

EIR Daily Alert Service

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EDITORIAL

Washington: Diplomacy for Peace; Mobilization for War

Oct. 9 (EIRNS)—It would be possible to report on a number of diplomatic steps underway by the Biden Administration, and conclude that there is an American shift toward negotiating peace and development. But then, it were equally possible to report on an equally significant number of steps being taken by the same Administration which would lead to the opposite conclusion — that preparations for war are underway, and close to a point of no return.

One need only recall that the decision to end the fruitless and bloody “endless war” in Afghanistan — a move towards sanity — was followed by the British imperial move to unite the U.S., UK and Australia in a military pact, a step towards an “Asian NATO” to prepare for war on China. On Oct. 5, the U.S. Secretary of the Navy Carlos del Toro released a “strategic guidance” which declared China to be the greatest single danger to the U.S. The “central governing concept, the top priority,” he says, is to “expand our war-fighting advantages vis-à-vis the People’s Republic of China” by “expanding our global posture” to surround and threaten both China and Russia.

China’s response to the provocation — especially to the *Wall Street Journal* claim that the U.S. has military personnel on the ground in Taiwan training the Taiwan military — is equally stark, making clear in a *Global Times* editorial that if this is true, it will be considered an “invasion” of China’s sovereign territory, and that the U.S. forces would be the first to be eliminated if it comes to war.

And in regard to Russia, the contradictions within U.S. policy are equally absurd, as the Biden Administration asserts the need to improve our diplomatic cooperation with Moscow, followed immediately by NATO’s expulsion of 8 of the 18 Russian representatives to NATO. Kremlin spokesman Dmitry Peskov concluded: “NATO is not an instrument of cooperation, not an instrument for interaction; it is a bloc that overall is anti-Russian in nature,” making it impossible to resume dialogue.

And yet, as you will see below, the administration today restored dialogue with the Taliban in Doha, including a representative from the Agency for International Development, giving some hope that the U.S. will end the sanctions and withholding of Afghan funds which are responsible for the near starvation of millions of innocents. The administration also held a round of trade talks this morning with China, described by both sides as “candid, pragmatic and constructive.”

Behind the contradictory measures in foreign policy is the growing recognition that the global economy has entered into a general breakdown

crisis. This is not simply a matter of speculators doing what they always do when released from regulation — rather, the system itself is disintegrating. Supply chains are broken, leading to factories being shut down and empty shelves, while energy production by efficient fossil fuels and nuclear power has been replaced with inefficient and intermittent sources more appropriate to the 17th century when there were less than 1 billion souls in the world. Indeed, this Malthusian depopulation is the intent.

Reactions are coming in from around the world to the release by *EIR Daily Alert Service* exposing the words of Klaus Schwab, the head of the international banking conclave known as the World Economic Forum which is at the center of the “Great Reset” and the “Green New Deal.” Schwab states in his book *Stakeholder Capitalism* that development in Africa and elsewhere must be stopped at once, since “the same force that helps people escape from poverty and lead a decent life is the one that is destroying the livability of our planet.” While there is a growing backlash against this evil, which could — and must — cause the failure of the genocidal intentions of the COP26 climate conference next month in Glasgow, nonetheless, the thousands of scientists who know that carbon has no measurable impact on the climate must be heard, and this Malthusian climate hoax — fascism with a Green face — stopped in its tracks.

The fact that the architects of this genocidal attack on the human race are increasingly frightened that they are being exposed was further demonstrated this week when they instructed their “Thought Police” at Google and YouTube to ban any advertising which challenges the fake climate change dogma. As in the bloody French Revolution, when the great French scientist Antoine Lavoisier was guillotined under the cry, “The revolution has no need of science,” those leading scientists telling the truth about carbon today are blacked out and ridiculed as “climate deniers.” There is a campaign to declare “ecocide” a crime, equivalent to homicide against human beings.

The antidote to this global crisis is presented in the pamphlet now being circulated by The LaRouche Organization, “The Coming U.S. Economic Miracle on the New Silk Road.” This is the necessary and optimistic program required to put the great potential of American science and technology to work, rebuilding itself and building those nations destroyed by the Anglo-American endless wars, and the many others kept in backwardness by the colonial and neo-colonial policies of the past 70 years.

- Watch [Harley’s Updates](#) with Harley Schlanger on Monday October 11, 2021: Every weekday morning on [The LaRouche Organization](#) website, Harley will give you the strategic briefing you need to start your day.

UNITED STATES POLITICAL AND ECONOMIC

Former U.S. Envoy Argues Haiti Needs Haitian-Led Solutions, Not Washington-Imposed Ones

Oct. 9 (EIRNS)—Former State Department Special Envoy for Haiti [Daniel Foote](#), who resigned on Sept. 22 in opposition to the Biden Administration’s mass deportation of Haitian migrants from Del Rio, Texas, gave an interview on Oct. 7 to members of the House Foreign Affairs Committee, chaired by Rep. Gregory Meeks (D-NY). Foote made no opening statement but answered questions posed to him by committee members. His several incisive remarks about the State Department’s failed approach to Haiti, included the fact that he, as Special Envoy, was never even informed of the administration’s decision to begin mass deportations of Haitian migrants from Del Rio, Texas. “I was astounded,” he said. “I thought I was the Special Envoy, so maybe when we’re making policy decisions, someone would come to me and say ‘Is this good? Is this bad?’ But it didn’t happen.” He learned about the deportations from news reports, and said that the inhumane way in which the Haitians were deported, some shackled or tied up, was “against international law.” Foote said he wasn’t opposed to deportation when justified, but people need to be properly

processed. Sending Haitians back into a horrendous security situation, with no means to survive, has the makings of a “human tragedy,” he warned.

It was clear from his remarks that Foote had locked horns with the State Department bureaucracy, with which he had major policy differences, and realized soon into his stint as Special Envoy that “there was a disagreement on policy and on the role of the U.S. embassy in Port-au-Prince” that was inevitably headed for a “collision.” It was a mistake, he said, for the State Department and the so-called Core Group of Western ambassadors and the UN to publicly back Prime Minister Ariel Henry immediately after the July 7 assassination of President Jovenel Moïse and ignore the large coalition of civil society groups demanding a “Haitian-led” solution to the nation’s problems. He was insistent that Henry, who is suspected of involvement in Moïse’s assassination, not remain as the head of government. Pointing out that Henry could not survive “for a minute” without U.S. backing, he warned that “It’s critical that civil society has a voice in this new government ... so I hope that our administration will stop imposing Ariel Henry on the Haitian people.”

A career foreign service officer who served as Assistant Secretary of State at the Bureau of International Narcotics and Law Enforcement Affairs and was posted to Afghanistan and Colombia as a specialist in counter-narcotics, Foote offered specific recommendations on how to begin to address Haiti’s dangerous security situation which he said “is everyday life in Port-au-Prince.” So, he continued, it’s illusory to think that elections could be held sometime soon, as the U.S. and other Western governments are demanding. “The gangs run Port-au-Prince. It is in their control, it is in their hands; they are better equipped and better armed than the police. They control the main highways and transit routes not only across Port-au-Prince but across the country and they are now moving out of the slum areas,” he said.

As a first step, he proposed setting up an elite anti-gang task force of the Haitian National Police “with several components including commandos, communicators, intelligence.” Task force members will have to be trained,

vetted, polygraphed, outfitted and provided with lethal aid; and the command of the National Police will have to be similarly upgraded. In fact, he went on, the “State Department’s narcotics and law enforcement wing is already moving ahead with the security part of the training.” He pointed to the New York Police Department’s 2010 program under Police Commissioner Ray Kelly that trained the Haitian Police and helped turn it into a viable force of 14,000 by 2012, when Foote left Haiti after being posted there. But in subsequent years, he said, the police force became politicized, and “political appointees” named under Moïse “have developed ties with the gangs.”

Foote made the astute observation that Haiti’s lack of “economic viability”—development—is what makes gangs attractive for “disenfranchised, military-aged males,” who otherwise “have nothing to do. In fact, it’s not like you even have a choice; it’s either you join a gang or you don’t have an income in many cases.” But, he pointed out, “the gangs are not trained insurgents, so when you have real security officials going in there, [the gangs] will melt away much easier than the Taliban or the FARC in Colombia, because a lot of them are kids ... and they’re not trained.” He was not specifically asked about, nor did he make a comment on the role of the drug trade in Haiti although it is his area of expertise.

Beijing and Washington Say Trade Talks Today Were ‘Constructive’

Oct. 9 (EIRNS)—U.S. Trade Representative Katherine Tai and Chinese Vice Premier Liu He met virtually today for the second time since their May meeting, in what the Chinese Ministry of Commerce described as a “candid, pragmatic and constructive” dialogue. Tai and Liu agreed to “keep communicating in an attitude of equality and mutual respect,” according to the Ministry statement, which reported three areas of discussion:

“First, China-U.S. economic and trade relations are of great importance to the two countries and the world at large and bilateral economic and trade exchanges and cooperation should be strengthened.

“Second, the two sides exchanged views on the implementation of the China-U.S. economic and trade agreement.

“Third, both sides expressed their core concerns and agreed to resolve each other’s legitimate concerns through consultation.”

The Chinese side called for cancelling the additional tariffs and sanctions imposed during the Trump administration, and defended the Chinese development model and industrial policies, which the U.S. side criticized.

Reuters, citing a USTR source, reported that the U.S. complaints about China’s trade and subsidy practices are now focused on accusing China of “doubling down on its authoritarian state-centric approach” and being “resistant to addressing our structural concerns.”

The *Global Times* coverage included a report that Tai on Oct. 4 “pledged to exclude some Chinese imports from tariffs imposed under the former Trump administration.” It also reported that Beijing’s Ambassador to the U.S. Qin Gang told its interviewer on Oct. 8 that Tai said the U.S. is now seeking to “recouple” with China, after the “decoupling” talk during the Trump administration.

Taliban and U.S. Representatives Meet in Doha Oct. 9-10

Oct. 9 (EIRNS)—The meetings between U.S. and Taliban representatives in Doha, Qatar launched during the Trump administration, leading to the U.S. removal of forces from Afghanistan in August, resumed negotiations today in Doha, and will continue on Oct. 10. Following the first meeting, the Taliban spokesman Zabihullah Mujahid was quite positive, telling reporters that they addressed the humanitarian crisis: “We had a detailed discussion with the American delegation in Doha, and this discussion will continue all day today and into tomorrow as well. During this meeting, discussions were made about the humanitarian assistance as well, and this discussion will continue. Our aim is to have further meetings with the Americans and also with European delegates in the days to come, so that we can discuss and have their views and suggestions about the current situation in Afghanistan. We have told them time and again that a weak and an unstable government in Afghanistan is not in the interest of anyone.”

Indicating that the U.S. side is at least considering the reversal of the deadly sanctions, and perhaps releasing the Afghan funds frozen in the Federal Reserve, the Washington delegation included CIA Deputy Director David Cohen and State Department Deputy Representative to Afghanistan Tom West, and Sarah Charles from the U.S. Agency for International Development.

The U.S. has not released a statement as of this writing, but the pre-meeting messages emphasized the normal issues — preventing terrorist operations in the country, the rights of women and human rights generally, and free passage out of the country for those who wish to leave. About 200 U.S. citizens and Afghans with Green Cards have left the country since the Aug. 31 departure of U.S. forces.

STRATEGIC WAR DANGER

Navy Secretary Takes Aim at China in New ‘Strategic Guidance’

Oct. 9 (EIRNS)—Navy Secretary Carlos Del Toro officially issued his “strategic guidance” for the U.S. Navy on Oct. 7, which defines China as the number one adversary that it must face, followed by climate change and COVID. In it, Del Toro claims that “the long-term challenge posed by the People’s Republic of China is the most significant for the Department.”

“As our central governing concept, the top priority for the Department of the Navy will be to develop concepts of operations and capabilities that bolster deterrence and expand our warfighting advantages vis-à-vis the People’s Republic of China,” Del Toro says. We will ensure our Fleet and Fleet Marine Forces are organized, trained, equipped, and employed in support of this priority, and that we are able to campaign and win now and in the future. In doing so, we must remain able to deter the full range of threats to our Nation’s security from other authoritarian states and transnational challenges that will continue to threaten our national security and economic interests.” Del Toro doesn’t say what this development will entail but presumably, he wants a much bigger budget that will buy more ships, planes, drones, missiles, artificial intelligence and other capabilities.

“We will prioritize strategic competitive advantage over China and Russia by expanding our global posture to ensure the presence of naval forces with the right mix of platforms, capability, and capacity to maintain freedom of the seas, support international law and norms, stand by our allies and continue to fly, sail, and operate wherever international law allows,” Del Toro goes on.

Breaking Defense comments that the new strategic guidance looks a lot like the old one except that it puts much more emphasis on China than it does Russia. In fact, it groups Russia with Iran “and other authoritarian states” that use “gray-zone aggression” to challenge the international community.

Moscow Describes NATO as Narrowing Options for Dialogue

Oct. 9 (EIRNS)—Moscow sees the recent expulsion of eight diplomats from the Russian mission to NATO as an indication that no cooperation with the Alliance is possible. “NATO is not an instrument of cooperation, not an instrument for interaction; it is a bloc that overall is anti-Russian in nature,” Kremlin spokesman Dmitri Peskov said yesterday, reported RT. “This is how we see it, and this perception is clearly evidenced by this bloc’s actions.”

Peskov also described the contradiction between NATO’s statements on the need for dialogue with Russia and its actions. “These actions, of course, do not allow us to pretend there is a possibility of normalizing relations and resuming dialogue with NATO. Instead, these prospects are undermined almost completely.”

Peskov also said that Moscow will formulate and implement response measures to NATO’s actions against Russia. “Undoubtedly, some response measures will be formulated in a way that would comply with our interests the most, and they will be implemented,” he said, and that “a cooperation [between Russia and NATO] is out of discussion, because there is no cooperation, essentially.”

“Our NATO counterparties narrow the options for a dialogue,” Peskov said.

COLLAPSING WESTERN FINANCIAL SYSTEM

Total Power Outage in Lebanon

PARIS, Oct. 9 (EIRNS) — On Sept. 23, Lebanon’s state-run Electricité du Liban, the country’s power provider, said that the nation is at risk for a “total and complete” power cut by the end of the month, unless EDL receives more fuel supplies. The fuel it had acquired then was only enough to provide about 500 MW of power — well short of the country’s monthly needs.

At the heart of the crisis has been the highly corrupt Central Bank’s inability to release funds to pay for fuel imports, leaving tankers laden with fuel waiting offshore in the Mediterranean as the power onshore fails.

Since noon today, Oct. 9, the electricity grid in Lebanon has reportedly cut off electricity in the entire country as the two main power stations ran out of fuel. The blackout of the country of almost 6 million is expected to last for several days, a government source told various regional media. The al Zahrani and the Deir Ammar power stations stopped working after diesel supplies were exhausted, and energy production dropped to below 200 MW.

The dramatic situation underscores the importance of the Sept. 25 joint declaration of Jacques Cheminade with Lebanese Prof. Bassam El Hachem, which called for immediate financial reforms by dealing with the particular case of Lebanon’s Central Bank. (“[France-Liban: des deux côtés de la Méditerranée, combattre la corruption financière qui tue!](#)” [France-Lebanon: Both Sides of the Mediterranean Are Fighting the Killer Financial Corruption!])

Microchips and Freight May Be Another False Narrative To Cover for Speculation

Oct. 9 (EIRNS)—Along with the spike in energy prices, the world economy is severely threatened by an apparent lack of microchips which is paralyzing several productive sectors, and by an almost hyperinflationary rise in freight costs. For both these phenomena, the explanation given by the establishment is a “lone assassin” theory, namely the supply/demand dynamic pre- and post-pandemic. The narrative is that the world recovery driven by China has found a scarcity both in semiconductor and freight capacity. The same narrative holds that, given the low flexibility of the sector, the crisis will last throughout 2022 at least.

EIR believes that this narrative is false and that massive financial speculation is at work in both the microchip and the global freight sector. Let us examine some facts:

Microchips: The world largest producer of microchips, TSMC, is based in Taiwan. TSMC produces almost the entirety of advanced microchips which are used in automotive, phone, computer and many other items. In an interview with *Time* on Oct. 1, TSMC head Mark Liu revealed that some customers had been hoarding microchips. “Amid what was described as a global chip shortage, more chips were being sent to factories than were leaving them in products, meaning ‘there are people definitely accumulating chips who-knows-where in the supply chain,’ says Liu. Liu did not name names, but TSMC clients include Apple, Intel, Qualcomm, AMD and Nvidia.

Question: what happens if part of the output of a company that produced 90% of the global chip demand, is hoarded?

Fact is, that the artificially created scarcity of microchips is severely hitting global car production, with major producers shutting down production sites and depicting a gloomy future. Trade unions at Stellantis automotive manufacturer say the current crisis is worse than Covid. (With some exceptions: Tesla does not seem to be affected.)

Michele Carlet, CEO of an Italian company producing circuit boards, says component prices went from a few cents to \$8-\$10, when they can be found somewhere. Carlet says he is convinced that “there is speculation ongoing. I am convinced that speculators went from sovereign bonds into commodities. Look at the aluminum price after the coup in Guinea.” Supply times go from 40 to 100 weeks now. Carlet’s company produces on an Apple license. They ordered cryptochips but Apple said they do not know when they can be delivered.

Freight: In 12 months, costs to ship a 20 TEU container from China to the U.S.A. went from \$2,000 to over \$20,000, a 1,000% increase. According to ISPI, the Italian Istituto per lo Studio della Politica Internazionale, “The use of practices of speculative nature cannot be excluded in a market that is de facto controlled by an oligopoly.” Indeed, three alliances control the world freight market.

Did you know that there is a spot market for freight? You can do funny things with that. Here is what the [Inter-Continental Exchange](#) (ICE) says:

“Wet freight is closely linked to the crude and refined oil markets and operates both East and West of the Suez canal. Freight has become an active derivatives market in its own right and trading takes place in World scale points or USD per Metric Tonne across a number of point to point routes.

“Price volatility in the global energy markets has seen an increase in participation by traders, commercial entities and banks in the wet freight derivatives market which provides opportunities for clients to hedge cargo movements. We also provide access to the dry freight derivatives market which helps participants hedge price risk for the cost of moving goods such as coal, iron ore and steel across the world. Trading for dry freight derivatives takes place in USD per day on a time charter basis.”

NEW WORLD ECONOMIC ORDER

Infrastructure Projects on Agenda of Uzbekistan and Afghanistan

Oct. 9 (EIRNS)—On Oct. 7 Uzbekistan’s Foreign Minister Abdulaziz Kamilov led a delegation to Kabul, the Afghan capital, for discussions. On the agenda were energy, trade and transport projects for which Tashkent is eager to maintain momentum despite the challenges of pursuing them in Taliban-ruled Afghanistan. The two sides also discussed humanitarian cooperation.

Kamilov, whose own government has not officially recognized the new Afghan government, met Deputy Prime Ministers Abdul Salam Hanafi and Mohammed Abdul Kabir; Foreign Minister Amir Khan Muttaqi; Minister of Transport and Civil Aviation Alhaj Hamidullah Akhundzada; Minister of Energy and Water Abdul Latif Mansur; and Minister of Public Works Abdul Manan Omari.

Afghanistan appreciated Uzbekistan’s recognition of “the aspirations of the Afghan people and invaluable humanitarian aid [sent] with the aim of preventing a large-scale food crisis.” The Afghan government thanked Uzbekistan for the “uninterrupted functioning” of the border, to allow food and other essential supplies across. Uzbekistan is also in talks on renewing air links between Tashkent and Kabul. Discussions with Taliban officials will continue in Uzbekistan’s border city of Termez in the near future, the Foreign Ministry said, with two main projects on the agenda.

One is a plan to build the Surkhan-Puli-Khumri power transmission line, which, if completed, would boost Uzbekistan’s electricity supplies to Afghanistan by 70%. The other is a project to build a railway line from Mazar-i-Sharif in northern Afghanistan to Kabul and then westward to Peshawar in Pakistan, which would open up access to South Asian ports for Uzbekistan’s goods. Peshawar is on the China-Pakistan Economic Corridor, that runs from Kashgar through Peshawar terminating in the new port of Gwadar on the Arabian Sea.

China's Commemoration of 1911 Revolution Highlights Rejuvenation, Reunification with Taiwan

Oct. 9 (EIRNS)—The 110th anniversary of the 1911 Xinhai Revolution that ended the imperial system in China under Dr. Sun Yat-sen's leadership was widely celebrated on Oct. 9 with a commemoration event at the Great Hall of the People, where President Xi Jinping addressed the subject. But while rejuvenation of the Chinese people was the main topic of discussion, the primary sub-topic was the need for reunification between the mainland and Taiwan. Xi said: "The greatest obstacle to rejuvenation is 'Taiwan independence.' "

The event brought together a good part of the Chinese ruling elite, including descendants of those who were killed during the Xinhai Revolution. Prior to Xi's comments, Wang Exiang, representing the Central Committee of the Revolutionary Committee of the Chinese Kuomintang (the party founded by opponents of Chiang Kai-shek's leadership of the KMT in 1948, now recognized as one of the eight minor parties in the CPC) as well as several other political parties active in China, spoke. He underlined the role of the CPC in carrying forward the torch of Dr. Sun and the importance of reunification with Taiwan. Also, Wang Lijun spoke, representing the Returned Overseas Chinese, saying that overseas Chinese should also support the efforts of the CPC and uphold the "one China" principle.

In his speech, Xi extolled the work of Dr. Sun, stating that the CPC after its founding, moved to support the movement Sun founded. Dr. Sun was the first to coin the term "Revive China," (which was the name of his first political organization). Dr. Sun's movement led to the founding of the Chinese Republic, the first in Asia, Xi said.

The 1911 revolution did not succeed in "altering the bitter face of oppression," he said. The CPC then took up the task of seeking a pathway for the Chinese people and called on the forces of the nation to rise in an anti-imperialist campaign against Japan. "The Communists remained true

to Sun’s wishes,” Xi said, stressing that the Chinese people will always remember Sun’s name.

Returning to the present situation, he presented that the road ahead will not be an easy one. “Aggression and hegemony are not in the blood of the Chinese people,” he affirmed, and called on a fight against the attempt by anyone to impose hegemony. “We adhere to the basic policy of “peaceful reunification and one country, two systems,” adhere to the one-China principle and the “1992 consensus,” and “promote the peaceful development of cross-strait relations,” he said, “The tide of history is mighty” and national reunification will ultimately be achieved.

He then warned that “Taiwan independence” was the greatest obstacle to national reunification and a “grave danger to national rejuvenation.... Those who forget their ancestors, betray the motherland, or split the country will never end well, and they will be spurned by the people and judged by history. Compatriots on both sides of the Taiwan Straits should stand on the right side of history and join hands to achieve China’s complete reunification and the rejuvenation of the Chinese nation.... The Taiwan issue is purely China’s internal affair, and no foreign interference is allowed. No one should underestimate the Chinese people’s determination and strong ability to defend national sovereignty and territorial integrity. The historical task of the complete reunification of the motherland must be fulfilled, and it will definitely be fulfilled.”

***Global Times* Explains, China Will Not Bend in Deflating the Bubbles**

Oct. 9 (EIRNS)—A *Global Times* editorial today let the world know that China has decided to deflate the real estate and other bubbles, and will not bail out those foreign interests who speculated in the Evergrande bubble. They quote Secretary of State Tony Blinken saying China must act “responsibly” with the Evergrande debt — clearly meaning the government must bail out the foreign bondholders.

The editorial acknowledges that there will be contagion from Evergrande missing debt payments, but insists that the company has more

assets than liabilities (unlike Lehman Brothers, they add), and is now engaged in a massive “selling spree” in an effort to remain solvent.

Evergrande’s problems, they write, “were derived from its aggressive expansion on the back of high leverage and credit bubbles, a shared phenomenon among Chinese developers. In order to curb the reckless borrowing, Chinese authorities last year issued the ‘three red lines’ under which developers are required to ensure a liability-to-asset ratio of under 70%, a net gearing ratio [assets/liabilities] of less than 100% and a cash-to-short-term debt ratio of at least one or they, like Evergrande, will be restricted from borrowing more money.”

They conclude: “The fact that the authorities adhere to the ‘three red lines’ even after the Evergrande crisis and despite signs of softening throughout the real estate sector as a whole is an indication that China has its own set of priorities and maintains the focus on deflating the real estate bubble and reducing risks. External pressure will not force China to change its pace of doing things.”