

## EIR Daily Alert Service

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

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## EDITORIAL

### **Zepp-LaRouche: Wake Up Now, or You May Not Exist by This Time Next Week**

Sept. 26 (EIRNS)—An exaggeration? Unfortunately not.

The world is barreling towards a nuclear showdown between the U.S.-NATO and Russia, with far too few voices in the West raised in protest and

demanding alternatives, Helga Zepp-LaRouche warned in a policy discussion with LaRouche movement organizers on Monday afternoon. “This current crisis around Ukraine is far, far more dangerous than the Cuban Missile Crisis of 1962. It poses an existential threat to all of civilization.”

It’s almost as if the world were existing in two parallel universes, Zepp-LaRouche stated. On the one side, Russia’s leading circles are fully convinced that the West’s NATO structure is out to destroy Russia in its entirety, to rip it to pieces and “decolonize” it, as various think tanks are openly calling for. President Putin said as much in his Sept. 21 speech to the Russian nation. Foreign Minister Lavrov and Ambassador Antonov has stated the same at home and abroad. And a pronouncement issued by the influential Izborsk Club also on Sept. 21 spoke for many in Russia when it warned that this is “a fateful moment in history. The violent confrontation between Russia and the West poses the ultimate question: Will Russia survive in this struggle or will it finally and irreversibly disappear. A great war is on the doorstep.”

In the “other” universe, NATO and the West are hell-bent on using the Ukraine war to push through their decades-old agenda of “decolonizing” or fully dismembering Russia into powerless statelets—a policy which Zbigniew Brzezinski and other London assets long championed. They have repeatedly stated over the last year, louder and louder by the day, that they are fully prepared to use nuclear weapons to force Russia to back down and capitulate.

“Things are about to go awfully wrong,” Zepp-LaRouche warned. We have two high-speed trains—nuclear trains—barreling towards each other, and there will be a train wreck unless this is stopped in the next days.

Events of the last 24 hours have only confirmed this evaluation. The referenda are underway in the four regions of Ukraine, and everything indicates that there is both a very large voter turnout and that there will be an overwhelming vote in favor of joining Russia—as occurred with Crimea back in 2014. The voting will end on Sept. 27, and Russian

parliamentarians believe the final steps for the regions' accession will be completed by Sept. 30. At that point, they will be considered part of Russia—and *defended as such by Moscow*.

Yesterday, Secretary of State Tony Blinken and National Security Adviser Jake Sullivan were sent out to tell national TV audiences that “We will not recognize the sham referenda,” as Sullivan stated on CBS, “and we will treat this territory for what it is—Ukrainian territory, not Russian territory. And we will continue to support the Ukrainians as they seek to de-occupy this territory.” And then for good measure: “Any use of nuclear weapons will be met with catastrophic consequences for Russia.” Blinken preferred to threaten that Russia would suffer “horrific consequences.”

Zepp-LaRouche concluded her remarks with a stark warning: “We have to go into a full Red Alert mobilization. If there are no significant voices of dissent coming from the United States, this itself becomes a factor in Moscow’s strategic assessment.”

We must change the perception abroad that there are almost no voices of sanity in the United States, or at least not sufficiently influential voices to change the current course to nuclear annihilation. Those voices must be raised *now*, and loudly—voices that understand that there is a basis for a negotiated solution to the Ukrainian crisis, built around a new international security and development architecture, that takes into consideration the needs of *all* nations.

Prominent Russians realize, and have said so publicly, that the voice of Lyndon LaRouche has been essential as the needed idea-giver for such a mutually beneficial policy, and that is why their enemies want to shut down the speakers of the Schiller Institute conferences.

- Watch [Harley's Updates](#) with Harley Schlanger on Tuesday September 27, 2022: Every weekday morning on The LaRouche Organization, Schlanger will give you the strategic briefing you need to start your day.

**STRATEGIC WAR DANGER****Sullivan, Blinken Promise ‘Catastrophic, Horrific Consequences’ if Russia Uses Nuclear Weapons in Ukraine**

Sept. 26 (EIRNS)—During an appearance on CBS’s “Face the Nation” yesterday, U.S. National Security Advisor [Jake Sullivan](#) promised that the U.S. will continue to supply weapons to the Kiev regime, will not recognize the results of the referenda on joining Russia underway in four regions, and that the U.S. “will respond decisively” if Russia uses nuclear weapons in Ukraine.

“As President Biden made clear on Friday, nothing that Russia has done with this mobilization of troops, with the sham referenda in the occupied regions, is going to deter us from providing Ukraine with the necessary means and technologies they need to defend themselves,” Sullivan stated. “We have been crystal clear up to and including President Biden that we will not recognize the sham referenda, they in no way represent the will of the Ukrainian people,” he claimed further. “And we will treat this territory for what it is—*Ukrainian territory, not Russian territory. And we will continue to support the Ukrainians as they seek to deoccupy this territory.* (Emphasis added.) So we’ve been clear, we’re not going to stop or slow down our support to the Ukrainians, no matter what Putin tries to do with these fake elections and fake referenda and annexation.”

As for the allegation that Russia is preparing to use nuclear weapons, Sullivan effectively confirmed the *Washington Post* story of the other day. “We have communicated directly, privately, at very high levels to the Kremlin, that any use of nuclear weapons will be met with catastrophic consequences for Russia, that the United States in our allies will respond decisively,” he said. “And we have been clear and specific about what that will entail. We have, in public, been equally clear, as a matter of principle, that the United States will respond decisively if Russia uses nuclear weapons and that we will continue to support Ukraine in its efforts to defend its country and defend its democracy.”

Secretary of State Antony Blinken followed several hours later with similar remarks during an interview on CBS's "60 Minutes." He particularly repeated the line that Russia could well use nuclear weapons in Ukraine. "[W]e've heard a lot of irresponsible rhetoric coming out of Vladimir Putin, but we're focused on making sure that we're all acting responsibly, especially when it comes to this kind of loose rhetoric," he claimed. "We have—been very clear with Russians publicly, as well as privately to stop the loose talk about nuclear weapons."

In Blinken's view, there's only one way for Russia to get out of the war in Ukraine. "Vladimir Putin has a clear way out of the war he started and that's to end it," he said. "If Russia stops fighting, the war ends. If Ukraine stops fighting, Ukraine ends."

### **Heavy Turnout in Referenda To Join Russia**

Sept. 26 (EIRNS)—After four days of voting, with one to go, voter turnout in the four regions voting to join Russia is well above the requisite 50% level needed to be considered a valid referendum. The official numbers are as follows, as of late tonight:

- L.P.R.—83.61%
- D.P.R.—86.89%
- Zaporozhye—66.43%
- Kherson—63.58%

The heavy turnout comes despite repeated attempts by the forces of the Kiev regime to disrupt the vote with artillery, rockets and drones.

Although there are no reports yet of the percentage voting for joining Russia, it is expected to be very high, as it was in the case of Crimea in 2014. Accession of the four regions into Russia could happen as soon as Sept. 30, once the vote count is confirmed, according to comments made by Russian State Duma Deputy Yaroslav Nilov, deputy head of the Liberal Democratic Party of Russia (LDPR), TASS reported. "Taking into account the preliminary results of the referendums and Russia's readiness to

acknowledge them, the accession of the territories [the D.P.R., the L.P.R., the Kherson and the Zaporozhye Regions to Russia] is likely to take place as early as on Sept. 30.” The daily *Izvestia* reports that there are more than 5 million people in the four regions. That compares to about 2.5 million in Crimea.

### **Germany’s Scholz Still Won’t Send Tanks to Ukraine**

Sept. 26 (EIRNS)—German Chancellor Olaf Scholz, who has given in to the NATO storyline on Russia and Ukraine in every other way, is still refusing to consent to provide German-made Leopard tanks to Ukraine. “We are supporting Ukraine,” he told the *New York Times* in an interview published yesterday. “We are doing it in a way that is not escalating to where it is becoming a war between Russia and NATO, because this would be a catastrophe.”

The Kiev regime is angry at Germany’s intransigence on supplying it armored vehicles. “Not a single rational argument on why these weapons cannot be supplied, only abstract fears and excuses,” Ukrainian Foreign Minister Dmytro Kuleba complained recently on Twitter. “What is Berlin afraid of that Kiev is not?”

Scholz “bristled” when pressed on Kuleba’s question. “Leadership does not mean you do what people ask you,” he said. “Leadership is about taking the right decisions and to be very strong. And this is what I’m doing.... We are cooperating and we are doing it together with our allies, and we are never doing something by ourselves alone,” he added. “And this is the way we react to a very dangerous war.”

“It is absolutely wise never to do something just by yourself,” he said.

### **Kremlin Spokesman Peskov Counters Rumors of Martial Law as ‘Fake News’**

Sept. 26 (EIRNS)—Dmitry Peskov, the official press spokesman for the Kremlin, was asked at today’s press briefing about comments yesterday by U.S. National Security Adviser Jake Sullivan that the U.S. had told Moscow “at a very high level” that there would be disastrous consequences

if Moscow used nuclear weapons in Ukraine. Peskov replied that contacts between the U.S. and Russia are at a “proper level.... There are channels for dialogue, but they are quite sporadic, though they at least allow for some urgent reports on each other’s positions.”

Peskov also had to fend off questions about all sorts of rumors of martial law in Russia, shutting borders, etc. “I don’t know anything about this. No decisions have been made for now.” Asked if “transport mobilization” was being considered, he said: “No, nothing of the kind has been declared. One should be very cautious about all such lists, all such leaks, so called. Our adversaries and our enemies keep launching such rumors. Some hysterical people at home do that, too. One should be very, very cautious. There are far more fake news than truth about that,” he stressed.

### **Correction: *EIR Daily Alert* for Monday September 26, 2022**

Sept. 26 (EIRNS)—In our slug on “U.S. Commission on Security and Cooperation in Europe Advances Aggressive Campaign To Dismember Russia,” we mistakenly identified Dick Cheney in the 1991 National Security Council meeting as being Vice President. Cheney was Defense Secretary in 1989-1993; he was Vice President from 2001-2009.

## **COLLAPSING WESTERN ECONOMIC SYSTEM**

### **FOMC Advanced Battle Tank Is Blowing Up Global Bond-Market**

Sept. 26 (EIRNS)—As if a new battle tank had been unleashed on the NATO side—the Federal Reserve’s Federal Open Market Committee (FOMC)—whose destructive power is shoving NATO sanctions themselves to one side, the suddenly spiking U.S. dollar has started a global currency crisis and threatens the world’s bond markets with a meltdown. The dollar continued its rocket rise on Monday morning, Sept. 26, with U.S. Treasury interest rates now rising 10-20 basis points *per day* and taking corporate bond rates up with them even among the few remaining AAA-rated conglomerates. The euro is down to 96 cents; yen at 144/dollar

where it has not been for decades; sterling has collapsed from \$1.14 last Thursday afternoon (Sept. 22) to \$1.06 Monday afternoon; China's yuan has hit 7/dollar and the People's Bank of China moved to restrict currency derivatives trading in order to keep it there. The Bank of England held an emergency meeting but, unlike the PBOC, only talked about doing something and did not; so it will probably have to hold another, even greater, emergency meeting very soon.

Bank of America market analysts published a note Sept. 23, widely reported in financial media over the weekend, which warns that the U.K. bond market crisis which exploded Sept. 22 could signal that the Federal Reserve's repeated jumps in dollar interest rates could trigger a "historic global bond market crash" spreading from the British to other nations' debt. Such a crash would threaten general liquidation, BOA said, "of the world's most crowded trades" of the moment: in U.S. Treasuries, U.S. technology companies, and Wall Street private equity firms.

The BOA analysts said that "Bonds are generally regarded as one of the most liquid asset classes available to investors. If liquidity dries up in that market, it's bad news for just about every other form of investment."

### **If von der Leyen's Uses Her 'Tools' on Italy, They May Blow Up**

Sept. 26 (EIRNS)—The European oligarchy's enforcer, European Commission President Ursula von der Leyen, made a scandalous comment about Italy on Sept. 25 which may very well point the direction of a sovereign debt blowout in Europe, adding to runaway inflation and a corporate debt-liquidity crisis. Speaking, in English, at Princeton University in the United States, von der Leyen said, referring to the European oligarchy's assumed powers and the Italian national election on Sunday, Sept. 25, "If things [in Italy] go in a difficult direction, we have tools—I've spoken already about Hungary and Poland."

The blatant threat was immediately understood and denounced in Italy: If the three party coalition—Lega, Forza Italia, and Fratelli d'Italia—should win the parliamentary election (as they did, with absolute majorities in both houses), the European Commission would withdraw loans and

grants provided to Italy under COVID relief (as it had with Hungary and Poland); and/or the European Central Bank would at some early point stop buying Italian government debt on the secondary market, causing interest rates on that debt to shoot up.

The European Commission president's idea would be that this would topple the new government and allow her, once again, to impose Mario Draghi as Prime Minister. But the attack could easily go out of control, since it would come on top of a U.K. debt market and currency crisis already underway. The crisis could rapidly get even worse, if the newly elected government of the Fratelli's Giorgia Meloni in Italy should meanwhile announce tax cuts like those that triggered the British pound collapse.

### **Austrian Tabloid Defends Italy Against EU Commission**

Sept. 26 (EIRNS)—As an exception from most of the European mainstream media, Austria's major daily *Kronen Zeitung* carries an editorial today against EU Commission President Ursula von der Leyen, who it says is "increasingly becoming a mouthpiece for the U.S.A. It is not about the welfare of the EU, no, it is currently a war in Europe, which is 'controlled' from America."

"The economy of the entire EU is extremely affected by the war in Ukraine. Europe's most important economy, Germany, is experiencing a slump that is weakening Europe. Whether Ukraine is 'worth' this economic collapse of Europe, I dare to doubt. Would a neutral Ukraine, like Austria, really not have been an option? Every speech, every gesture including clothing of Ursula von der Leyen revolves around Ukraine. What happens to the 'rest of Europe' economically is only secondary," the editorial comments.

"With her latest narrative, Ursula von der Leyen has unfortunately left the path of democracy. Von der Leyen literally said regarding the election in Italy, 'If things develop in a difficult direction, we have instruments at our disposal.' This statement regarding a democratic election is a scandal. If a 'difficult direction'—i.e. a 'shift to the right'—should result, that is the

will of the Italians to be accepted. To threaten Italy with the words: ‘we have instruments at our disposal’—that is not compatible with a proper understanding of democracy. Ursula von der Leyen and democracy are apparently two ‘things’ that do not go together!” state the editors.

### **Over 100,000 Small and Medium-Sized Firms About To Close in Italy**

Sept. 26 (EIRNS)—Soaring energy bills spell doom for up to 120,000 small and medium-sized businesses in Italy, *Corriere de la Sera* reported this weekend, citing Carlo Sangalli, head of the Italian business association Confcommercio. “Already today many companies are reorganizing or reducing services.... Between now and the first half of 2023, at least 120,000 small businesses in the service sector are at risk.... This is a cautious estimate that does not take into account the largest companies,” Sangalli said. It could lead to the loss of more than 370,000 jobs, he added. “In terms of energy costs, our hotels, bars, restaurants and stores will pay 40-60% more on their bills this year than in Germany, and three times that than in France,” according to Sangalli.

RT also reported that, according to a recent survey, over 70% of Italians are having difficulty or are simply unable to pay their energy bills. Nine out of ten Italians plan to cut other spending in order to pay for energy.

### **Europe’s Vegetable Farmers Say Food Shortages Are Next**

Sept. 26 (EIRNS)—Reuters reported, “Across Northern and Western Europe, vegetable producers are contemplating halting their activities because of the financial hit from Europe’s energy crisis, further threatening food supplies.” Surging power and gas prices will impact crops grown through the winter in heated greenhouses, such as tomatoes, peppers and cucumbers, and those that need to be placed in cold storage, such as apples, onions and endives.

“In 2021, we paid €100,000 for electricity,” declared a French endive producer on French radio station Europe1. “This year, I will pay not far from €200,000. And today, the proposal I got is €750,000 per year,

provided I sign for three years. That is to say, I am asked to pay €2.2 million to my energy supplier....

“Surging gas prices are the biggest cost vegetable farmers cultivating inside greenhouses face.” Added to this are the growing costs of fertilizer, packaging and transport. French farmers renewing their electricity contracts for 2023 said they were being quoted prices more than 10 times those of 2021. “We face an overall increased production cost of around 30%,” said Johannes Gross, deputy sales manager at the German cooperative Reichenau-Gemüse whose greenhouses cover 60 hectares. Energy accounted for anywhere between half and two-thirds of these extra costs, he said. “Some colleagues are thinking about leaving their greenhouses empty to keep the costs as low as possible.”

The greenhouse industry group Glastuinbouw Nederland told Reuters that up to 40% of its 3,000 members are in financial distress. In Spain, fruit and vegetable farmers have seen a 25% increase in fertilizer costs.

## NEW ECONOMIC SYSTEM

### China’s *Global Times* Praises India’s Debt Relief Proposals

Sept. 26 (EIRNS)—The GT Voice column by the Editors in yesterday’s issue of the Chinese semi-official daily *Global Times* greatly praised the Indian government’s recent debt relief proposals, and urged India and China to work together on this crucial matter. The GT Voice, “[India’s Call for Global Debt Relief Laudable, West Must Step Up Too](#),” takes on particular importance in light of the historic tensions between the two countries, which have gotten in the way of their much-needed cooperation.

*Global Times* reported on comments at the UN by Indian External Affairs Minister Subrahmanyam Jaishankar on Sept. 24, reporting that India “will work with other G20 member states to address serious issues of debt, food and energy security, Indian media outlets reported on Sunday. ‘The accumulation of debt in fragile economies is of particular concern,’

Jaishankar said in his address to the UN General Assembly session on Saturday.”

The opinion piece continued: “His call for global debt relief efforts, which came at a time when global debt levels have soared significantly, especially in a number of vulnerable developing countries, is laudable, considering the growing urgency for Western countries, developing countries and multilateral institutions to work together to find appropriate ways to restructure and ease debt burdens on some emerging market economies to avoid further crisis....

“With central banks in the developed world, such as the U.S. Federal Reserve, raising interest rates aggressively this year, developing countries have faced more debt pressure exacerbated by currency depreciation, imported inflationary pressure, and further downward economic pressure.”

The GT Voice continued: “Against this backdrop, developing countries, including China and India, may need to play a greater role in terms of debt relief coordination and collaboration.... To a certain extent, India’s increased sense of responsibility for the developing world may have something to do with its bullish economic performance. India has overtaken the U.K. to become the world’s fifth-largest economy, according to the latest calculations by Bloomberg. The Indian economy grew 13.5% in the second quarter of this year, making it the fastest growing economy in the G20.”

The editors concluded: “The willingness shared by China and India to take greater responsibility for the debt problems in the developing world may also provide the potential for the two to strengthen their coordination in this area for alleviating the debt burden on other economies. Both sides may play their due roles of coordinating debt relief and restructuring with other developing countries under such platforms as the BRICS and the Shanghai Cooperation Organization.”

## UNITED STATES

**Biden Has To Negotiate with Moscow Now, Say Two Experts**

Sept. 26 (EIRNS)—Since the world war over Ukraine began to worsen gravely following the Sept. 8 Ramstein Air Base NATO-plus meeting, the proposals of two strategic writers are posted on the Quincy Institute “Responsible Statecraft” website, proposals that U.S. President Joe Biden start U.S.-Russia negotiations to prevent nuclear war—Anatol Lieven, on Sept. 23, as an urgent demand; and a Sept. 21 summary of a Sept. 15 report by Lyle Goldstein, in which he makes a reasoned proposal.

Lieven’s views on Russian and NATO faults, weaknesses and strengths aside, his argument in “[Tick-Tock: Putin Escalation Begins Countdown of Diplomacy Clock](#),” is that once the four oblasts are, as he says “annexed” by Russia, bringing the war to an end will be nearly impossible, and it will keep escalating. Therefore his kicker: “With news of possible annexation and potential use of nuclear weapons, Washington must put on the brakes and press for talks.” Lieven postulated that Russia might not immediately annex after the referenda, and that President Putin might pause once more for a possible opening, which Biden must create. Lieven argued:

“The Biden administration’s position has been that peace negotiations are purely a matter for Ukraine. Together with Russian actions, this stance contributes to making a peace process virtually impossible. It is also both politically and morally wrong. The United States has given military assistance (including intelligence assistance in the killing of Russian commanders) that have made America very nearly a co-belligerent in this war.

“This and U.S.-led sanctions against Russia have caused Americans serious economic loss and involved the United States and its citizens in grave risks. The impact on Washington’s allies in Europe and on the world economy has been even worse, threatening key Western partners with food shortages and internal revolt. In the very worst case, America could face the possibility of annihilation in nuclear war....

“A peace process cannot be initiated unless both sides abandon preconditions for talks that are completely unacceptable to the other side. A good starting point for talks could be the proposals made by the Ukrainian government itself back in March, which met Russian demands on certain key issues including neutrality. The fact that Putin explicitly and favorably cited Ukraine’s peace proposal in his speech announcing Russia’s partial mobilization may offer a glimmer of hope for diplomacy.

“If the Biden administration does not explore this potential chance of peace, the consequences of a continued escalatory spiral could be disastrous for all concerned.”

Goldstein, of Brown University’s Watson Institute, Director of Asia Engagement at the Washington think-tank Defense Priorities, and formerly a full professor at the U.S. Naval War College, based his Sept. 15 argument on a new “[Cost of War](#)” report for Watson Institute, and on the more traditional argument, that because of Russian military underfunding and conventional inferiority to combined NATO forces, it can be pushed into using nuclear weapons. Carden quotes Goldstein that: “ ‘It is important that the U.S. not succumb to threat inflation in regards to public and official perceptions of Russia,’ because ‘historically, threat inflation has led to disastrous and unnecessarily costly U.S. foreign policy decisions.’ ”

Goldstein’s Sept. 15 report for the Watson Institute, “Cost of War,” was reported on Sept. 21 in *Responsible Statecraft* by James Carden, a Washington columnist for *Asia Times* and former advisor to the U.S.-Russia Bilateral Presidential Commission at the State Department.