

## EIR Daily Alert Service

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## EDITORIAL

### **As 60 Years Ago, the Threat of Nuclear War Is Steadily Growing**

Dec. 20 (EIRNS)—The pace of intensifying U.S.-Russia tension over Ukraine increased over this past weekend, so that what seemed within hope of stabilization two weeks ago when Presidents Biden and Putin video-conferenced, now looks more and more like a countdown toward war in Europe involving the nuclear superpowers.

A senior White House official, quite possibly National Security Advisor Jake Sullivan, told CNN on Dec. 19, Sunday, that there is only a “four-week window” to prevent Russia from invading Ukraine. “What we have been doing is very calculated,” the official said. “But we only have about a four-week window from now.” The official said U.S. planned sanctions “would be overwhelming, immediate and inflict significant costs on the Russian economy and their financial system.”

The next day, Dec. 20, Russian Deputy Foreign Minister Sergey Ryabkov told journalists that the Biden Administration had not responded to Russia’s proposed treaties on security guarantees, during the Dec. 15 talks in Moscow between Ryabkov and U.S. Assistant Secretary of State for European and Eurasian Affairs Karen Donfried. The proposals included the assurance that Ukraine would not join NATO and that further forward deployments of U.S. and NATO forces and missile systems toward Russia’s borders would stop.

“No, they [the Americans] have not responded yet,” said Ryabkov. “We are waiting, we will see what they answer. So far, we have seen only all sorts of public statements.” Among those public statements were plans by NATO SACEUR Gen. Tod Wolters for U.S. troops’ forward deployment to Bulgaria and Romania, to NATO bases on the Black Sea.

And both Deputy Foreign Minister Alexander Grushko and Arms Control Negotiator Konstantin Gavrilov ominously referred to “Russia’s military-technical and military means” as the *only* alternative to a negotiation on Russia’s treaty proposals. Ukraine’s own government continued, in the person of Foreign Minister Dmytro Kuleba talking to the *Washington Post* Dec. 19, to demand more “military means” and troops from the United States and the U.K., and to demand that the United States spell out publicly the “overwhelming and immediate” damage that the U.S. Treasury is preparing to do to the Russian economy and financial system, and do it with London whether the continental European allies agree or not.

In October 1962 it was the U.S. southern border that was being approached, closely, by Soviet soldiers and missiles in Cuba, which

threatened a devastating first strike. Today, it is the relentless march of NATO closer and closer to Russia's borders. Sixty years ago [President John F. Kennedy](#) told the country in a live televised national address: "Within the past week, unmistakable evidence has established the fact that a series of offensive missile sites is now in preparation on that imprisoned island. The purpose of these bases can be none other than to provide a nuclear strike capability against the Western Hemisphere." The President concluded: "But this secret, swift, and extraordinary buildup ... in an area well known to have a special and historical relationship to the United States and the nations of the Western Hemisphere ... this sudden, clandestine decision to station strategic weapons for the first time outside of Soviet soil--is a deliberately provocative and unjustified change in the status quo which cannot be accepted by this country...."

Moreover, in 1962 U.S. military chiefs were demanding an invasion of Cuba to destroy missile and other forces, and President Kennedy was holding them back, with difficulty.

Had Kennedy and Khrushchev not reached a negotiated resolution to the Cuban Missiles Crisis, what was likely to have happened? Hundreds of millions of people around the world were terrified of an imminent nuclear war.

How were President Kennedy's demands—that the Soviet Union remove, and never again try to place nuclear-capable missiles and aircraft virtually on the U.S. border, and "in an area [with] a special and historical relationship to the U.S."—different from [President Vladimir Putin's proposed agreement on Dec. 7 to President Joe Biden](#), that the United States ensure that Ukraine would not join NATO and thereby have U.S. and NATO forces and missiles of various types placed right on Russia's border? And that "in an area with a special and historical relationship" to Russia, in fact, for centuries part of it.

Here is the difference: Kennedy and Khrushchev both wanted a solution, and not one in which the other President and nation were humiliated, or crushed by "overwhelming, immediate" national damage!

That is what must be negotiated between Presidents Biden and Putin now, putting to the side the war-hawks—some of whom are clinically insane, to publicly propose a nuclear first strike on Russia as Sen. Roger Wicker did on Dec. 7. But a solution must and can happen if citizens now stand up to demand it, and remain optimistic that these two nations can block the ominous path of escalation and superpower war. Let them spend their efforts instead in providing food, healthcare and reconstruction to Afghanistan.

- Watch [Harley's Updates](#) with Harley Schlanger on Monday December 20, 2021: Every weekday morning on [The LaRouche Organization](#) website, Harley will give you the strategic briefing you need to start your day.

- **Editor's Note:** *EIR Daily Alert* will skip publishing on Christmas Day (for Sunday, Dec. 26, 2021) and New Year's Day (for Sunday, Jan. 2, 2022). The first two issues in 2022 will appear on Saturday, Jan. 1 and Monday, Jan. 3.

## STRATEGIC WAR DANGER

### Senior Russian Diplomat Tells Media That Washington Has Not Responded to Moscow's Security Proposals

Dec. 20 (EIRNS)—Russian Deputy Foreign Minister Sergey Ryabkov, in a briefing with reporters this morning stated that Washington has not officially responded to the [Russian draft documents](#) on security guarantees with both the U.S. and NATO delivered on Dec. 15. “They [the Americans] haven't responded yet, we are waiting [for a response],” he said in response to a question, reported TASS. “So far, we have heard various public remarks, mostly from those who don't represent the U.S., but it's also important. The crucial thing is to see what Washington has to say.”

Ryabkov stressed that whatever Washington decides, it will have no effect on Russia's moratorium on the deployment of intermediate-range

missiles in Europe, provided that NATO also doesn't deploy such missiles. "We haven't made a decision to lift the moratorium, on the contrary, the moratorium remains in effect. It was described as a measure that would remain in place as long as no similar U.S.-made systems are deployed to certain parts of the world," he said.

Konstantin Gavrillov, Russia's chief delegate at the Vienna negotiations on military security and arms control, during an interview with Rossiya 24 TV argued that NATO will now have to take a serious attitude to Russia's proposals for security guarantees, because a Russian military response is the sole alternative. "They—I mean NATO—have continued to hit Russia's sore spots, which they have been doing for a long time. The moment of truth has arrived. Now that we have told them what we think on this score and how we should act, they will have to react seriously, and not dismiss everything offhand," Gavrillov said. "Their reaction—from [NATO Secretary General Jens] Stoltenberg and everybody else—is exaggerated. There must be a serious discussion and everybody in NATO is well aware that however strong the alliance may be, it is necessary to take concrete political action, because Russia's military-technical and military response will be the sole alternative."

### **German MP Rejects Terms Russian Proposals to NATO, U.S. for Security Guarantees 'Unacceptable for NATO'**

Dec. 20 (EIRNS)—German Social Democrat Michael Roth, chairman of the Bundestag Foreign Affairs Committee, on Dec. 19 termed Russia's proposed security guarantees with NATO and with the United States—in particular, Russia's demand that NATO stop its eastward expansion—unacceptable. "First, I am glad that, obviously, we are currently at a stage when initiatives are advanced that can be discussed. But this proposal, of course, is unacceptable. It won't do," he told Deutschlandfunk radio, referring to the draft treaty and agreement Russia presented to a visiting U.S. representative during their ongoing security talks on Dec. 15.

Roth, misrepresenting the proposals, claimed that Eastern European countries are not what he insisted is a Moscow geopolitical "sphere of

influence.” “Once again: This is a free choice of these societies to share our values and I will be glad if people and politicians say: Yes, we want what you guarantee to your citizens—democracy, the supremacy of law, the freedom of expression, free and independent courts, effective anti-corruption struggle, a working market-oriented economy, prosperity for many,” he said.

Roth demanded Europe elaborate a common response to Russia’s alleged buildup of troops at the border with Ukraine. “We need a European response and a European Eastern policy,” he said.

### ***Der Spiegel* Reports Top NATO General Wolters Seeks Troop Deployment to Bulgaria and Romania**

Dec. 20 (EIRNS)—The German news agency [Deutsche Welle](#) has published a report from *Der Spiegel* weekly magazine that “a top NATO general” has suggested building up NATO’s presence in Romania and Bulgaria.

In a proposal for draft agreement with NATO, delivered Dec. 15, Russia had included that “All member States of the North Atlantic Treaty Organization commit themselves to refrain from any further enlargement of NATO, including the accession of Ukraine as well as other States.” Now, one of NATO’s senior generals has suggested the Alliance should deploy troops in Bulgaria and Romania after Russia’s alleged military buildup, on Russian territory, near the Ukrainian border, *Der Spiegel* reported Dec. 18.

The magazine said the plans made by NATO’s Supreme Allied Commander Europe Gen. Tod Wolters would in effect extend the Alliance’s “Enhanced Forward Presence” mission, under which it has already deployed troops to the Baltic countries and eastern Poland. *Der Spiegel* said it had “information” that Wolters had called for troop reinforcements on the eastern “border” of NATO during a confidential videoconference with military leaders of “partner nations,” and that Wolters’ proposal would in effect “expand NATO’s presence [to Romania and Bulgaria].” Both countries border Ukraine, and are also on the Black Sea. NATO has declined to comment on *Der Spiegel*’s report.

NATO claims that more than 100,000 Russian troops have been deployed to Russian regions in the north, east and south of Ukraine, which has raised tensions between Russia, Ukraine—which is not a NATO member—and NATO. Ukraine has maintained Russia is planning an invasion early next year, but provided (as usual) no evidence.

In her Dec. 15 press briefing Russian Foreign Ministry spokeswoman [Maria Zakharova](#) described Russia's need to defend itself against growing militarization of the border area by the Kiev regime and NATO, identifying that “Western instructors continue training Ukrainian military personnel, as we point out at nearly every briefing, including downright neo-Nazis, as the recent scandal at the Sagaidachny National Ground Forces Academy showed. Some 10,000 NATO troops, including 4,000 US soldiers and 6,000 troops from other bloc members, have been deployed....” Moreover, “since 2014 the United States has provided \$2.5 billion worth of military aid to Ukraine, including over \$400 million this year. Washington has recently supplied 30 Javelin anti-tank missile systems (we have already commented on these “efforts,” which are obviously not aimed at a peaceful settlement in southeastern Ukraine) and 180 missiles for them worth \$60 million,” none of which will “help to deal with the humanitarian problems of people in Donbas, will not facilitate a peaceful solution to the armed conflict, and will not create conditions for the implementation of the Minsk Agreements.” On Dec. 17, Russia issued a press release describing proposed treaties and agreements with the U.S. and NATO, “to ensure the security of the Russian Federation and member states of the North Atlantic Treaty Organization.” It included a legally-binding guarantee that NATO would “to refrain from any further enlargement of NATO, including the accession of Ukraine as well as other States.”

Russian Deputy Foreign Minister Alexander Grushko said Dec. 18 that Russia's proposals to the U.S. are an attempt “to turn a military or a military-technical scenario of confrontation into a political process.” Grushko was quoted by Russian Interfax news agency as saying that the political process “will really strengthen military security,” reported DW.

## AFGHANISTAN

### **Organization of Islamic Cooperation Pledges Humanitarian Trust Fund and Banking Services for Afghanistan**

Dec. 20 (EIRNS)—At the conclusion of the extraordinary conference on Afghanistan of the Organization of the Islamic Conference held in Pakistan, the OIC “decided to establish a humanitarian trust fund, under the aegis of the Islamic Development Bank Group, to serve as a vehicle to channel humanitarian assistance to Afghanistan including in partnership with other international actors.” It was announced by the Pakistani Ministry of Foreign Affairs that had convoked the extraordinary meeting, and hosted it in Islamabad.

Moreover, Al Jazeera reported Dec. 19 that “an OIC resolution released after the meeting said the Islamic Development Bank would lead the effort to free up assistance by the first quarter of 2022.” This appears to refer to “freeing up” the Afghan national reserve funds blocked and effectively seized by the U.S. Treasury and certain European banks responding to U.S. sanctions. *The Nation* of Pakistan put it in a roundabout way in its Dec. 20 coverage: “The OIC decided that a process will be commenced with the UN system organizations to devise a road map for mobilizing actions at the relevant fora to unlock the financial and banking channels to resume liquidity and flow of financial and humanitarian assistance.”

Al Jazeera otherwise reported that the OIC meeting did not recognize the Taliban government or include Taliban acting Foreign Minister Amir Khan Muttaqi in the official photograph.

### **Interview with Dr. Mehrabi Posted on Schiller Institute Website**

Dec. 20 (EIRNS)—On Dec. 15 *EIR* and the Schiller Institute conducted an interview with Dr. Shah Mehrabi, a member of the Board of the Da Afghanistan Bank, the country’s central bank. The transcript and video of that interview is now available on the [Schiller Institute](#) website.

## UNITED STATES POLITICAL AND ECONOMIC

### **U.S. and Ukraine Alone Voted Against to UN General Assembly Resolution Condemning Nazism!**

Dec. 20 (EIRNS)—On Dec. 16, the United Nations General Assembly overwhelmingly voted up a Russian-sponsored resolution “Combating Glorification of Nazism, Neo-Nazism and Other Practices That Contribute To Fuelling Contemporary Forms Of Racism, Racial Discrimination, Xenophobia And Related Intolerance.” Only the United States and Ukraine voted against the resolution. (Unlike Security Council resolutions, the U.S. no vote did not veto the resolution, which passed overwhelmingly.)

Out of the United Nations total of 193 member countries, 51 of them, including all 27 members of the European Union, Great Britain, Australia, New Zealand, and Canada abstained from voting on the UN resolution, which called on members to eliminate all forms of racism and attempts to glorify Nazism. The Global South developing countries voted up the resolution with overwhelming support.

The Russian Permanent Mission to the UN announced on its Twitter site that the UN General Assembly adopted Russian-initiated resolution, “Combating glorification of Nazism, Neo-Nazism and other practices that contribute to fueling contemporary forms of Racism, Racial Discrimination, Xenophobia and Related Intolerance.” The resolution expressed concern about any form of glorifying Nazism, including putting up monuments and holding public parades honoring the Waffen SS—combat units within Nazi Germany’s military—or declaring them national liberation movements, among other things. Russia has for decades made an issue of the fact that Ukraine and the Baltic states, Estonia, Lithuania and Latvia, honor individuals and organizations affiliated with Nazi Germany during World War II.

The resolution also urges member states to eliminate all forms of discrimination by all appropriate means, including legislation, and states that discrimination based on race, ethnicity, religion or belief by “neo-Nazism, Islamophobia, Christianophobia and anti-Semitism” harms not

only the targeted groups, but society in general. The resolution also underlines the UN General Assembly is alarmed “over the use by neo-Nazi groups, as well as other extremist groups and individuals espousing ideologies of hatred, of information technologies, the Internet and social media to recruit new members, especially targeting children and young people, and to disseminate and to amplify their hate-filled messages.”

The UNGA recommends to taking “appropriate concrete measures ... to prevent revisionism in respect of the Second World War and the denial of the crimes against humanity and war crimes committed during the Second World War.”

Ukraine and the United States have, as TASS put it, “traditionally” voted against the resolution every year when it comes up.

## GREEN NEW DEAL

### **African Voices Continue To Rise against COP26 Extinction Edicts**

Dec. 20 (EIRNS)—As time passes, the imperial intent of the Glasgow COP26 edicts are slowly being exposed—whence the nickname FLOP26—and African voices continue to rise.

From Nigeria, Tope Fasua, an economist who formed his own party to run for President in 2018, writes a strong denunciation, titled, “Climate Agenda: Will Black Africa Be Forever Dependent?” A long op-ed, it was published by the *Premium Times*. Fasua strikes hard at his contemporaries for so easily accepting the “depopulation” of climate change edicts honing in on the common factor: “FEAR,” as he puts it in all caps. Ultimately, Fasua says, “we should consolidate our friendship with China, Turkey and whichever nations show us some respect and have some genuine interest in our progress.”

From South Africa, Rhodes Scholar John Kane-Berman, former CEO of Institute of Race Relations, writes on “The Injustice of ‘Climate Justice.’ ” Again chastising his countrymen for their willingness to accept servitude, Kane-Berman writes, “South Africans have long berated the iniquities of

imperialism, but it seems that we are happy to comply with Western eco-imperialism. The policies that rich green governments wish to inflict upon developing countries, South Africa included, will do far more harm than the travel ban that has caused such an outcry.” “Climate justice,” he says, is nothing more than “a nice term for a set of arrogant, economically damaging, cynical, cruel, and inhuman policies.”

Also from South Africa, Chris Hart, chair of Impact Investment Management, although very supportive of Energy Minister Gwede Mantashe, gives a “balance sheet-oriented” rebuttal of “green” policies. “Taking off the green-tinted spectacles,” Hart writes, “and looking at the state of today’s technology, S.A.’s ample coal reserves, and our existing fleet of coal-fired power stations, it would be lunacy to turn our back too hastily on fossil fuels.” His ultimate point: South Africa should not sell out too cheaply.

It would seem that Hart’s editors at *Business Day* wanted to make a much stronger case against climate colonialism, titling the piece, “CHRIS HART: S.A. Will Suffer If We Turn Our Back On Coal,” with the kicker, “Shutting down coal-fired power stations will mean costlier electricity, fewer jobs and relegation to the fourth-world division.”

## COLLAPSING WESTERN FINANCIAL SYSTEM

### Former Fed Governor Gets One Cause of Runaway Inflation Right

Dec. 20 (EIRNS)—In an unusual *Wall Street Journal* op-ed Dec. 16, Kevin Warsh, a former Federal Reserve governor in 2006-2011, accurately described the money-printing as the real cause of the current hyperinflationary threat, though he did not discuss the Green Deal disinvestment in productivity. Warsh’s headline was, “[The Fed Is the Main Inflation Culprit.](#)”

“To date, the Fed has acted as an enabler,” Warsh wrote. “The Fed bet on a new policy regime to get inflation higher. It worked. It’s not the first time a central bank wanted a little more inflation and got a lot more.

“Last year, in another break with precedent, the Fed loudly and explicitly endorsed a blowout in federal spending. Congress swiftly agreed. Federal spending increased from an average of about 21% of gross domestic product in the prior decade to more than 30% in Fiscal 2020 and 2021. National debt relative to GDP increased from 79% in 2019 to more than 100% today. Most troubling, the Fed bankrolled the fiscal profligacy, purchasing more than half of the new Treasury debt issued this year. Call it monetary dominance.

“Achieving a soft economic landing at this late stage is difficult. If the sole task were to drive inflation down, the Fed would immediately taper its asset purchases and start raising rates. But a significant tightening cycle would likely cause market volatility to surge and assets to reprice. The authorities have expressed little concern about financial excesses, bubbles or financial imbalances.”

Former Treasury Secretary Lawrence Summers’ *Washington Post* op-ed Dec. 16 added that day’s Fed announcements are not any sort of control over inflation, which will continue to rise. The same is true for all three announcements on Dec. 16-17, from the Fed, the ECB, and the Bank of England. Summers states that real interest rates have become deeply negative, which promotes borrowing to invest in every kind of bubble, fueling inflation.

### **Another Pandora’s Box: Hedging against Energy Price Inflation**

Dec. 20 (EIRNS)—Reiterated proposals by France, Poland, Hungary and other nations to have the EU Commission ban price speculation at the energy spot markets were rejected at recent EU summits, with the arguments that to interfere with the “freedom” of the marketplace would be in conflict with Europe’s basic rules. As a result, energy prices, particularly for natural gas, have continued to rise. One leading price driver is the CO<sub>2</sub> certificate, the cost of which has increased from €30 to €74 per ton in the course of the past months.

The German Potsdam Institute of Climate Consequences Research (PIK) has now presented a proposal to ostensibly ease the impact of price

increases: a team around PIK economist Michael Pahle explicitly acknowledges that investment funds and banks can be price drivers, but offers hedging against rising prices as a market-compatible “solution.”

The ostensible “balance” between market forces and hedging shall be monitored and controlled by a new agency—just what everybody needs!—operating on the EU level, the PIK proposes. Previous hedging practices at the markets have, however, shown that nowhere has speculation been tamed; instead, hedging has grown with the speculative bubble.

### **Fall in Turkish Currency Becoming Critical**

Dec. 20 (EIRNS)—Only a series of dubious money-printing moves by the government of Recep Tayyip Erdogan today was able to stop the panic collapse of the Turkish currency which had lost 60% of its value in 2021. The major Turkish stock markets were shut down for much of the day Dec. 17, managing to drop by 9% between the closures ordered by the government. The Turkish lira fell below 17 to the U.S. dollar the same day, and had lost 54% of its value against the dollar in 2021 at that point. Today it is at roughly 18, and stocks have lost another 7% with more halts in trading. The Turkish Central Bank’s repo rate is currently 14%, but that represents a steady lowering of the rate by a full 5% in recent months, and inflation in Turkey is officially running at 21%, with price increases for staples and energy much larger than that.

The outbreak of hyperinflation is not the first to break out in Turkey in this century, but it is the most rapid to develop, and is occurring in a context of energy hyperinflation striking economies across Europe and in developing countries.

Turkey does not have a large or unmanageable foreign debt, but its many large real estate, engineering, and industrial firms are heavily indebted to major trans-Atlantic banks, particularly those in Spain and France. A drop in the values of bonds of both Banco Bilbao (BBVA) and Banco Santander has occurred since the beginning of October in response.

The Turkish government late this afternoon promised it would compensate every citizen or business for losses incurred by holders of lira deposits when the lira declines against hard currencies by more than the bank interest rate. That simply lets the depositor not lose money on deposits—not gain any interest—but the subsidies will require money printing of which the central bank has already done a great deal. It was sufficient, for this afternoon, to let the lira recover to about 16 to the dollar.