

## EIR Daily Alert Service

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- Trump-Russia Peace Offensive Requires Full-Scale Mobilization against War Party and Its Attempted Coup
- Dershowitz Argues, Dems' Impeachment Driving for a Parliamentary System, When We Want a Republic
- Swing-State Moderate Democrats in Turmoil over Impeachment, Study Censure as Alternative
- Historic Judiciary Committee Hearing Demonstrates FBI/Justice Department Side of the Coup
- Congress Wants Pentagon To Regularize European Defense Initiative
- Year-End Bank Liquidity Crisis Forecast, as Fed Claims 'It's Contained'
- Kiev and Moscow Disagree on Control of the Border
- Lavrov Tells Washington Media, We Trust Trump Wants Improved Relations
- Lavrov Rebuffs Volker Proposal for UN To Occupy Donbas, Urges Kiev Dialogue with Donetsk and Luhansk
- Russia Expects Relations with Europe To Change for the Better
- New Minister Seeks To Restore Argentine Science to Its Rightful Place as a 'Policy of State'

## EDITORIAL

**Trump-Russia Peace Offensive Requires Full-Scale Mobilization against War Party and Its Attempted Coup**

Dec. 11 (EIRNS)—In the midst of the berserkers in the U.S. Congress announcing articles of impeachment against President Donald Trump on Tuesday—an impeachment process in which the pathetic Speaker of the House Nancy Pelosi says “All roads lead to Putin”—President Trump met with Russian Foreign Minister Sergey Lavrov in the White House, a meeting which Trump described as “very good.” Lavrov, speaking to the press afterwards, said: “As far as relations with Russia are concerned, we have no reason to doubt that President Donald Trump sincerely realizes the benefits of good Russian-U.S. relations for Americans, for American businesses, for the U.S. in general and for the global situation.”

Who is running the United States? Are the lunatics running the asylum? The constitutional law professor Alan Dershowitz—a Democrat—told Fox News Dec. 8 that “abuse of power” does not even come close to the constitutional criteria for impeachment (high crimes or misdemeanors, bribery or treason). Every President in our history has been accused by the opposition of “abuse of power,” he said. He warned that the “weaponization” of impeachment by a partisan majority—something the drafters of the Constitution (Hamilton and Madison in particular) explicitly warned against—is driving the U.S. back to a British system of government, in which the “prime minister serves at the will of the Parliament.” A simple vote of no confidence and the leader is deposed. “That’s exactly what we didn’t want to empower the Congress to do in the United States,” Dershowitz declared.

The issue is: war and depression, or peace and development. Nancy Pelosi admitted that she knew, as then-ranking member of the Intelligence Committee, with access to the intelligence reports, that George Bush knew there were no weapons of mass destruction in Iraq when he launched that genocidal war—a war correctly identified by Trump as the “worst single

mistake ever made in the history of our country”—and yet she insisted that as House Speaker, she would not allow an impeachment of Bush. Now President Trump is working with Ukraine President Volodymyr Zelensky to *prevent* a war with Russia, and Pelosi turns that into an impeachable act. In the case of China, the hysteria is even worse, with the Congress passing bills to punish China for “human rights” violations in Hong Kong and Xinjiang. As one speaker at a Beijing forum on human rights said today: Since the U.S. has invaded Iraq, Libya, Syria and other Islamic countries, causing millions of deaths, leaving them in the hands of warring terrorist gangs, can anyone really believe they are concerned about the human rights of Muslims in Xinjiang?

Add to that the financial explosion ripping through the trans-Atlantic banking system, with the Fed pumping billions of dollars into the system every night, and insiders warning that full-scale QE money printing is coming soon (which will not be enough, this time, to hold off a collapse, as it did after 2008). The Wall Street “owners” of most of our Members of Congress, and all of the corporate press, are desperate to prevent Trump’s possible response to the coming crash—i.e., returning to his campaign pledge to restore Roosevelt’s Glass-Steagall Act, putting the bankrupt speculators out of their misery, and returning to a Hamiltonian credit system.

With that accomplished, the U.S., Russia and China can get down to the real business at hand for the human race—bringing the world together in the spirit of the New Silk Road, a new paradigm free of geopolitical, imperial constructs, and on to the Moon and Mars.

## U.S. POLITICAL AND ECONOMIC

### **Dershowitz Argues, Dems’ Impeachment Driving for a Parliamentary System, When We Want a Republic**

Dec. 11 (EIRNS)—In a Dec. 8 interview with Fox News’s “Life, Liberty & Levin” show, hosted by Mark Levin, Alan Dershowitz, a scholar of constitutional law, lambasted as unconstitutional the Democrats’ drive to

impeach President Trump on the vague charges of abuse of power and obstruction of Congress, and warned that should this process advance on these charges, it would move the United States dangerously close to becoming a British-style parliamentary system. We don't want that, he said. "We want a republic."

The "abuse of power" charges do not meet the four criteria established by the Constitution for impeaching a President—bribery, treason and high crimes and misdemeanors—he said, and to pursue them would constitute "an utter abuse of power of Congress." He pointed out that Alexander Hamilton warned in Federalist Paper No. 65 that the greatest danger in this process would be if impeachment were based on the number of people each party had. "If impeachment turns on the fact that the Democrats now have a majority in the House but not in the Senate, that would be a complete abuse of what the framers had in mind ... they have created open-ended criteria which bear no relationship to the words of the Constitution itself." Anyone in Congress who votes to impeach President Trump "without finding that he is guilty of treason, bribery or other high crimes and misdemeanors is violating their oath of office."

"If President Trump is impeached," Dershowitz warned, "it will set a terrible precedent which will weaponize impeachment," such that any future Democrat, or anyone, could be impeached on the charge of abuse of power. "It's hard to find any President—modern President, old President—that can't be accused of abuse of power," he underscored. "If you go through the lexicon of political opposition over the years, you'll find the words 'abuse of power' used by virtually every opponent of every President, and yet ... when they had these hearings, all we heard about was abuse of power, abuse of authority," etc., etc.

"How many foreign policy decisions have been made by Presidents over the years in order to help them get reelected?" Dershowitz asked. "If we start making that an impeachable offense, there'll be no Presidents left, and we'll have the English system, which is what James Madison said we don't want. In the English system, the prime minister serves at the will of the

Parliament. The minute the Parliament says, ‘we don’t have any faith in you,’ he’s gone, vote of no confidence. That’s exactly what we didn’t want to empower the Congress to do in the United States.”

“We don’t want a British parliamentary system. We want a republic, and a republic requires a strong President who has to run for reelection every four years. That’s the ultimate protection.” And, “if you want to amend the Constitution to include abuse of power ... then amend the Constitution, but don’t make it up as you go along. Four criteria; if they’re not met, Congress does not have the power or the authority legitimately to impeach the President.”

### **Swing-State Moderate Democrats in Turmoil over Impeachment, Study Censure as Alternative**

Dec. 11 (EIRNS)—As numerous sources have confirmed, Democrats from swing-states and from districts President Donald Trump won in 2016, are in turmoil over how to vote on articles of impeachment, fearful about how their vote might affect reelection.

According to the *Washington Examiner*, Minnesota’s Collin Peterson, who previously voted “no” on an impeachment inquiry, is predicting that four or five Democrats may now vote against articles of impeachment. However, there are 31 swing-state Democrats who have to answer to constituents who voted for Trump. Peterson’s 7th CD seat is considered a “toss-up” and if he votes for impeachment, it could mean an end to his 30-year Congressional career.

Other concerned Democrats include Rep. Elissa Slotkin of Michigan’s 8th CD; Josh Gottheimer (NJ), Kurt Shriver (OR), Anthony Brandis (NY), and Ben McAdams (UT). It’s reached the point where any of the endangered Democrats don’t even want to talk about impeachment, especially given the new Quinnipiac University poll, released Dec. 10, showing that registered voters oppose impeachment by a margin of 51-45, a shift from the Nov. 26 poll two weeks earlier, in which the margin was 48-45.

Rep. Jeff Van Drew of New Jersey, who also voted against the impeachment inquiry, and on Nov. 18 after warning “you don’t disenfranchise ... millions upon millions of voters,” by impeaching the President, told the *Examiner* yesterday, “honestly I’m just tired of talking about it. I’m taking a break.... Right now, I’m radio silence.”

According to *Politico*, a group of swing-state Democrats met Dec. 9 to discuss the option of possibly censuring rather than impeaching Trump. They all represent states that Trump won in 2016. Kurt Schrader of Oregon says that censure “is certainly appropriate and might be a little more bipartisan, who knows?... Time’s slipping by.” Their thinking is that censure could garner some Republican support on the floor, and help avoid a lengthy impeachment trial in the Senate. One anonymous Congressman, told *Politico* that right now, “there’s no other options” but as for censure “this is another option.”

### **Historic Judiciary Committee Hearing Demonstrates FBI/Justice Department Side of the Coup**

Dec. 11 (EIRNS)—The historic Judiciary Committee today featuring Inspector General Michael Horowitz broke, as might be anticipated, on party lines. The Democrats hysterically threw spit wads, seeking to resurrect Russiagate, impugning President Donald Trump as crazy in his Twitter claims about the witch hunt allegations against him, claiming that Attorney General William Barr was running a Trump-originated hit job which is endangering the republic, asking Horowitz to, in effect, endorse the House articles of impeachment, and, most of all attacking Rudy Giuliani’s investigative activities in Ukraine, this one most hysterically and uniformly.

LaRouche PAC has posted two videos on the hearings: One features Sen. Lindsey Graham’s opening, which is a hard-hitting summary of what Horowitz found. The second features the excellent questioning of Horowitz by Republican Senators Chuck Grassley (IA), Mike Lee (UT), Ted Cruz (TX), and John Cornyn (TX).

## STRATEGIC WAR DANGER

### **Congress Wants Pentagon To Regularize European Defense Initiative**

Dec. 11 (EIRNS)—The U.S. Congress wants the Pentagon to institutionalize the European Defense Initiative (EDI), the line item in the defense budget by which the U.S. has been reinforcing its NATO deployment against Russian “aggression” since the coup d’état in Ukraine in 2014. The 2020 National Defense Authorization Act conference report, which was just completed on Dec. 9, requires the Defense Department to produce a five-year plan for the EDI funding and to produce subsequent five year plans every year beginning in fiscal year 2021. According to a report in *Defense News*, the plans should contain a description of the “intended force structure and posture” of the assigned forces in Europe for the last fiscal year as well as “the manner in which such force structure and posture support the implementation of the National Defense Strategy,” according to the bill’s report.

The theme of “Russian aggression” is also behind what will be the largest NATO exercise in at least 25 years, slated for April and May of 2020. The exercise will see the largest deployment of U.S. troops, some 20,000, from the U.S. to Europe in as many years and is invoking the image of the Cold War REFORGER (REturn of FORces to GERmany) exercises. “This really demonstrates trans-Atlantic unity and the U.S. commitment to NATO,” U.S. Maj. Gen. Barre Seguin, a staff officer at NATO headquarters, told Reuters. “We have not demonstrated this ability to rapidly reinforce, from a trans-Atlantic perspective ... for 25 years or so,” said Seguin, saying he recalled the REFORGER maneuvers as a boy in school in Germany.

## ECONOMY

### **Year-End Bank Liquidity Crisis Forecast, as Fed Claims ‘It’s Contained’**

Dec. 11 (EIRNS)—Foreign exchange “FX swaps could end up as the orphaned asset class, and that may force banks in some parts of the world to

the edge of the proverbial abyss”—three weeks from now. That is one of the more dramatic observations in a bank analyst’s forecast put out on Dec. 9, and reported by financial media whose reporters attended Federal Reserve Chairman Jerome Powell’s press conference this afternoon. The analyst, Zoltan Pozsar of Credit Suisse in New York, also opined that the Federal Reserve will be compelled to start full QE by the end of the year; meaning, a securities-buying scheme that takes longer-maturity U.S. Treasury notes and bonds onto the Fed balance sheet, not just short-term bills.

This extends the Dec. 7 Bank for International Settlements report warning on the “repo” crisis—that it shows the near-term possibility of a 2008-type banking crisis.

Pozsar was a mid-level official at the Treasury and then at the New York Federal Reserve Bank for years; he is given some credit for having developed the repo market, and left people he had trained in charge of monitoring it. He forecast on Aug. 13, that the Fed would soon face a liquidity shortage in the repurchase-interbank lending market, which broke out Sept. 16. CNBC’s headline on this was, “Credit Suisse Shocking Call: Fed Will Launch QE4 Before Year-End To Stem Street Cash Crunch.”

Pozsar’s analysis is extraordinarily complex; suffice to say he anticipates a very serious year-end shortage of repo liquidity needed by both banks and hedge funds for foreign exchange (FX) transactions—which are largely derivatives transactions (FX swaps). Along the way he confirms, as *EIR* has reported before, that the past three months of Fed “operations to add bank excess reserves” have so far not added any excess bank reserves. The nearly \$350 billion injection, measured by the increase in the Fed’s balance sheet since August, has gone down a speculative hole or holes.

Powell’s press statement after the Federal Open Market Committee (FOMC) meeting today held that the economy and labor market are strong (it did not comment on suppressed wages). Bloomberg brought up the BIS report and the Pozsar analysis. Powell’s response was fateful: “These are

important operational matters, but not likely to have a macroeconomic effect.... Our plan is working.” In other words, the “repo” liquidity crisis is contained and will not spread. “Upward [interest] rate pressures are not unusual at year-end. These are manageable.... We don’t know when overnight and term repo levels can decline.... If it does become necessary to purchase [long-term] ‘coupon’ securities, we’ll adjust.”

Recall that the current “not-QE” purchases were started, with absolutely no prior indication, by an Oct. 4 emergency teleconference meeting of the FOMC.

## THE NEW GLOBAL ECONOMIC ORDER

### Kiev and Moscow Disagree on Control of the Border

Dec. 11 (EIRNS)—The key outstanding issue coming out of the Dec. 9 Normandy Four summit in Paris is that of control of the border between Russia and the two breakaway republics in the Donbas region of Ukraine.

“My position is that regaining control of the border should take place before the elections [in Donbas],” said Ukrainian President Volodymyr Zelensky in Paris, reported Ukraine’s 112 channel TV network.

“Unfortunately, I believe that the biggest defeat for Ukraine in Minsk is the border.” The Minsk Agreement specifies for elections first, followed by the border being turned over to Kiev.

Zelensky continued: “For Ukraine, the border is a security issue, for Russia—it is a policy. We are hostages of Minsk, but I told him that we would not go for it, and he—that he saw no other way out. But then we started talking about it and agreed that we need to talk,” referring to his Paris discussion with Russian President Vladimir Putin.

Putin strongly stated his concern: “The Ukrainian side always raises the question: ‘Give us the opportunity to close the border with troops.’ Well, I imagine what will happen next. That will be a Srebrenica, that’s it,” Putin said. “We saw how President Zelensky led discussions with nationalists. It is clear who is stronger there,” Putin observed. “What will happen there?”

And who will lead them, these nationalists, when they enter these territories without providing guarantees to the people?”

While it's not clear who Putin was referring to, the Ukrainian Interior Minister is Arsen Avakov, a holdover from the previous Poroshenko government, who was among the neo-Nazis swept into power with the 2014 Maidan coup. As recently as November 2019, Dimitri Simes, the head of the Center for the National Interest, reported that Avakov was a patron of the Azov Battalion, and in 2017, Avakov was identified as one of those directing the snipers on the Maidan during the 2014 coup itself. Avakov was present in Paris as part of Zelensky's entourage and told reporters afterwards that, among other things, he was ready to send Ukrainian “law enforcers” into the two breakaway republics as soon as control of the border was turned over to Ukrainian authorities.

Putin had expressed exactly the same fear in October 2017, in response to a question during the Oct. 19 Valdai Discussion Club.

The Srebrenica massacre occurred in 1995 during the Bosnian war in the former Yugoslavia, when 8,000 Muslim men and boys were massacred by Bosnian Serb troops despite being under the nominal protection of UN peacekeepers.

### **Lavrov Tells Washington Media, We Trust Trump Wants Improved Relations**

Dec. 11 (EIRNS)—Speaking to reporters after his White House meeting yesterday with President Donald Trump, Russian Foreign Minister Sergey Lavrov was very positive about Russian relations with President Trump:

“As far as [U.S.] relations with Russia are concerned, we have no reasons to doubt that President Donald Trump sincerely realizes benefits of good Russian-U.S. relations for Americans, for American businesses, for the U.S. in general and for the global situation,” Lavrov was quoted as saying by TASS, and said that such relations “should contain no element of favoritism to anyone” and “be based on the balance of interests, pragmatism and mutual benefits.”

“We are aware that not everyone in the U.S. shares our point of view. [Certain forces] are trying to slow down the normalization of our relations by all means, to impose more and more sanctions” on Russia, he said.

One reporter pretended to ask, “As you know, the President last time you were here [May 10, 2017] disclosed some highly classified information during your meeting. I wanted to know if anything, to your knowledge, has been discussed today that would be considered highly classified?” To which the unflappable Lavrov replied: “I can only know the answer to your second question from what you are going to write. At our first meeting with President Trump, no one disclosed any classified or confidential information, as has been said many times. If anyone believes differently, we would like to know what specific information was being referred to in this story, which is already becoming surreal.

“I don’t know what you will regard as classified information. We have spoken about things I have described to you honestly, almost word for word. Think about this. If you find any secret, you will have a scoop.”

Asked about the fact that he arrived in the midst of the impeachment process against Trump and a several draft Senate bills on sanctions, Lavrov joked: “It is a coincidence that our delegation arrived in Washington on the day when new sanctions were being discussed. Before that, there was a question about our arrival coinciding with the discussion of the impeachment. It seems to me that no matter what day we choose to come to Washington, it would be a day of sanctions, impeachment or something like that.”

Lavrov said that Trump is still considering whether he can attend the 75th anniversary celebration of the victory over Nazism, which will take place in Moscow next year.

### **Lavrov Rebuffs Volker Proposal for UN To Occupy Donbas, Urges Kiev Dialogue with Donetsk and Luhansk**

Dec. 11 (EIRNS)—In the last question in his Washington press conference, Russian Foreign Minister Sergey Lavrov was asked about whether the U.S.

should join the “Normandy Four,” to resolve the Donbas conflict “more quickly.” Lavrov responded, as posted on the Foreign Ministry website:

“Speaking of capitals where it is necessary to search for an additional resource to help resolve Ukrainian problems and fulfil the Minsk Agreements, after Kiev, I would rather mention Donetsk and Luhansk, than Moscow and Washington. This is the gist of the problem, the essence of the Minsk Agreements—direct dialogue between Kiev, Donetsk and Luhansk. Today, Ukrainian nationalists, ultra-radicals and neo-Nazis are putting on a show and demanding that Vladimir Zelensky must not surrender the homeland, capitulate, commit high treason or launch any direct dialogue with Donetsk and Luhansk. It appears that [former President] Petr Poroshenko, who signed the Minsk Agreements, more or less heads this process. This is aimed at preventing any settlement and at continuing with efforts to abide by an adage that implies that most people suffer from war, while some profit from it. This is deplorable.

“We hope that Vladimir Zelensky will unfailingly honor his election campaign promises, namely, ending the war, stopping the loss of human lives and ensuring peace throughout Ukraine. This can be accomplished by fulfilling the Minsk Agreements. This matter was discussed in Paris, first and foremost. The very first clause of the document, approved yesterday ... says that there is no alternative to the Minsk Agreements. Any country, including the United States, as well as other Western and non-Western countries, could help by persuading the Ukrainian side which it influences (in case of the U.S., it is Kiev) to conscientiously fulfil the Minsk Agreements.

“Nothing good would come of it, if the United States continued to adhere to the positions advocated by Kurt Volker, the former U.S. Special Representative for Ukraine Negotiations. It should be recalled that he suggested deploying occupation forces in Donbas under the UN flag, abolishing all agencies that now ensure the everyday activities of the self-proclaimed Donetsk and Luhansk republics, establishing an international administration there, deploying an international police force in the region

and thereby resolving the crisis and holding elections after that. Understandably, the occupation administration would see elections as a ‘cosmetic’ affair after the deployment of occupation forces. We hope that our work to explain the situation around the Minsk Agreements will not be in vain. Our foreign colleagues will help unfailingly honor UN Security Council Resolution 2202 that unanimously approved the Minsk Agreements.”

### **Russia Expects Relations with Europe To Change for the Better**

Dec. 11 (EIRNS)—As reported by Sputnik, the Russia’s Permanent Representative to the European Union Ambassador Vladimir Chizhov voiced the expectation that European-Russian relations will undergo a constructive restart. In the wake of the 2014 Ukraine crisis and coup, many mechanisms of Russian-EU cooperation have been put on hold by Brussels which also imposed sanctions against Russia. Chizhov was addressing a reception he hosted on Dec. 10 to mark 30 years since the then-Soviet Union started relations with the then-European Community.

But between Russia and the EU, Chizhov stated, “Despite everything, the EU accounts for almost half of our country’s trade, European businesses continue to invest in its economy, Russians are breaking records in terms of obtaining Schengen visas, and the implementation of numerous joint projects in culture, education and science continues; cross-border cooperation is consistently developing.”

The diplomat said that Brussels needs to realize how much Europe needs Russia: “I believe it is short-sighted to continue remaining at a ‘semi-frozen interaction’ stage on the Russia-EU track while a bilateral dialogue between Moscow and a whole range of European capitals is gaining momentum,” reported Euractiv think tank.

He continued: “Make no mistake: no significant international problem can be resolved without Russia, and our tasks on the international arena are converging in many aspects, far beyond the so-called ‘selective engagement’ strategy. Besides, our economies are mutually complementary, common transport and energy infrastructure has long

existed and continues to expand. A synergy of human, scientific, technical and resource capacities of Russia and the EU, and of the Eurasian Economic Union and the European Union, in broader terms, would open new horizons to develop our countries and facilitate defending our positions within growing global competition,” he said.

### **New Minister Seeks To Restore Argentine Science to Its Rightful Place as a ‘Policy of State’**

Dec. 11 (EIRNS)—In an interview with the daily *Página 12*, Argentina’s new Minister of Science, Technology and Innovation Roberto Salvarezza reports that this sector, like many others, is in a state of emergency, and “we’re going to need all the scientists we can find to turn this around.” Argentina’s proud tradition of scientific excellence has been terribly degraded under the Mauricio Macri government, he said. As a first step to remedy that, President Alberto Fernández has restored the ministry to its proper status, up from the level of under-secretary to which Macri had relegated it.

Salvarezza, a nuclear engineer, insists that development of science and technology must once again become “a policy of state.” A former head of the National Science and Technology Research Commission (Conicet), the premier institution for education of young scientists and researchers, Salvarezza charged that Macri had severely downgraded Conicet’s functioning through brutal budget cuts. Grants and scholarships to scientists and researchers were cut so much that they are currently considered to be at or below the poverty level.

“The money that [Conicet] grantees receive for their projects today doesn’t allow them to carry out any research,” he told *Página 12*. “The same thing is happening with researchers.” There were cases so dramatic, he said, that some researchers “had to go on TV shows in order to get money.” In addition, he said, “all state sector workers need a wage increase.” Salvarezza also reported that agencies such as the National Space Activities Commission (Conae) need immediate attention. The national satellite program, except for one planned February launch, “has nothing

planned for the future.” A number of other key programs, including those with international cooperation, are functioning at a minimal level or not at all. The task of “repairing the damage will take a while because we’re below the standards we had in 2015,” he explained. “Compared to that year, investment in science and technology has fallen dramatically.”