

EIR Daily Alert Service

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- We Must Put an End to the Suicidal Pact of Self-Destruction
- The Queen's Chatham House Demands No Letup in Drive To Crush Russia, Putin
- DNI Avril Haines Attacks China and Russia as 'Priority' Threats to the U.S.
- A Russian Default Could Be a Debt Bomb for the Financial System
- Putin Says Blame the West's 'Miscalculation' for Oil and Gas Price Hikes, Not Him
- EU's Versailles Summit Eyes Itself as 'New European Power'
- Commerce Secretary Raimondo Warned U.S. May 'Punish' Chinese Companies If Beijing Helps Russia
- EU Officials Prepare Population for Rationing
- Leading German Greenie Uses Russia Sanctions as Excuse To Impose Extreme Scarcity on Citizens
- Russia Economist Glazyev Tells 'Open Studio' Broadcast, a New World System Is Forming
- Lavrov Tells Press Conference in Turkey, Russia Will Free Itself of Dependence on Western Partners
- Royals' Racism and 'Worthy Victims'—Who Matters, and Why?

EDITORIAL

We Must Put an End to the Suicidal Pact of Self-Destruction

March 10 (EIRNS)—“In light of the escalating Ukraine crisis, people around the world are urgently asking themselves and their political leaders where this will all end. Is this heading towards a very big, perhaps even

thermonuclear, global confrontation? Are we facing a reverse, more dangerous Cuban Missile Crisis? Will Mankind even survive?”

So begins the Schiller Institute’s petition to “Convoke an International Conference to Establish A New Security and Development Architecture for All Nations.” Today, the Schiller Institute will be publishing a list of notable signers of the petition, and leading members of the LaRouche movement will be publicizing it broadly, through social media and other means.

The international conference called for cannot consist only of those nations already coalescing into a new paradigm of international relations. Without the involvement of leading trans-Atlantic countries, emphatically including the U.S., it were impossible to establish a new system on this planet.

The reasons are economic and strategic.

The enormous speculative financial bubble—valued in the quadrillions of dollars—and the increasing mountains of central bank money gushing in to keep it afloat, are running up against reality. Galloping inflation, caused by money-printing and green anti-growth/anti-human policies, is being lamely blamed on Vladimir Putin (as are seemingly all of the world’s ills).

The people of the U.S. and EU are told that skyrocketing energy prices are Putin’s fault, that the physical economic dislocations caused by sanctions are Putin’s fault, and that all manner of inflation and price increases are caused by Putin personally.

A new weapon of mass destruction is being created—a misled and thoughtless population, led by the nose to righteously denounce the latest authoritarian boogeyman while their own nations create the conditions for warfare and economic misery.

The answer is a Peace of Westphalia approach, to create an integrated security and development architecture that sees the benefit of the other as the goal of nations and of individuals. It is for such a new paradigm that the people of the trans-Atlantic, in particular, must agitate, to prevent their

nations from marching into a strategic confrontation in which one false move, one simple mistake, could lead to a chain reaction that would unleash nuclear war from which mankind might never recover.

“It is time for institutions and individuals from every nation to step forward and join the mobilization for an international conference to establish a new security and development architecture for all nations,” concludes the statement.

Look to the [Schiller Institute website](#) during the day today for an announcement on the petition, and for what you can do to make that new architecture a reality.

- Watch **Harley’s Updates** with Harley Schlanger on Friday March 11, 2022: Every weekday morning on [The LaRouche Organization](#), Schlanger will give you the strategic briefing you need to start your day.

STRATEGIC WAR DANGER

The Queen’s Chatham House Demands No Letup in Drive To Crush Russia, Putin

March 10 (EIRNS)—In a March 8 article posted to its website, under the headline “[Devising the Strategy To Deter Russia and Weaken Putin](#),” the British Crown’s very own Royal Institute for International Affairs (RIIA), otherwise known as Chatham House, warns that there can be no wavering in the drive to crush the nation of Russia and its President dVladimir Putin. A number of effective steps have already been taken, says Associate Fellow Jamie Shea, but more is required, including ensuring that enough combat forces are available to defend Europe, and that enough ships and aircraft have been sent to reinforce the Baltic states. NATO’s Reaction Force is revved up. The next step should be to break the pledge made to Moscow in 1997 not to station substantial combat forces or build military infrastructure on the territory of new member states. There’s no reason for NATO to

respect this now, the author argues, as the conditions that existed in 1997 to justify it are no longer “relevant.”

Even though sanctions have been applied so effectively and in such a unified way, Shea explains, more must be done. Normally it takes some time for sanctions to be effective, and in the meantime, countries find ways around them. But now the priority must be to “front load the full sanctions package to maximize the pain on Russia and give it less time and scope to adjust,” while keeping “public opinion on [our] side for as long as possible,” given that people are worried about rising inflation and energy prices. Above all, governments “must avoid a situation whereby standing up to the Kremlin becomes the scapegoat for falling living standards and high prices at the fuel pump.”

Shea laments that from a policy standpoint, sacrifices will have to be made, which will mean offending the environmentalists: Keep the pressure on OPEC, especially the Saudis, to increase output, release 60 million barrels from the U.S. and others’ strategic reserves, and even burn more coal on a short-term basis. Shea insists that past mistakes must be corrected: Russia should have been more vigorously sanctioned after it “annexed” Crimea—what the royals call a popular referendum—and the City of London should not have been allowed to “thrive as a hub of shady Russian financial transactions despite G7 pledges to shut it down.” Weakening “Putin’s grip on Russia must now be the policy focus.” All of the economic, military, diplomatic, and legal tools to do this exist “of tying Putin and his regime [sic] in a host of criminal proceedings ... the yardstick is the perseverance and skillfulness in using these tools effectively.”

DNI Avril Haines Attacks China and Russia as ‘Priority’ Threats to the U.S.

March 10 (EIRNS)—In testimony before the House Permanent Select Committee on Intelligence on March 8, on the “[Annual Threat Assessment of the U.S. Intelligence Committee](#),” Director of National Intelligence (DNI) Avril Haines warned in the public part of her statement that the Threat Assessment describes the People’s Republic of China as a threat of

“unparalleled priority for the intelligence community.” This is because it is “coming ever closer to being a peer competitor in areas of relevance to national security, is pushing to revise global norms and institutions to its advantage”—breaking the rules?—“and is challenging the United States in multiple arenas, but particularly economically, militarily and technologically.”

Haines insists that President Xi Jinping and other leaders are determined to “force unification with Taiwan on Beijing’s terms,” and are currently engaged in all manner of actions to accomplish that through coercion, but she warns that if Beijing concludes that if it has to achieve this through military force, it will. Also alarming, Haines said, is that the P.R.C. is also engaged in the “largest ever nuclear force expansion and arsenal diversification in its history,” trying to match or exceed U.S. capabilities in space and has also developed a threatening cyber-espionage capability.

Haines also pointed to Russia as a “critical priority,” especially given its alleged invasion of Ukraine, “which has produced a shock to the geopolitical order with implications for the future that we are only beginning to understand.” She argues that President Vladimir Putin has badly miscalculated, however, because the Ukrainian resistance is far greater than anticipated, he is facing big internal military challenges, and has been denied a quick military victory. But despite the West’s excellent military response, its provision of lethal aid and other assistance to Ukraine, DNI Haines reports that the intelligence community nonetheless estimates that Putin will be “undeterred” by setbacks and may escalate to achieve Ukrainian disarmament and neutrality—she leaves out his insistence on de-Nazification—to prevent it from further integrating with the U.S. and NATO. She points to Putin’s “saber rattling” with his nuclear alert, but vows that the U.S. will “remain vigilant in monitoring every aspect of Russia’s strategic nuclear forces.”

COLLAPSING WESTERN FINANCIAL SYSTEM

A Russian Default Could Be a Debt Bomb for the Financial System

March 10 (EIRNS)—A Russian sovereign debt default, now given at 80% probability by Fitch (based on credit default swaps, or CDS values), can trigger a meltdown of the international (Western) financial system. If driven into a corner, Russia could use it as a debt-bomb detonator.

Take the case of PIMCO, one of the world's largest investment managers. PIMCO actively manages more than \$2.21 trillion in assets for central banks, sovereign wealth funds, pension funds, corporations, foundations and endowments, and individual investors around the world.

PIMCO is exposed both as owner of Russian bonds and a counterparty in credit default swaps contracts. Precisely, it owns more than \$1.5 billion in Russian Federation bonds and at least \$1 billion in derivative bets that the country would not default.

If Russia defaults, PIMCO will directly lose at least \$2.5 billion, but it could suffer a wave of margin calls and investors' flight.

After Putin signed the bill on bond payment in rubles, CDS prices for Russian debt have skyrocketed. To insure \$10 million of 5-year Russian debt now requires a down payment of \$5.8 million plus \$100,000 per year, according to ICE data service quoted by Bloomberg. How many financial institutions are already losing on that debt as counterparties in CDS?

Media reports list Société Générale, Credit Suisse (CS), Unicredit, Raiffeisen Bank and Deutsche Bank as the banks with the largest credit exposure to Russia. Deutsche Bank stock has plunged by more than one-third in the last four weeks. Deutsche Bank's drop in stock value is a "big problem, because Deutsche Bank is heavily interconnected to Wall Street banks via derivatives. According to Deutsche Bank's most recent annual report, as of Dec. 31, 2020, it held \$35.4 trillion in notional derivatives," wrote Wall Street On Parade.

In the case of Credit Suisse, the Zürich-based financial news site InSide Paradeplatz reports that the spread of CDS on Credit Suisse debt has jumped from 55 to 114 since the outbreak of the Ukraine war.

Payment deadlines are fast approaching: March 16 is the deadline for yields of \$117 million, March 21 for \$66 million, and March 28 for \$102 million to be paid on various Russian bonds.

Putin Says Blame the West's 'Miscalculation' for Oil and Gas Price Hikes, Not Him

March 10 (EIRNS)—The Biden administration has come up with a catchy new hashtag “#PutinPriceHike” to blame Russian President Vladimir Putin not soaring oil and gas prices, and also just about everything else. As he prepared to travel on March 8, after announcing the ban on Russian oil and gas imports, Biden responded to a reporter who asked about how oil and gasoline prices would rise as a result, by saying there was nothing he could do about it, and people would have to accept it.

That didn't go over too well, so now Putin has become the culprit.

During her March 9 White House press briefing, Press Secretary Jen Psaki went through contortions to explain why Putin is responsible, claiming that price hikes began in December-January when Russian troops were allegedly gathering on Ukraine's border. Psaki struggled to educate skeptical reporters on all the steps Biden is taking to keep inflation down.

TASS reports that President Putin, in a meeting with his cabinet, had a few things to say about the EU and U.S. blaming him personally for high energy prices: The high cost of energy is not Russia's fault, Putin said, but is due to the West's “own miscalculations.... The same applies to the surge in prices for oil and petroleum products in the United States. They announced that they were closing the import of Russian oil to the American market; prices there are high, inflation is unprecedentedly high, probably reached all-time highs.”

The U.S. is trying to blame Russia “for the results of its own mistakes,” Putin explained. Any market expert can see that, because the oil Russia

provides to the U.S. market is no more than 3%. “This is a negligible volume, but their prices are rising. We have absolutely nothing to do with it, and even here the ban on Russian oil imports has absolutely nothing to do with it. They just hide behind these decisions in order to once again deceive their own population.”

The Russian President pointed out the irony that the U.S. is now trying to negotiate with countries it has sanctioned, like Venezuela, and they’re trying to make peace with Iran. “They want to negotiate with Venezuela,” he said, but the U.S. should never have imposed those “illegitimate sanctions” on that country to begin with.

EU's Versailles Summit Eyes Itself as ‘New European Power’

March 10 (EIRNS)—The European Council meeting, which started today at Versailles, is supposed to launch enormous expenses for rearmament, green transition, and more power to EU supranational institutions.

The **preamble** of the draft declaration says:

“Russia’s war of aggression constitutes a tectonic shift in European history. At our meeting in Versailles we discussed how the EU can live up to its responsibility in this new reality, protecting our values, our democracies, the safety of our citizens and our European model. For the past few years, we have been engaging in a green and digital transition which requires considerable investments and regulatory evolutions. Faced with the COVID pandemic, we acted with solidarity to provide vaccines and we adopted a historic recovery plan to support our citizens and businesses collectively. Confronted with growing instability, strategic competition and security threats, we decided to take more responsibility for our security and take further decisive steps towards building our European sovereignty, reducing our dependencies and designing a new growth and investment model for 2030. In this respect, we addressed three key dimensions: 1. Bolstering our defense capabilities; 2. Reducing our energy dependencies; and 3. Building a more robust economic base.”

According to some media reports, the 27 EU states agree on the agenda but are divided on how to finance it. One faction wants to do it with new European debt (Eurobonds), while the other faction wants to do it through national budgets.

U.S. POLITICAL AND ECONOMIC

Commerce Secretary Raimondo Warned U.S. May 'Punish' Chinese Companies If Beijing Helps Russia

March 10 (EIRNS)—In a March 8 interview with the *New York Times*, “Gina Raimondo, the Secretary of Commerce, issued a stern warning Tuesday to Chinese companies that might defy U.S. restrictions against exporting to Russia, saying the United States would cut them off from American equipment and software they need to make their products.”

Raimondo targeted by name Semiconductor Manufacturing International Corporation: Russia “is certainly going to be courting other countries to do an end run around our sanctions and export controls,” Raimondo said. But if the United States were to find that a company like the Semiconductor Manufacturing International Corporation, in Shanghai, was selling its chips to Russia, “we could essentially shut SMIC down because we prevent them from using our equipment and our software,” she threatened.

“They have their own self-interest to not supply this stuff to Russia. So they’re not doing it out of the goodness of their heart. It would be devastating to China’s ability to produce these chips,” Raimondo remarked. The *New York Times* claims that a similar action against Huawei in 2020 has severely damaged Huawei’s broadband and mobile business.

The *New York Times* did not opine on whether Raimondo would love to shut down SMIC regardless of Chinese actions with respect to Russia.

GREEN 'GREAT RESET'

EU Officials Prepare Population for Rationing

March 10 (EIRNS)—EU officials presented a new package of sanctions against Russia and Belarus at the European Parliament yesterday, and prepared the population for a rationing regime, RAI Brussels correspondent Donato Bendicenti reported this morning.

EU Special Representative for Foreign Affairs and Security Policy Josep Borrell explained that this is the moment for Europe to sanctions this into a sort of political crusade, Bendicenti reported. Macroeconomic choices must be flanked with individual choices—especially individual choices that Borrell is happy to make on your behalf!

Commissioners Valdis Dombrovskis and Paolo Gentiloni further clarified for the great unwashed: The impact of the war undermines growth expectations, and therefore we must deal with two challenges—solidarity with Ukraine at all costs (yours, of course) and “autonomy.”

The education moment came on the eve of the EU Council meeting in Versailles, March 10-11, which is supposed to launch a new stage of “European Sovereignty.” At the summit, the following proposals for new sanctions will be presented:

- Sanctions on 160 additional Russians (businessmen and politicians);
- Belarus and Russia are put at the same level for sanctions;
- Three Belarus banks will be disconnected from SWIFT;
- Any export of maritime technologies to Russia will be banned.

Leading German Greenie Uses Russia Sanctions as Excuse To Impose Extreme Scarcity on Citizens

March 10 (EIRNS)—Leading German “climate protector” Ottmar Edenhofer of the Potsdam Institute for Climate Impact Research (PIK) calls on Germany to join the U.S. in imposing an instant import ban on Russian gas and oil. “We need massive sanctions now. Europe cannot afford to

continue financing Putin’s war through gas and oil imports. And yes, we could enforce this import ban,” Edenhofer told German media yesterday.

Edenhofer said he is aware that it may cause high costs and create shortages, saying, “It will involve higher costs and massive intervention in the gas market.”

German industries could then be faced with having to shut down. “For next winter, it would be conceivable that if we don’t manage to fill the storage facilities accordingly ... private households would be prioritized for gas supply, and industrial customers would have to take a back seat. We are talking about wartime scenarios here,” echoing Prince Charles.

The Malthusians at PIK oppose fossil fuels, nuclear power, and, most important, the existence of humanity, so Edenhofer’s statements come as no surprise. How many other environmentalists are secretly happy that the Anglo-American/NATO created conflict may drive up the energy prices that humans require?

NEW ECONOMIC ORDER

Russia Economist Glazyev Tells ‘Open Studio’ Broadcast, a New World System Is Forming

March 10 (EIRNS)—In a March 6 interview with “[Open Studio](#)” (“Открытая студия”) internet TV posted on YouTube, Sergei Glazyev, member of the Russian Academy of Sciences, whose 1998 book *Genocide: Russia and the New World Order* was published in English by *EIR*, and a friend of the Schiller Institute and LaRouche movement, presented his view that a new world economic order is developing, to replace the current bankrupt one. (In 1998, “the new world order” was George Bush’s term for that very bankrupt system that Bush proclaimed as his own.)

According to a machine translation of the video description, Glazyev said that the Anglo-American theft of hundreds of billions of dollars of Russia’s money is an act that is typical of piracy. He likened this to the

British Empire's accumulation of wealth through plundering others. He called it an inherent disease of the Anglo-Saxon financial system.

Just as the Soviet system collapsed 30 years ago, now the American-centered system has collapsed.

Anglo-Saxon politics may have the goal of destroying Russia, but in reality the West is destroying itself through imposing sanctions. Russians and others must understand that it is necessary to get rid of the dollar. It is poisonous. What need does anyone have for a currency that you can't work with, can't buy anything with, and which may be frozen tomorrow?

He expressed optimism that Russia has no limits to economic growth, and that with the right macroeconomic policies Russia could achieve a growth rate of 10% per year. Increasing the supply of goods, he said, is the best means of macroeconomic stabilization.

He said that the sanctions really affect only 10% of total Russian consumption. The economy will stabilize. On the issue of the "energy transition," Glazyev said that real climatologists laugh at the idea. Humanity's impact on the climate is perhaps 5%, whereas the Sun's activity accounts for 90%.

He concluded by saying that if Russia creates a broad international coalition along with China and India, all American power will be blown away.

(But will the Anglo-American establishment blow apart the world rather than accept being blown away?)

The March 6 interview has just short of 200,000 views as of this writing.

Lavrov Tells Press Conference in Turkey, Russia Will Free Itself of Dependence on Western Partners

March 10 (EIRNS)—Following his meeting today in Antalya, Turkey with Ukrainian Foreign Minister Dmytro Kuleba and their Turkish host Mevlüt Çavuşoğlu, Russia's Sergey Lavrov held a 45-minute press conference in which he discussed key issues regarding the Ukrainian situation, and also

made some strong remarks about where he sees Russia's economy, which has been hit hard by Western sanctions, developing in the future, reported TASS. He told reporters that "we will solve this problem in such a way that never again will we depend on Western partners, be it governments or companies that are not guided by the interests of their business, but have become a tool of political aggression, Russia is now experiencing from the West," he said.

"We will make sure that we never find ourselves in a similar situation again and that no 'Uncle Sam' or anyone else can make decisions that are aimed at destroying our economy," he vowed. "We will find a way to no longer depend on it, and it should have been done a long time ago." Regarding the Western claim that Russia has "weaponized" its oil and gas supplies, the Foreign Minister explained "as for oil and gas: We leave it all to the discretion and conscience of our Western colleagues. We have never used oil and gas as a weapon, although [Western colleagues] regularly accuse us of doing so."

The Russian minister cited an example of the West's hypocrisy, recalling that ten years ago, when Russia supplied natural gas to Europe via Ukraine, the latter provoked a crisis by siphoning off and stealing the gas. Russia fully complied with all regulations pertaining to volumes and prices, but what did Europe do? It knew that Ukraine was stealing the gas, but instead lied that Russia was "weaponizing" it. So, here's the reality, Lavrov said. "Everything that is happening with regards to Ukraine is measured by a single standard, how to harm Russia through this country, and how to contain Russia." And, he continued, "this containment began long ago, before it was officially announced."

The West has "called Russia every name in the book, imposed sanctions, banned their companies from staying in the country, everyone fled, but at the same time they say that they will buy oil and gas, because otherwise they will freeze from the cold." This behavior, Lavrov said, is a perfect demonstration of Europe's so-called "values." He pointed to Western threats to impose an embargo on the purchase of Russia's energy

resources. “Go ahead! If they stop buying oil and gas, our Deputy Prime Minister Alexander Novak, who oversees the energy sector, spoke in detail that we will not persuade them to buy our oil and gas,” he stressed. “If they want to substitute it, they are welcome to do so. “We will have markets for sales; we already have them.”

SCIENCE AND CULTURE

Royals’ Racism and ‘Worthy Victims’—Who Matters, and Why?

March 10 (EIRNS)—Prince William is in a bit of a pickle after having made remarks at the Ukrainian Cultural Center in London, where he said it was “very alien to see this in Europe,” implying that it’s usually those dark-skinned people in the Third World who suffer from the ravages of war, not “civilized” Europeans.

Daughter of Martin Luther King, Bernice King, tweeted: “Horrific comment. European people ran roughshod over the continent of Africa, pillaging communities, raping women, enslaving human beings, colonizing for profit and power, stealing resources, causing generational devastation. And European nations continue to harm Africa.”

Pakistani human rights advocate Qasim Rashid: “How do you have a 1,000-year history of colonialism, a literal 100-year war, launch 2 World Wars, allow multiple genocides, & bomb a dozen nations since 9/11 alone—yet make this type of a statement.”

Numerous examples of Western journalists lamenting the existence of warfare among Ukrainians variously described as “Christian,” “European,” “just like us,” or even “blonde and blue-eyed” are widely shared on social media.

But is racism the only, or even the primary factor in determining who counts as a “worthy victim”?

After all, the British were eager to “help” the people of Libya and Syria, who are not typically considered to be Christian, European, or blond. They

did so by killing or attempting to remove those countries' leaders, and subjecting the nations to civil war and chaos. They just loved them to death.

Cries of "Save Darfur!" during the Bush administration led to the Save Darfur Coalition and associated groups raising hundreds of billions of dollars and forcing disinvestment from Sudan. (To what actual end?)

But the people of Afghanistan are not considered "worthy victims." Neither are the long-suffering people of Yemen. Nor are the poor of whatever complexion or background around the world being starved and impoverished by the Green New Deal.

People are up in arms about the calamities reported to be befalling the Ukrainians, because they are *told* to be outraged. They are organized and manipulated by the media and social media apparatus that are effectively part of the same financial and military establishment that relies on them to provide an appearance of popular support for their deadly policies.

In this sense, the populations of the trans-Atlantic countries themselves become weapons in the hands of this elite.