring natural gas prices. This is expected to result in a 15% jump in electricity bill rates for New England customers.

U.S. gas and oil producers have not been increasing their output substantially. The big fracking firms, Marathon Oil, Pioneer Natural Resources, APA (formerly Apache), and Devon, have been lowering their domestic oil output, which has fallen per firm, from 2% to 8% in the last quarter, from the prior quarter.

In April the grid operator for the Midwest, Midcontinent Independent System Operator, issued its seasonal outlook, which shows that peak expected demand this summer will exceed the supply of electricity.

SCIENCE & INFRASTRUCTURE

First-Time Image of Black Hole at the Center of the Milky Way

May 12 (EIRNS)—The Event Horizon Telescope (EHT), a linked array of nine radio telescopes in several areas of the Earth, has just produced the first image of the black hole at the center of our Milky Way galaxy.

The international team of astronomers and other specialists was led by the [Center for Astrophysics](#) (CfA) at Harvard & Smithsonian, and

representatives of the EHT project unveiled the stunning picture at the National Press Club in Washington this morning, in sync with six other news conferences in cities around the world.

Harvard Gazette reported that the new picture, described today in a special issue of *The Astrophysical Journal Letters*, provides the first direct visual evidence that the giant lurking 27,000 light-years away at the center of Earth's galaxy is, in fact, a supermassive black hole. It also bolsters theories of where these cosmic monsters exist and may help to explain how galaxies are formed. At the press conference in D.C., Michael Johnson, an astrophysicist at the CfA and a leading member of the EHT, said one of the key lessons from the project was that the black hole at the center of the Milky Way doesn't appear to be pulling in as much material as others, making the environment more relatively stable.

CfA's press release notes: "The result provides overwhelming evidence that the object at the heart of our galaxy is indeed a black hole and yields valuable clues about the workings of such giants, which are thought to reside at the center of most galaxies."

Harvard Gazette goes on: "'This is our supermassive black hole,' said Peter Galison, director of Harvard's Black Hole Initiative, a member of the EHT team, and the Joseph Pellegrino University Professor in the History of Science and Physics. 'This is at the center of where we live.'"

The researchers were able to produce their final image, which isn't just one picture but the average of thousands of images created using different computational methods to account for the movement of the gas, and which also accounts for the blur.

"NASA Einstein Fellow at the CfA Sara Issaoun worked on observations and imaging for the EHT team and discussed the image at the European press conference in Germany. She said the new image reveals some key details about the black hole that were previously unknown, including that one side of the black hole is almost directly facing Earth.

“ ‘These properties, this knowledge of the fundamental properties of the black hole will help us study the astrophysics of the black hole in more detail later on,’ Issaoun said.

“Issaoun also pointed out that the new view further cements Einstein’s theories on gravity and relativity.”

The [EHT](#) website describes its project: “By linking together existing telescopes using novel systems, the EHT leverages considerable global investment to create a fundamentally new instrument with angular resolving power that is the highest possible from the surface of the Earth. Over the coming years, the international EHT team will mount observing campaigns of increasing resolving power and sensitivity, aiming to bring black holes into focus.”

GREEN RESET

UN Climate Czar Mark Carney Argues Now Is Not the Time To Go Wobbly on Green Genocide

May 12 (EIRNS)—Speaking yesterday at the Net Zero Delivery Summit in London, Mark Carney, UN Special Envoy on Climate Action and Finance, told an audience of bankers and green financier ghouls that while the war in Ukraine and related sanctions have negatively affected global energy supplies and caused a higher cost of living in the West, this is no reason to derail climate progress that will help achieve the 1.5° C limit on global warming, London’s *Guardian* reported May 11.

The Net Zero Delivery Summit, held May 11-12, is an international conference taking place at the halfway point between the Nov. 1-13, 2021, UN COP26 climate conference in Glasgow and the COP27 conference scheduled for Sharm El-Sheikh this coming November. Its purpose is to assess progress on key priorities for finance agreed to at COP26 and to ensure a continued mobilization to provide financial backing for the net-zero transition, especially in emerging markets—many of which are not too keen on the genocide agenda. Among the key participants is the leadership of the Glasgow Financial Alliance for Net Zero, which Carney—at the time

the outgoing Governor of the Bank of England, and former Governor of the Bank of Canada, and former Chairman of the Financial Stability Board, which established the [Task Force on Climate-Related Financial Disclosures](#), first chaired by Michael Bloomberg—helped launch in April 2021.

Carney was adamant that there can be no deviation from the net-zero agenda. Seeking alternatives to Russian oil by pumping more oil elsewhere and ramping up coal usage result in higher emissions “and [are] leading some...to argue to temporarily set aside our climate goals.” But, he warned, “the more we emit now, the more radical action will be needed later. We need to speed up, not slow down” in implementing green depopulation. Without naming it, Carney rejected the recommendation made by a group of conservative MPs and peers in the Net Zero Scrutiny Group, which has called for cuts to green taxes and an increase in fossil fuel production. Some companies also warn that the Ukraine war has made it impossible for them to meet climate targets.

Carney told his audience not to use the Russian denazification operation in Ukraine as an excuse to delay so-called climate targets. Now is the time to speed up investments in green energy, he said. “Russia’s war underscored that a resilient system needs more diversified and reliable suppliers.... Once built, clean energy systems are more affordable, efficient, resilient and reliable. No one owns the wind or the sun, and hydrogen is literally everywhere.”