

EIR Daily Alert Service

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EDITORIAL

You'll Get More Than a Sore Rear from Sitting on the Sidelines

April 5, 2023 (EIRNS)—There are times when history stretches out like a long road, as far as the eye can see. But there are other times when long historical processes shift almost overnight, for good, or for ill. We find

ourselves in the latter type today, where the world is gripped between an unfathomable horror of global war, and the birth of a new era which has the potential to move beyond the traps which cause wars. In times like this, old routines and habits become far worse than useless—they become deadly.

Russian Deputy Foreign Minister Sergei Ryabkov today alluded to this when he spoke bluntly about the danger the world faces over the proxy war in Ukraine. Warning the Global NATO crowd about its reckless escalation, right up to Russia's doorstep, Ryabkov said: "We are not mincing words here, either. Our adversaries simply have to be realistic about what is going on around them, and to refrain from any escalation or provocations against us. Because otherwise something may happen that for now can be discussed only hypothetically." He reminded people that nuclear deterrence "has always been and is still present" for use by Russia's military.

This follows the statement on April 4 by Kremlin spokesman Dmitry Peskov, who explained that Russia has been forced to adopt the policy of "preventive warfare," just as Western countries have for years. "The current developments, aggressive developments around us just make it necessary to reserve such a right as well." Then, also this week, the sixth wave of NATO expansion took place, this time sweeping in Finland—a move that doubles the previously existing border between Russia and NATO. Russia promised it will take countermeasures, "both tactically and strategically." New pronouncements about the deployment of nuclear capabilities into Russian ally Belarus were also announced.

These events and others show that the danger of global confrontation is increasing—the historical horizon is rapidly approaching.

Against this backdrop, the breakdown of the trans-Atlantic economies is continuing, where decades of speculative finance and delusional economic theories are hitting a brick wall. Stuck between a self-made paradox, of either printing or constricting money—both with terrible effects—banks are continuing to stumble and credit markets are freezing. The trend of countries around the world retreating from using the dollar is rising, a trend

that will only be increasing if its value continues to fall as it has over the recent months.

The case of Malaysia illustrates the changing dynamic, and a thoughtful response to it, as their new prime minister has chosen to move away from trade with the dollar, and towards a stronger relationship with China—especially with China’s Belt and Road Initiative. Prime Minister Anwar had also raised the idea of an Asian Monetary Fund at last week’s Boao Forum for Asia in China in order to have increased credit for development in Asia.

The choice between collaboration and mutual economic development, or war and confrontation has never been clearer. Just ask Saudi Arabia and Iran, which chose to hold their first in-person bilateral foreign ministers meeting in Beijing this week.

With the roiling banking crisis across the trans-Atlantic, it would be an obvious opportunity for a needed reorganization of the system and implementation of the long-overdue Glass-Steagall Act—and this before the next bank goes down. Can the unwillingness to address this obvious reality be related to the unwillingness to take a step back from the brink of a global nuclear confrontation with Russia? Of course it is! That is the importance of an all-out mobilization from the general public, demanding a halt to this madness, and the agreement to collaborate in exactly such a new system as is currently being discussed among the so-called Global Majority.

Slivers of reality are breaking out, as can be seen in the moves for a Glass-Steagall-style reform in Switzerland, now increasingly being discussed, or in the case of the feared truth about the Nord Stream bombing—an inconvenient reality that refuses to go away, despite ludicrous cover stories.

Another major inflection point will be the upcoming [Schiller Institute conference](#) over the weekend of April 15-16, where these topics will be discussed with participation from around the world. All efforts must be made to grow this breakout process over the next week-and-a-half leading into that event.)

There is a such a thing as too late, and your voice is needed immediately.

- Watch [Harley's Updates](#) with Harley Schlanger on Thursday April 6, 2023: Every weekday morning on The LaRouche Organization, Schlanger will give you the strategic briefing you need to start your day.

NEW STRATEGIC & ECONOMIC ARCHITECTURE

Malaysia Moves To Exit the Dollar

April 5, 2023 (EIRNS)—Malaysia's Anwar Ibrahim, once the favorite tool of George Soros and Al Gore in running operations against then-Prime Minister Dr. Mahathir Mohamad, is now the Prime Minister himself, and appears to be letting the office shape his policies rather than the other way around. He visited China last week, and in meetings with President Xi Jinping the two leaders discussed the move away from the weaponized U.S. dollar. He also renewed a proposal he had made at the Boao Forum for an "Asian Monetary Fund" (AMF) and reported that Xi agreed with him.

Anwar told the Parliament: "There is no reason for Malaysia to continue depending on the dollar." Malaysia's central bank is already working on enabling the two nations to negotiate on trade matters using the ringgit and renminbi, said Anwar, who doubles as finance minister.

He said he had proposed the AMF at the Boao Forum for Asia in Hainan on March 30, stressing the need to reduce reliance on the dollar or the International Monetary Fund.

Anwar also called for "regaining momentum" in the BRI: "Translating lofty ideals into practical reality, solidarity and cooperation is best exemplified in the realization of the Belt and Road Initiative. With the pandemic behind us, we should try to regain its momentum," he told the Boao Forum. Malaysia already has several BRI-related infrastructure and connectivity projects, including the Malaysia-China Kuantan Industrial Park, the East Coast Rail Link (ECRL) and the expansion of Kuantan Port.

Anwar also criticized the U.S. “chip war” against China: “The rivalry to be ahead in this can take either a productive or a destructive turn. Having said that, let me reiterate that unfettered competition must give way to spirited collaboration.”

Iranian and Saudi Arabian Foreign Ministers Will Meet in Beijing To Further Relations

April 5, 2023 (EIRNS)—London’s major Arabic international newspaper *Asharq Al-Awsat*, reported today: “Sources revealed to *Asharq Al-Awsat* that Saudi Foreign Ministers Prince Faisal bin Farhan and Iranian Foreign Minister Hussein Amirabdollahian will meet in Beijing, the day after tomorrow [April 7], to activate the content of the agreement to resume relations that was announced last month.

“The sources pointed out that the Beijing meeting was preceded by three contacts between the Saudi foreign minister and his Iranian counterpart....

“[The source] pointed out that China’s choice of venue for the meeting between the Saudi and Iranian foreign ministers ‘comes as an extension of Beijing’s positive role in reaching an agreement and facilitating communication between the two countries.’ ”

Their meeting is one of the steps in the tectonic shift in the wake of the March 10 Beijing meeting of China’s top diplomat Wang Yi, with Saudi national security adviser Musaad bin Mohammed Al-Aiban and Iran’s national security adviser Ali Shamkhani to restore diplomatic relations between Saudi Arabia and Iran, as brokered by Chinese President Xi Jinping. The agreement reshapes the economic-political landscape of Southwest Asia.

Iranian news agency Tasnim reported April 4 cited a spokesman for the office of the Iranian Presidency as saying: “President Ebrahim Raisi has welcomed an invitation from Saudi Arabia’s King Salman bin Abdulaziz Al Saud to visit the Kingdom,” and added, “King Salman has been reciprocally invited to visit Iran.”

Meanwhile, a member of the presiding board of the Iran Chamber of Commerce, Keyvan Kashafi, said on April 3, that “a joint Chamber of Commerce between Iran and Saudi Arabia will soon be launched.”

These coordinated developments are unfolding at a very swift pace.

Rasht-Astara Railway, Critical Link of International Transport Corridor, Moves Closer to Reality

April 5, 2023 (EIRNS)—In the spirit of peace and economic development, Iran is now going all out to get Russian railroad builders and engineers to participate in building the 164 km Rasht-Astara Railway, from the cities of Rasht northward to Astara, along the Caspian Sea. This is only partially built, and is a key rail corridor in advancing the ambitious 7,200 km International North-South Transport Corridor (INSTC), extending from St. Petersburg in Russia to Mumbai, India. From Astara in Iran, the railway crosses into the twin city of Astara, Azerbaijan, and from there, the railway would pass through Azerbaijan into Russia, and thence northward toward Russia’s Baltic Sea at St. Petersburg. From there the INSTC connects to the sea routes to Portugal, Spain, and the Mediterranean.

On March 29, when Iranian Foreign Minister Hossein Amirabdollahian was in Moscow, it was reported that he was to bring this up with Russian Foreign Minister Sergey Lavrov. On April 5, Iran’s Deputy Minister for Roads and Urban Development Abbas Khatibi announced that serious talks are underway on this railroad segment, and that an agreement between Iran and Russia on building the Rasht-Astara Railway would be finalized by mid-May.

Western Experts Worry About Losing Technological Edge to China

April 5, 2023 (EIRNS)—At the [Sydney Dialogue](#) conference hosted by the Australia Strategic Policy Institute (ASPI) on April 4, panelists exemplified the growing fear in the West, not that China is some “autocracy,” but that it is actually advancing scientifically, and at faster rates.

Former CEO of Google and chairman of the U.S. Special Competitive Studies Project Eric Schmidt said that China was not like the Soviet Union,

because it was “an autocratic competitor that is run by technocrats that is very capable of inventing a new future.”

Andrew Shearer, head of Australia’s Office of National Intelligence, said the balance of power in the Indo-Pacific region was starting to “shift away from the United States and its allies, undermining deterrence. We are seeing our longstanding technological edge start to erode, and in some cases that edge is totally gone.”

Michelle Simmons, Australia’s top quantum computer expert, said that AUKUS (Australia-U.K.-U.S.) needed to collaborate if they were to keep up with China. She called on the three nations to form a “joint mission” to develop the quantum computer. “It’s quite critical for the nations to work together to make sure we pool our resources, to make sure we are at the forefront,” Simmons said, reported Reuters yesterday.

ASPI, a neocon and anti-China think tank, had released a report last month panicking about just how far ahead China is technologically. Out of 44 “crucial technology fields,” China is leading in 37 of them. These include “defense, space, robotics, energy, the environment, biotechnology, artificial intelligence, advanced materials and key quantum technology areas.” In the report, they make a special note of China’s rapid advancement of hypersonic missiles: “A key area in which China excels is defense and space-related technologies. China’s strides in nuclear-capable hypersonic missiles reportedly took U.S. intelligence by surprise in August 2021.”

COLLAPSING WESTERN SYSTEM

Unprecedented U.S. Trade Deficit Highlights Physical Economic Collapse

April 5, 2023 (EIRNS)—The U.S. international trade deficit exploded from \$845.0 billion in 2021 to \$945.3 billion in 2022, as imports increased more than exports, the Bureau of Economic Analysis of the U.S. Department of Commerce reported in a revised report released in March. This is the

largest trade deficit in American history, and the largest trade deficit in the history of the world.

It reflects what Lyndon LaRouche termed the “importer of last resort,” the U.S. addiction to imports, to compensate for America’s physical economy’s inability to produce the goods needed for its population’s physical existence. In a Dec. 23, 2000 *EIR* article, published in its Jan. 19, 2001 issue, entitled, “[The Demise of the Importer of Last Resort](#),” LaRouche wrote:

“Look at what is called U.S. production. How much of the nominal U.S. production output’s content is the resale of imported components, assemblies, and even entire products? Compare the country of origin of your clothing, and nearly everything else, by type, which you wore or used otherwise two decades ago, and the country of origin of the same or a similar product today. Look at the resort to virtual slave-labor operations, abroad, to export productive employment from the United States (and also western Europe) into regions where the price of labor is relatively the cheapest, and relative skills most marginal.”

The U.S. trade deficit is made up of two components: services and goods. In 2022, the U.S. ran a surplus in international services (financial services, travel, etc.) of \$244 billion. In 2022, it ran a trade deficit on goods of \$1.19 trillion (combined, the goods and services trade deficit was \$945.3 billion).

The U.S. imports of the categories of “other industrial machinery,” “medical equipment,” “industrial supplies,” “finished metal shapes,” as well as such items as “cell phones” “computers and accessories,” etc., all increased from 2021 to 2022. While the U.S. does export some of these items, its imports increased by a greater amount than its exports. The U.S. survival, such as it is, depends on the imports from the world.

This incapacity to produce raises a second question. The U.S. dollar over the last few months has declined against other currencies, despite rising interest rates, by 5 to 7%. As a part of the growing tendency towards “de-dollarization,” what if there is a substantial drop in the value of the

dollar, which can be seen on the horizon? Will the U.S. still be able to import the level of goods it depends upon? The U.S. pays for goods it doesn't produce with an IOU, the U.S. dollar. If that IOU is no longer accepted, what would then happen to the U.S. physical economy, the population's ability to survive, and its financial system?

First Battle on Glass-Steagall in Swiss Parliament Next Week

April 5, 2023 (EIRNS)—The Swiss Federal Parliament will gather in a three-day joint session of the National Council and Council of States in the week after Easter, to discuss the Credit Suisse debacle. Since the government organized a bailout under emergency rule, it is not possible to reverse the decision, but the Parliament wants to set rules for future emergencies. Thomas Minder, independent member of the Council of States has announced that he will launch a motion calling for breaking up UBS and for a bank separation regime. Minder had already supported the bank separation law pushed by the Swiss People's Party (SVP) and the Social Democrats (SP) back in 2014.

With the merger of CS and UBS, the Swiss government has created a bigger too big too fail (TBTF) monster. The two banks should be downsized, Minder said in an interview with *Blick* newspaper. "In the special session, he will introduce a motion calling for an autonomous split of investment banks from all TBTF banks, thus achieving a system of bank separation," it reported.

First Republic Bank's Vital Signs Are Fading

April 5, 2023 (EIRNS)—First Republic Bank, the San Francisco bank with \$212 billion in assets, into which 11 U.S. banks made \$30 billion of emergency deposits on March 16—at the U.S. Treasury and Federal Reserve's insistence—had its vital signs turn downward this past week, which could initiate another rupture in the world financial bubble.

Reuters in an April 4 article, "Betting Against First Republic, Short Sellers Made \$848 Million in March," reported that "Short sellers made a whopping \$848 million in ... profit by betting against beleaguered First

Republic Bank in March, financial data company Ortex said” on April 4. Short-sellers are international financial sharks that bet that a company’s stock will fall; if enough short-sellers, in a group, bet that a company’s stock will fall in value, and the company is weak, and word that short-selling is underway spreads through the market, that will cause that stock to fall faster and ever more deeply. The outcome: the value of First Republic’s stock fell 88.6% in March, “as the U.S. banking crisis fueled fears that the San Francisco-based bank could also fall prey to the issues that hit Silicon Valley Bank and Signature Bank,” Reuters reported.

MarketBeat on April 3 examined First Republic’s books. It reported that as of Dec. 31, 2022, First Republic was carrying a stunning \$19 billion loss on its mortgage loans. Reuters reported that First Republic’s liabilities are greater than its assets by between \$9.4 and \$13.5 billion, which is untenable.

In parallel, Western Alliance Corp., the Phoenix, Arizona-based bank with \$69 billion in assets, whose stock price has plummeted by half the past month, is signaling that it is in distress.

If the U.S. Fed and Treasury step in with infusions of tens of billions of dollars to prop up these two banks, as it did with Silicon Valley Bank and Signature Bank three weeks ago—which they may do—it would be an admission that the rot of the U.S. and world banking system is deep, and the crisis unending. But waiting will not work; time is not this banking system’s ally.

Lyndon LaRouche’s June 8, 2014 [Four Laws](#) and Helga Zepp-LaRouche’s March 14, 2023 “[Call for an Emergency International Conference to Reorganize the Bankrupt Financial System](#)” are the workable alternative.

Seymour Hersh Dismantles CIA Cover Story on Who Bombed Nord Stream Pipelines

April 5, 2023 (EIRNS)—Seymour Hersh, who wrote the breakthrough investigation on Feb. 8, “[How America Took Out the Nord Stream](#)

Pipeline,” responded today to the mythical CIA story to cover up and counteract Hersh’s original story, in his latest article, “The Nord Stream Ghost Ship,” with the kicker “The false details in the CIA’s cover story.”

In his investigation, Hersh attributes the Sept. 26, 2022 explosion of the Nord Stream pipelines to a decision by President Joseph Biden, his foreign policy team of Tony Blinken, Jake Sullivan and Victoria Nuland, and a CIA working team, who employed divers from the U.S. Navy’s Diving and Salvage Center In Panama City, Florida.

The cover-up story was run on March 7 by the *New York Times* and German publications, *Die Zeit* and *Der Spiegel*. In their version, which Hersh says was invented as a CIA cover story at the time the original bombing was planned in mid-2022, a ghost sailboat, the yacht *Andromeda*, was chartered by six people, including two Ukrainians, with supposedly no ties to Zelenskyy—who conveniently left two fraudulent Ukrainian passports on a table on the yacht to be found later. They were also apparently assisted by a second vessel.

Hersh then consulted an expert who poked holes the dimension of the Himalaya mountains into the yacht story.

The expert stated it would not be believable to have the pipelines destroyed by a bomb dropped from an airplane, so why not invent the use of a sailboat? The expert said, “ ‘Any serious student of the event would know that you cannot anchor a sailboat in waters that are 260 feet deep’—the depth at which the four pipelines were destroyed—‘but the story was not aimed at him but at the press who would not know a parody when presented with one.’ ”

The expert further debunks the story: “You cannot just walk off the street with a fake passport and lease a boat. You either need a captain who was supplied by the leasing agent or owner of the yacht, or have a captain who comes with a certificate of competency as mandated by maritime law.”

The expert had more questions: “ ‘How does a 49-foot sailboat find the pipelines in the Baltic Sea? The pipelines are not that big and they are not

on the charts that come with the lease. Maybe the thought was to put two divers into the water’—not very easy to do from a small yacht—‘and let the divers look for it. How long can a diver stay down in their suits? Maybe 15 minutes. Which means it would take the diver four years to search one square mile”!

The expert raises other questions which makes the cover story unbelievable.

The expert concludes that the CIA constructed a “counter-op that is on its face ... ridiculous and childish.”

On March 27, Russian Ambassador to the United Nations Vassily Nebenzia, speaking at the UN Security Council, said: “We convene today to pass a vote on a draft resolution on holding an international investigation under the auspices of the Secretary-General into the acts of sabotage at the Nord Stream pipeline that took place in the Baltic Sea in September 2022.” The United Kingdom and the United States blocked that international investigation. That investigation should be pursued through the Secretary General, UN Security Council and other venues. The truth will deliver a blow to those Anglo-American forces that are driving to turn their proxy war in Ukraine into a nuclear World War III.

Europe, Unsatisfied with Shooting Itself in Foot, Chops Off Its Leg

April 5, 2023 (EIRNS)—Lithuania is planning to introduce a proposal to ban Russian nuclear fuel from coming into the European Union, which is where the EU currently gets at least 20% of its uranium from. According to Euratom, imports of Russian nuclear fuel substantially increased last year following the Ukraine conflict and the EU’s banning of Russian fossil fuels, so this measure aims to close that gap and be a blow to Russia.

However, Bulgaria, the Czech Republic, Hungary, France, and Slovakia all buy uranium from Russia, and it is much more likely to be a blow to them and the nuclear power industry. Lithuania has said that an exception can be made for Hungary, which has fought against the Russia energy sanctions from the beginning, and has two more Russian nuclear plants in the works for a total of six. France, also, may qualify for some exceptions.

Anticipating that some of the countries may not be so excited about forfeiting yet another reliable energy source amidst skyrocketing prices, Lithuania's Foreign Minister Gabrielius Landsbergis said the proposal is "an onion approach": "That means that it has a lot of layers to choose from. We can peel all those that we cannot ... agree upon."

To add to the insanity, Germany will shutter their final three remaining nuclear plants this month, to the chagrin of all those who like electricity.

STRATEGIC SHOWDOWN

Senior Russian Diplomat Advises Russia's Adversaries To Be Realistic About Provocations Against Moscow

April 5, 2023 (EIRNS)—Russian Deputy Foreign Minister Sergey Ryabkov, in an interview yesterday with Rossiya 24 TV, reiterated what Russia has already said about its policy on the use of nuclear weapons. "[W]e have gone over this many times already," he said. "We are not mincing words here, either. Our adversaries simply have to be realistic about what is going on around them, and to refrain from any escalation or provocations against us. Because otherwise something may happen that for now can be discussed only hypothetically," TASS quoted him as saying.

Ryabkov stressed that Russia's deployment of tactical nuclear weapons in Belarus was a natural response to the growing challenges and risks for Russian security. "There should be no illusions. Russia has a very wide range of forces and means to ensure its own security in any situation," he said. "Nuclear deterrence has always been and is still present in our system of military planning and in the general concept of deterring our adversaries."

He vowed that Russia has both the military potential and will power to defend its sovereignty and ward off any threats. "We have—let me emphasize this—both the military resources and the political will. We have determination. Our society is consolidated on the platform of guaranteed protection of our sovereignty for warding off any threats and preventing encroachments on our territorial integrity," he said.

Ryabkov also said that the Russian suspension of New START opened up Russia's options for ensuring its own security. "This gave us additional possibilities to ensure our own security at a time when the Americans used or tried to use any channel, any window into our military world to collect extra information," he said. "That's not going to happen now."

Ryabkov further charged that the British announcement about the provision of depleted uranium ammunition for the Challenger tanks that London is supplying to the Kiev regime is the "biggest" step in escalation. London obviously wanted to frighten Moscow, he said, "but this did not happen and will never happen."

According to Ryabkov, the British "are only harming themselves." "Obviously, they are doing harm to their clients in Kiev, as they are ignoring the obvious grave consequences of the hypothetical use of such munitions on the battlefield," he said. "They are showing their hand; this proves that this country continues to up the ante. In the end, it will backfire on them. We will not let Russia be defeated. And all the goals of the special military operation will be achieved without fail."

Finland Buries Its Past History of Neutrality

April 5, 2023 (EIRNS)—Finland brought to an end the last vestiges of its history of neutrality yesterday with its accession to NATO. "Finland has today become a member of the defense alliance NATO. The era of military non-alignment in our history has come to an end. A new era begins," Finnish President Sauli Niinistö declared in a brief speech at the accession ceremony on April 4. "Finland's membership is not targeted against anyone," Niinistö claimed. "Nor does it change the foundations or objectives of Finland's foreign and security policy. Finland is a stable and predictable Nordic country that seeks peaceful resolution of disputes."

After the ceremony, Niinistö told reporters at a press conference that Finland should pay attention to NATO regarding all aspects of security—including issues about terrorism, peacekeeping as well as Russia. "Russia will certainly be a threat for a long time," Niinistö claimed. Niinistö also

claimed that joining the alliance was not a major shift for Finland, but the end result of a consistent process.

Turkiye is still blocking the accession of Sweden, which is otherwise following the same path as Finland. “Reiterated our expectations for Sweden’s NATO accession to FM Tobias Billstrom. Effective cooperation against terrorism is a must,” Turkish Foreign Minister Mevlut Cavusoglu said in a Twitter posting after meeting with Swedish Foreign Minister Tobias Billstrom in Brussels. In fact, Finland’s first action as a member of the alliance was to deposit its ratification of Sweden’s membership with the alliance.

The move marks the sixth phase of NATO enlargement since the collapse of the Soviet Union and the reunification of Germany, when NATO promised to not move “one inch to the East.”