

EIR Daily Alert Service

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EDITORIAL

Will the World Secure Another Victory Against Fascism?

May 9 (EIRNS)—During the celebrations in Moscow for Victory Day—celebrating the triumph over Nazism—Russian President Vladimir Putin spoke of the threat NATO and Ukrainian militarism pose today to Russia’s security, and of the “timely” and “pre-emptive strike” he ordered against the “absolutely unacceptable threat” to Russia.

Far from exaggerating the situation, these statements by Putin perhaps do not go far enough; the Anglo-American/NATO imperial policy threatens not only Russia, but the entire world.

At a Sunday morning White House press conference, yesterday, an administration official detailed the latest round of sanctions against Russia. When asked by a reporter under what conditions the sanctions against Russia would be rolled back, the official had essentially no answer. But the official did make it clear that the ultimate goal is not a rapid peace in Ukraine, but regime change in Russia:

“You know, these sanctions are not an end to themselves; they’re intended to change the strategic calculus... Putin, like any autocrat, has a social contract. He has taken away the freedom of the people of Russia in exchange for stability, and he’s no longer delivering upon that.”

The Anglo-American/NATO imperial order threatens Asia from the East as well. The U.K. directly talks about a global role for NATO. The new South Korean President is being courted for entry into such alliances as the U.S.-Japan-India-Australia Quad. (And if you thought the U.K. was missing from that arrangement, it formed the AUKUS just last year.)

China is not only creating a new paradigm through its Belt and Road Initiative; it is increasingly identifying and calling out the true goals of the Anglo-American elite. At Monday’s Ministry of Foreign Affairs press event, Zhao Lijian summarized a Chinese report on the National

Endowment for Democracy, the U.S.'s "second CIA" for manipulating countries around the world:

"NED was seen behind color revolutions instigated and orchestrated by the U.S., including the disintegration of the Soviet Union, the Rose Revolution in Georgia, the Orange Revolution in Ukraine and the Arab Spring. NED has been stirring up protests and demonstrations in Thailand, inciting the opposition parties in Nicaragua to seize power by force, funding anti-Cuba forces to manipulate public sentiment against the government, and long interfering in Venezuela's internal affairs through various means. Hellbent on disrupting the world, NED has not brought social stability and development or contented lives and good work to other countries. On the contrary, it has caused a host of issues including withered livelihood, languishing economy and social confrontation. NED also extends its evil hand to China and invests heavily in anti-China programs every year...."

It's not only military confrontation—there is also the economic destruction wrought by the financialization of the economy and the withholding of development financing on the basis of "green" criteria.

More and more of the world's nations and people are saying "how dare you!" to demands that they limit themselves to low-energy-density "renewable" technologies, forgoing the development made possible by, for example, inexpensive coal. The "Just Transition" proposal coming from the COP26 conference in Glasgow last November, would "compensate" lesser-developed countries for eliminating coal. Indonesian Finance Minister Sri Mulyani Indrawati explained things, "If you ask Indonesia to transition off this energy, that will bankrupt my budget, bankrupt the [state electrical utility], it will not fly."

The green opposition to hydrocarbons has also played a role in the skyrocketing inflation in fuel prices. The shortage of refinery capacity is partly a consequence of demonizing fossil fuels.

But there is a way out! Even as censorship grows, the basic opposition to nuclear war, deliberate economic ruin, and cultural separation is finding

expression. A group of prominent Greeks has just written an open letter denouncing that government's policy. A retired Italian general, a former NATO commander, insists that NATO be replaced by a new security architecture. Industry experts and economists recognize the devastating results that would come from a new iron curtain of sanctions. Artists speak out against the attacks on Russian culture. Scientists condemn witch hunts against collaboration with Chinese colleagues and with Russia's space program.

What role will your voice play in bringing about the new security and development architecture promoted by the LaRouche movement?

- Watch [Harley's Updates](#) with Harley Schlanger on Tuesday May 10, 2022: Every weekday morning on [The LaRouche Organization](#), Schlanger will give you the strategic briefing you need to start your day.

U.S. POLITICAL AND ECONOMIC

Obama's Assistant Defense Secretary Farkas Swears the Rules-Based Order Is Worth Risking Nuclear War

May 9 (EIRNS)—It almost seems as if neither the Pentagon nor NATO nor the Armed Services Committees have a position which, Barack Obama's neo-con Assistant Secretary of Defense for Russia, Ukraine, and Eurasia Evelyn Farkas has not held at one time or another in the past 30 years, not to mention her Farkas Global Strategies Corp. consultancy. This woman thinks a great deal about war.

In an [PBS NewsHour](#) joint interview with University of Chicago political scientist John Mearsheimer on May 5, hosted by anchor Judy Woodruff, Farkas showed just how dangerous to human life war-hawks of the Madeleine Albright line become, when they make a career of thinking about NATO "winning" wars all over the world.

Whereas on May 12, 1996 Lesley Stahl challenged Secretary of State Madeleine Albright on "60 Minutes," that the sanctions against Iraq which

she was overseeing had cost the lives of 500,000 Iraqi children. Albright infamously countered: “I think this is a very hard choice, but the price—we think the price is worth it.”

Likewise, here is what Farkas said to Mearsheimer’s contention that the Biden administration policy of “crushing” Russia, either via Ukraine on the battlefield or by vicious economic sanctions, can trigger nuclear war: “I don't think we should be deterred by this fear that [Vladimir Putin] is going to reach for nuclear weapons. We cannot rule it out. I'm not dismissing it. But I also think that the objective that we have right now, the stakes are so high. It's nothing less — it's not just about Ukraine. It's about the international order.

“And we’re fighting here to stop Vladimir Putin from turning after Ukraine to Georgia and Moldova, to destroying NATO, to essentially reasserting a sphere of influence system, which is what we put to bed after the end of World War II, when we set up the United Nations and the rules-based order.” So the price would be worth it—a possible nuclear war for NATO’s international order.

Mearsheimer responded: “When Professor Farkas talks about the consequences of this for the world order, I’m more worried about the consequences if we ended up getting hit with nuclear weapons. I mean, we want to remember what President Kennedy did during the Cuban Missile Crisis. He was in a similar situation. What he did was, he tried to dampen the conflict. He tried to work out some sort of deal with Khrushchev, so we could both avoid getting vaporized.

“What the Biden administration is doing is exactly the opposite.”

Crazy Attempt To Prevent U.S. Congresswoman from Seeking Reelection Fails

May 9 (EIRNS)—The lawsuit launched by a group called Free Speech for People, to prevent incumbent Congresswoman Marjorie Taylor Greene (R-GA) from seeking reelection, has ended. The suit filed by Free Speech for [Some] People was based on the claim that the colorful congresswoman

was ineligible for reelection under the 14th Amendment to the Constitution, which says that no person, after having been sworn into office of the U.S., and who “shall have engaged in insurrection or rebellion against the same, or given aid or comfort to the enemies thereof” may hold office again.

A Georgia administrative law judge ruled that Greene’s statements about the 2020 election were political speech, and could not be classified as her having “engaged in insurrection or rebellion.” (The language and amendment come from the Civil War.) Georgia Secretary of State Brad Raffensberger adopted the ruling, and Greene will be on the ballot in November.

A similar lawsuit filed by the same group against North Carolina Congressman Madison Cawthorn was thrown out by a federal judge.

U.S. Announces New Sanctions on Russia, Without a Plan on When They’d Ever Be Removed

May 9 (EIRNS)—At an unusual 7 a.m. Sunday morning press briefing, the inevitable White House “senior administration official” explained that in order to “strengthen Ukraine’s position on the battlefield and at the negotiating table,” the U.S. and EU are coordinating their activities on levying additional sanctions against Russia. After reviewing sanctions on financial services (including, implicitly, stealing Russia’s reserves) and on major exports such as oil, the new sanctions were unveiled, in five categories: professional services, broadcasting services, industrial engines, visa restrictions, and bank executive sanctions.

No longer will Russian firms be able to avail themselves of U.S. or U.K. accounting firms. The major three TV stations in Russia will no longer be able to run ads from U.S. companies, nor will they be able to purchase broadcasting equipment or software. Industrial engines (explicitly mentioned was agricultural equipment producer John Deere) may no longer be sold. And 2,600 new visa restrictions are being slapped on Russian and Belarusian officials, and new sanctions on Sberbank and Gazprombank executives.

When asked what Russia would have to do in order to have the sanctions reversed, the official was not exactly forthcoming. (Do they actually expect this policy to end, or is a permanent sanctions regime the intent?) The three-part answer:

“One, we would never do a deal on sanctions rollback without Ukraine at the head of the table.

“Second, if we get to the point at which this is being discussed, it really would depend on the overall shape and scope of the diplomatic agreement that’s being negotiated.

“Third, any kind of deal like that requires trust, and Putin hasn’t given the world any reason to trust his word.”

So, does the war just last forever?

As far as the supposedly much beloved Russian people, the official said that “these sanctions are not an end in themselves; they’re intended to change the strategic calculus of the target.” Explaining that Putin’s mandate is based on suppressing liberty but delivering a decent quality of life, “if thousands of body bags are coming home, if debit cards aren’t working, if shelves aren’t stocked the way they used to be, all people can buy anymore are knockoff clothes and phones and cars. And Russia is eventually in default and the country is bankrupt, the question we’re putting to him: Is that the endgame he was really looking for?”

On this Victory Day, it is useful to remember the deprivations and suffering experienced by the people of Russia and the Soviet Union, as well as the uncompromising dedication to win, and ask whether being forced to buy “knockoff clothes” is going to force a revolt among the Russian people to overthrow their President!

UKRAINE WAR & SANCTIONS

At Victory Day Parade, President Putin Reiterates Circumstances for Russia's Military Operation in Ukraine

May 9 (EIRNS)—“There is no family in Russia that was not burnt by the Great Patriotic War; its memory never fades,” said [Russian President Vladimir Putin](#) at the Victory Day parade in Moscow.

He explained that NATO's proxy war against Russia demanded that his nation take action:

“Therefore, despite all controversies in international relations, Russia has always advocated the establishment of an equal and indivisible security system which is critically needed for the entire international community.

“Last December we proposed signing a treaty on security guarantees. Russia urged the West to hold an honest dialogue in search for meaningful and compromising solutions, and to take account of each other's interests. All in vain. NATO countries did not want to heed us, which means they had totally different plans. And we saw it.

“Another punitive operation in Donbass, an invasion of our historic lands, including Crimea, was openly in the making. Kyiv declared that it could attain nuclear weapons. The NATO bloc launched an active military build-up on the territories adjacent to us.

“Thus, an absolutely unacceptable threat to us was steadily being created right on our borders. There was every indication that a clash with neo-Nazis and Banderites backed by the United States and their minions was unavoidable.

“Let me repeat, we saw the military infrastructure being built up, hundreds of foreign advisors starting work, and regular supplies of cutting-edge weaponry being delivered from NATO countries. The threat grew every day.

“Russia launched a preemptive strike at the aggression. It was a forced, timely and the only correct decision. A decision by a sovereign, strong and independent country.”

(In a sense, Ukrainian military forces had already started the war, through a dramatic increase in strikes in the Donbass republics, as determined by the OSCE Special Monitoring Mission to Ukraine.)

After reviewing past heroic acts of the armed forces, the President spoke to the present and the past, together:

“I am addressing our Armed Forces and Donbass militia. You are fighting for our Motherland, its future, so that nobody forgets the lessons of World War II, so that there is no place in the world for torturers, death squads and Nazis.

“Today, we bow our heads to the sacred memory of all those who lost their lives in the Great Patriotic War, the memories of the sons, daughters, fathers, mothers, grandfathers, husbands, wives, brothers, sisters, relatives and friends.

“We bow our heads to the memory of the Odessa martyrs who were burned alive in the House of Trade Unions in May 2014, to the memory of the old people, women and children of Donbass who were killed in atrocious and barbaric shelling by neo-Nazis. We bow our heads to our fighting comrades who died a brave death in the righteous battle—for Russia.”

Putin’s speech did *not* announce any new initiatives in Ukraine, a declaration of war against that country, or a military draft.

Former NATO General Mini Insists To Replace NATO with a Different Security Architecture

May 9 (EIRNS)—Italian Gen. Fabio Mini (ret.), former commander of the NATO-led KFOR mission in Kosovo (2002-2003), said in a May 7 interview with [AmbienteWeb](#) that NATO should be dissolved because it has become a threat to world security, and that we are already on the brink of a third world war, we reported in yesterday’s *EIR Daily Alert*.

General Mini: “From an operational point of view, and considering the nature and multiplicity of the actions taken against our adversaries, we are in the middle of a global conflict. The alignments between the West and the

East speak clearly, and just because we are only given the ‘military’ picture of this conflict, does not mean that the war is merely military. The various wars overlap and include operations in Ukraine such as economic, financial, cyber, demographic, information and propaganda wars—these are not metaphors. They are real wars that produce greater damage than conventional warfare. And they are global. ...

“[NATO] Articles 5 and 6 on so-called mutual defense refer to the territories of individual member states threatened by armed attack. Ukraine is not a member state, but we are sending weapons and whatnot. Article 7 states that the treaty does not and shall not be considered in any way detrimental to the rights and obligations under the charter to the parties that are members of the United Nations or the primary responsibility of the Security Council for the maintenance of international peace and security. Russia, like Serbia, is a part of the United Nations and NATO’s policy has harmed its rights, compromising peace and security throughout the world. Finally, I believe that the European NATO countries have renounced that all states are to be treated on an equal footing, not because of the United States, but because of their own choice and convenience. The United States is doing its job and protecting its own interests. These interests never coincided with those of Europe, not even during the Cold War, when a hot war was being prepared that would have taken place in Europe and not in the U.S., where it was clear that the U.S. would not have lifted a finger to save Europe except if the continental United States had been directly attacked. No European state objected to NATO’s call to arms in areas outside its responsibility and for reasons not pertaining to Europe. Nor did anyone object to certain countries being invited to join NATO, that did not meet requirements, but brought with them a heavy burden of insecurity. We were disloyal to the United States by not pulling them up short when they wished to do things that made no sense. You can show your loyalty to friends by moderating them, not by egging them on or passively supporting them. I believe that at the end of the day, a restructured and revised NATO would also benefit the Americans, with or without their participation.”

Ritter Reveals U.S. Is Sending Arms to Ukraine It Can't Use Properly

May 9 (EIRNS)—In a May 6 RT column, former UN weapons inspector in Iraq Scott Ritter argues that “[Biden Is Sending Ukraine Billions of Dollars of Weaponry It Can't Use Properly.](#)” What it comes down to is that under the pressures and stresses of combat, even the toughest military gear breaks, and the more complex it is, the more quickly it breaks. To be used under combat conditions, such equipment must be accompanied by a maintenance/logistical capability that is institutional. The Ukrainian military lacks such a capability, particularly where Western-supplied weapons systems are concerned, and so the weapons and equipment the U.S. is supplying are being used up very quickly, faster than it can be replaced.

Ritter gives the M777 155mm howitzer as a prime example of the problem. Altogether 90 of these weapons have been supplied to Ukraine directly from U.S. Marine Corps stocks. The M777 weighs 9,300 pounds, far less than the 16,000-pound M198 howitzer that it replaced. Reducing its weight required compromises in its structure, making it much more prone to failure due to metal fatigue, according to a fact sheet that Ritter cites. The fact sheet says the M777 cannot absorb the recoil of firing 155mm ammunition, causing it to wear out “dangerously fast” in combat conditions. Ritter says that without extensive field level maintenance, an artillery unit equipped with the M777 begins to degrade within four days and is rendered combat ineffective within a week.

This problem is replicated with every piece of heavy equipment that the U.S. and NATO pump into Ukraine, including the Vietnam-era M113 armored personnel carriers that the U.S. is supplying and the Gepard anti-aircraft armored vehicles (of similar vintage as the M113s) dispatched by Germany. “[B]y providing Ukraine with equipment which is all but guaranteed to break down shortly after entering combat, and for which Ukraine has no infrastructure on hand to maintain and repair, Biden and Pelosi are doing little more than feeding the Ukrainian military suicide pills

and calling it nutrition,” Ritter concludes. “With friends like these, who needs enemies.”

NEW ECONOMIC ORDER

Chinese Foreign Ministry Summarizes ‘Fact Sheet on National Endowment for Democracy’

May 9 (EIRNS)—China’s [Foreign Ministry spokesman Zhao Lijian](#) responded to a question today about the May 7 [Fact Sheet on the National Endowment For Democracy](#), by summarizing why the Foreign Ministry produced the fact sheet and some of its content.

“On May 7, the Ministry of Foreign Affairs released the Fact Sheet on the National Endowment for Democracy on its website. The fact sheet, with about 12,000 words in six sections, lays bare the true face of the National Endowment for Democracy (NED) through hundreds of specific incidents gathered from public reports.

“The U.S. has long used democracy as a tool and a weapon to undermine democracy in the name of democracy, to incite division and confrontation, and to meddle in other countries’ internal affairs, causing catastrophic consequences. NED, as one of the U.S. government’s main ‘foot soldiers’ and ‘white gloves,’ has subverted lawful governments and cultivated pro-U.S. puppet forces under the pretext of democracy. NED was seen behind color revolutions instigated and orchestrated by the U.S., including the disintegration of the Soviet Union, the Rose Revolution in Georgia, the Orange Revolution in Ukraine and the Arab Spring. NED has been stirring up protests and demonstrations in Thailand, inciting the opposition parties in Nicaragua to seize power by force, funding anti-Cuba forces to manipulate public sentiment against the government, and long interfering in Venezuela’s internal affairs through various means. Hellbent on disrupting the world, NED has not brought social stability and development or contented lives and good work to other countries. On the contrary, it has caused a host of issues including withered livelihood, languishing economy and social confrontation. NED also extends its evil

hand to China and invests heavily in anti-China programs every year to incite ‘Xinjiang independence,’ ‘Hong Kong independence,’ and ‘Tibet independence’ activities by various means. It also colludes with ‘Taiwan independence’ forces and attempts to incite division and disrupt stability across the Taiwan Strait, which has been met with indignation and opposition from the Chinese people on both sides of the Strait.

“NED is actually the ‘second CIA’ of the U.S. It is by no means an NGO that provides support for democracy abroad. Instead, it takes orders directly from the U.S. government and manipulates NGOs through the provision of funding to conduct subversion, infiltration and sabotage to serve U.S. strategic interests. We believe the international community will see its true face more and more clearly, and more countries will expose its ugly track record in various forms. In today’s world, peace and development remains the theme of our times. Those that meddle in other countries’ domestic affairs are doomed to fail no matter what disguise they use.”

COLLAPSING WESTERN FINANCIAL SYSTEM

Most of Real Fuel Inflation Is Caused by Lost Refining Capacity

May 9 (EIRNS)—A [Bloomberg op-ed](#) today by Javier Blas reported that while the price of West Texas Intermediate crude oil has gone up 13% during the two months of the war in Ukraine, the wholesale prices of fuels at New York have risen as follows: gasoline 33%, to the equivalent of \$155/barrel; diesel fuel 69%, to \$175/barrel; and jet fuel (as well as home heating oil) 137%, to \$275/barrel. The reasons are two: 2 million barrels/day of obsolete refinery capacity in the United States and Europe being closed down, while new capacity opens up only in China; and the NATO sanctions and “self-sanction” by corporations, against Russia. Russia has shut down an additional 1.5 million barrels/day of its refining capacity due to the latter.

This is part of a broader “Green New Deal” investment collapse which began roughly 2015. Until that year, global investment in finding,

recovering and refining liquid fuels—crude oil and derivatives, natural gas—ran at about \$800 billion/year. By 2018 that had fallen to \$550 billion/year; and by 2021 it was \$350 billion, cut to less than half by the green financiers of Mark Carney and Co.

So what is called the average “cracking spread,” at \$55/barrel, is five times its average of recent decades and twice its previous record high. Large refiners such as Marathon Petroleum Corp. and Valero Energy Corp. are making huge profits. Martijn Rats, a frequently quoted Morgan Stanley oil analyst, is quoted by Bloomberg here: “Has the oil market hit the refinery wall? Unusually, the answer appears to be ‘yes.’ ” But more suggestive about the physical economy is the remark last week of Ben van Beurden, CEO of Shell: “Demand is not that easily destroyed.” “For that,” concludes Blas, “a recession will be necessary.”

Big Banks’ Trading Losses Are Mounting

May 9 (EIRNS)—Including apparent losses today, the U.S. stock markets have dropped about 13% of their claimed capitalization in the past two months’ inflation storm; but the stocks of the biggest banks—Bank of America, Goldman Sachs, Morgan Stanley, Citigroup, and Wells Fargo—are more than leading the way, having lost 20% of their value during that time. After the huge commodity inflation shock of March, “trading profits” lost their magic for these banks which scarcely lend money for economic activity anymore. As *EIR* reported yesterday, four big European banks alone had to report close to \$10 billion in outright capital losses from that commodity shock—and those losses are still coming. The European big losers were Société Générale, Unicredit, ING and Intesa Sanpaolo.

These banks have all been massively fortified for a decade by the Federal Reserve and ECB, against exactly such an economic collapse and financial crisis as is coming now. But the potential of a crash is beginning to threaten them, and only action from outside them, through governments taking bankruptcy reorganizations, can prevent it.

Life Expectancy Declines in Europe

May 9 (EIRNS)—Life expectancy in Europe overall has declined almost a year and a half since 2019, according to the Eurostat agency of the European Union. The average life expectancy at birth across the 27 countries of the EU fell from 81.3 years in 2019 to 80.0 in 2021, with another 0.3-year drop in the latter year. “The largest decreases have been estimated in Slovakia and Bulgaria (−2.2 years compared with 2020 [!]), followed by Latvia (−2.1) and Estonia (−2.0).” Life expectancy is lower than in 2019 in all EU states except Luxembourg, Malta and Sweden, in which three it has stayed the same.

GREEN NEW DEAL

More Countries Rejecting London’s ‘Just Transition’

May 9 (EIRNS)—London would very much like to have a working “Just Transition” deal in hand going into the 2023 COP27 round in Egypt, but that is proving hard to do because of “national policies and the war in Ukraine.” Just Transition is the sugar-coated term given to the policy adopted at the COP26 Climate Summit held in Glasgow last November, under which the poor countries of the world are to be “compensated” for eliminating coal as an energy source in their generation of electric power, in the service of reducing CO₂ in the atmosphere and saving Mother Earth from suffering heat stroke.

A May 3 article in Bloomberg, “Rich Nations Scramble To Seal Coal Transition Deals Before COP27,” says that it’s not the lack of commitment on the part of “rich nations” which is holding up South Africa’s \$8.5 billion deal, for example (and other Earth-friendly deals like it). It is the unwillingness of “poor” countries to roll over and die that is the roadblock. They give a clue to where the problem lies when they write, “developed countries,” meaning global bankers, “are also adamant that money can only flow if recipient governments come up with detailed economy-wide plans to end the use of coal.”

While Bloomberg refers to the poster child of South Africa, the heart of the article is on Indonesia (the next head on the chopping block). As Jakarta's Finance Minister Sri Mulyani Indrawati explained things, "If you ask Indonesia to transition off this energy, that will bankrupt my budget, bankrupt the [state electricity utility] PLN, it will not fly," referring Perusahaan Listrik Negara.

As one confounded analyst put it, "There are still factions within the Indonesian government that are wondering, why should we not build more coal and why should we transition?"

Good questions! Not everyone is willing to march off the cliff.