

## EIR Daily Alert Service

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## EDITORIAL

**Burying the Imperial War Party Requires Full Exposure of the British 'Character' of Russiagate**

April 4 (EIRNS)—In reviewing the leading events of the week in her weekly strategic webcast today, Schiller Institute founder and President Helga Zepp LaRouche came back repeatedly to the unbridgeable divide between the imperial nature of the collapsing system, which is driving the world toward war, and the emerging New Paradigm, which her late husband, U.S. statesman Lyndon LaRouche, dedicated his life to creating.

Zepp-LaRouche pointed to several ironic juxtapositions to elaborate this idea. Take, for example, President Donald Trump working for a trade deal with China, while the war party in the U.S. escalates its anti-China push. (She cited the ludicrous assertions coming from Secretary of State Mike Pompeo that the Belt and Road Initiative, with its building of ports, industrial parks, railways, etc. in countries which urgently lack infrastructure, is a national security threat to the United States and our “friends and allies.”) Or, the call for Europe to become the “New Empire,” by French Finance Minister Bruno Le Maire, even as the EU is facing a series of existential crises, from the Brexit chaos, to the collapsing production figures just released in Germany, and the hopelessly bankrupt trans-Atlantic financial institutions. (Reports on the last two follow below.)

“You cannot have an adversary relationship with Russia and China, and at the same time hope that you can solve the world’s problems, including the danger of a coming crash,” she stated drily. “This has to be resolved. And it’s very unfortunate that the United States, this time, does not plan to send a high-level representative to the Belt and Road Forum at the end of this month in Beijing.... This year, there will be more than 40 heads of state and government, and I think it is really a mistake for the United States not participate in that, because, as I said, you cannot have it both ways, have China as an enemy-image and have good trade relations at the same time....”

The outlook which is engendered by the whole of the human race engaging in space exploration and colonization together “is what should be applied to all other problems on our planet,” she countered to the “enemy-images” of the imperial war party.

“As we have stressed many times, if you want to solve the problems of the present, you have to define the future of mankind, and then apply that as the way to solve the problems in our present times. Obviously, joint space research, space travel, space cooperation in a Moon and Mars program, as President Trump has actually put it back on the agenda.... This is very, very good. He also mentioned the need for international cooperation in that....

“If the United States, Russia, India, China and other spacefaring nations—the European Space Agency—if they all would cooperate, then all the problems really can be solved, because the approach astronauts are taking is to work together,” she insisted.

But, to secure the victory of that truly-human paradigm over the war party, there must be a day of reckoning for the people who set up and ran the over two years of the “Russiagate” hoax.

Zepp-LaRouche was emphatic: “The British character of the coup must be exposed. Because only if it’s becoming clear, exactly as Trump has said, who initiated that, who paid for it? Two years of precious time, an enormous amount of taxpayers’ money was wasted, and as Trump correctly said, this should never, ever happen to an American President again. And unless it’s stopped, it will happen again, because this is the method of control.”

For the same reason, Zepp-LaRouche urged people to look at Lyndon LaRouche’s works, and fight for his exoneration. The ideas he elaborated over the last 50 years of how the human race can and must develop itself in the universe, are those now needed to shape and form the next 50 years. “We will relentlessly continue until justice has been established,” she stated. “And since the attack against President Trump and the prosecution of my husband and his associates are one and the same issue, I can only ask

you to join in this fight and do the best thing you can do for the future of all of humanity, which is create the environment where President Trump will exonerate my husband.”

## **COLLAPSING WESTERN SYSTEM**

### **German Economy Is Getting a Cold, Eurozone Is Threatened with Pneumonia**

April 4 (EIRNS)—Industrial orders fell for the second month in a row in Germany: 4.2% month-on-month. The main drop was in capital goods by 6%. Orders for consumer goods fell 3.5%. There was a strong fall in orders from outside the Eurozone. These preliminary data, however, issued by the German office of statistics, don't yet say where the demand fell.

At the same time, the five econometric institutes that constitute the government's chief economic advisory council, have in their spring report, presented yesterday, reduced their prognosis for this current year from 1.9% of GDP growth to 0.8%. Their prognosis for 2020 is still at 1.8%, but there are already hints that that figure also needs to be corrected. The OECD's prognosis for Germany is only 0.7% for this year.

Germany is the locomotive of the Eurozone. A slowdown of its economy promises more severe effects on the other Eurozone economies. This dynamic of the real economy contrasts sharply with the dynamic of the financial bubble, which has been growing in the same period. Yesterday, the German DAX stock index reached an all-time high at 1961 points, only to be cooled a bit today by the bad economic news.

### **CLOs Are the New CDOs**

April 4 (EIRNS)—Italian Finance Minister Giovanni Tria said at the Boao Forum for Asia last month that contrary to many of his colleagues, he feared a financial collapse to be triggered by an economic downturn rather than the opposite, i.e. what happened in 2008 when the financial collapse was followed by a global economic recession.

A look at the CLO market gives us a hint as to what Tria might have had in mind. Collateralized loan obligations are securities with leveraged corporate debt as collateral. The volume of collateralized loan obligations has increased due to the fact that the tail wags the dog—banks have pushed the demand for high-yield returns, thus inflating the CLO market and often lowering the standard—i.e., the quality—of the debt they would buy. CLO volumes in 2018 are at (roughly) where volumes in collateralized debt obligations were in 2006, according to data from the Securities Industry and Financial Markets Association. Default rates on CLOs in 2018 are currently low, but they were low on CDOs in 2006, and we know what happened afterward.

### **Who Owns Central Bank Gold in the EU?**

April 4 (EIRNS)—The Italian Senate approved a motion demanding the government clarify the ownership of Italy's central bank gold on April 3. The motion and the debate were prompted by a written response from European Central bank President Mario Draghi to Italian Members of the European Parliament Marco Valli and Marco Zanni, who had asked the ECB to clarify the issue of ownership of those gold reserves. Draghi had answered that all assets pooled in the European System of Central Banks (Eurosysteem) are at disposal of the ECB, but he did not clarify who is the owner of the gold.

Thus, a parliamentary motion was put forward by the Lega and M5S factions and approved by the Senate, mandating the government to clarify the issue of ownership and also to investigate ways and means to possibly repatriate gold reserves held abroad. During the Cold War, many Western European nations spread their gold reserves among allied countries abroad, in order to protect them in case of a war between NATO and the Warsaw Pact. Today those concerns do not exist. As a matter of fact, several central banks, such as the German Bundesbank, started repatriating their gold a while ago. Keeping assets abroad can provoke bad surprises, as was recently seen in the case of Venezuela, where they were frozen.

## Nationwide Protest in Argentina Against IMF Genocide

April 4 (EIRNS)—Today is a day of major protests in cities around Argentina, as trade union federations, social organizations, and many angry citizens take to the streets to demand that neoliberal President Mauricio Macri dump the International Monetary Fund’s austerity program, and adopt policies that will guarantee jobs, pensions and healthcare, among other services.

Macri’s faithful implementation of IMF policy has savaged the economy and devastated living standards. In March alone, industrial production dropped by 8.5%, and construction by 5.3%. Today’s nationwide protest is considered to be a prelude to the fifth general strike called against these policies in three years, likely to take place at the end of April.

Under the banner of “Unity, Production and Argentine Jobs,” today’s action was convened by the General Confederation of Labor (CGT) trade union federation, two factions of the CTA labor federation, the national teachers union, transport workers, representatives of small and medium-sized enterprises (which are being crushed by current policy) and many more. Buenos Aires will be largely shut down by marches to the federal Congress and then to the Plaza de Mayo in front of the presidential palace.

Note, too, that Macri’s economics team has had to request a waiver from the IMF, to avoid presenting March’s statistics when the Fund meets for its third review of Argentina’s \$57 billion standby package on April 5. The government claims this is due only to the fact that data for March are not available, but many analysts say the government is really asking for a revision of the whole package, because it isn’t meeting the Fund’s draconian fiscal goals.

## U.S. POLITICAL AND ECONOMIC

### Trump Hopes for China Trade Deal in Four Weeks

April 4 (EIRNS)—Speaking to *New York Times* and other reporters in the White House where he met China’s chief negotiator, Vice-Premier Liu He,

again, after the latest round of trade talks, President Donald Trump said that it may take another four weeks or more to reach an “epic” trade agreement. On issues that remain unresolved, he said, “We’re talking intellectual property protection and theft, and we’re talking about certain tariffs,” meaning the recently imposed tariffs.

He didn’t announce the date of a summit with President Xi Jinping, saying, “If we have a deal, then we’ll have a summit.”

He characterized the agreement so far as “very complete,” saying, “We’ve agreed to far more than we have left to agree to. I think I can say that some of the toughest things have been agreed to.”

In related news, the White House Director of National Drug Control Policy James Carroll took note today of China’s announcement that it is following through on its pledge to add fentanyl to that country’s list of controlled substances, effective May 1.

### **Incipient Bipartisan Anti-War Caucus Stepping Forward in U.S. Congress**

April 4 (EIRNS)—The U.S. House of Representatives passed today, 247-176, a bipartisan resolution that would end U.S. support for Saudi Arabia’s involvement in Yemen’s bloody civil war, under the 1973 War Powers Act. The same resolution had been passed by the Republican Senate last year, and the new Senate now needs to pass it again for it to go to the White House.

“This is important not just for Yemen, where 14 million children and women and civilians face famine, but it’s also important in Congress, reasserting our role in matters of war and peace,” Rep. Ro Khanna (D-CA), the bill’s leading House sponsor, said after the vote.

Despite the disgusting, dangerous fawning over NATO Secretary-General Jens Stoltenberg by the joint session of Congress the day before, there are glimmers of sanity. In an interview he gave to the right-wing website Breitbart on March 31, Progressive Caucus leader Representative Khanna, co-chairman of Bernie Sanders’ campaign, spoke of “a wariness of

interventionism and militarism overseas in the Congress. You have very thoughtful critics of this on both the Republican and Democratic side,” he said. His hope is that the passage of the resolution on Yemen, if the President signs it, “will go a long way in his recognizing the need for Congressional authorization prior to having military involvement abroad.”

“This coalition is also on North Korea,” Khanna said. “I supported the President when he engaged in dialogue with Kim Jong Un, and also I met with President Carter who I also know supports that diplomatic effort, as do also 15 to 18 Democratic members of the House. This coalition on Venezuela, there are Republicans—I don’t want to mention their names because I don’t want to get them in trouble, but there are Republicans who have talked to me on the floor and said they are concerned about a military intervention there. So, there is an emerging understanding that often times military intervention makes things worse and not better.”

## THE NEW GLOBAL ECONOMIC ORDER

### Preparations for Putin Trip to Italy Underway

April 4 (EIRNS)—Russian President Vladimir Putin’s trip to Italy this year will be a “spectacular” event, Italy’s Ambassador to Russia Pasquale Teracciano told TASS yesterday. Presidential aide Yuri Ushakov also confirmed that Putin will make the trip to Italy sometime this summer, although he did not specify a date.

Ambassador Teracciano emphasized that the visit will be a “spectacular event in relations between the two countries,” culminating earlier high-level exchanges—including in October 2018 with the visit to Moscow by Italy’s Prime Minister Giuseppe Conte, and in early 2019 by the presidents of Italy’s Senate and Chamber of Deputies—in which the countries’ political leaders discussed issues of mutual bilateral and international importance.

## **Panama's President Deepens Development Projects with Belt and Road and with Asia**

April 4 (EIRNS)—President Juan Carlos Varela personally opened Panama's new consulate in Guangzhou on April 1, on his third trip to China since the two countries established diplomatic relations in June 2017. Varela will visit a fourth time in April, for the Second Belt and Road Forum for International Cooperation. Varela reiterated during this trip that “the Belt and Road is all about connectivity, and Panama is one of the most connected countries in the region.... So Panama is going to be part of that initiative because we see a big opportunity to connect Asia and America to Panama.”

Varela met with leading officials of the huge Guangdong province and addressed Hong Kong's Development Council, but clearly a highlight of his trip was the personal tour and presentation on the Hong Kong-Zhuhai-Macao bridge which he was given by the president of China Communications Construction Co. (CCCC), which built it, and CCCC's lead engineer on the project. Varela tweeted pictures of his tour, emphasizing that Panama has selected the CCCC to build the fourth bridge over the Panama Canal.

“Admirable vision of China in building the Great Bay, to connect Macao, Hong Kong and Guangdong. A great example of the impact of projects which foment connectivity between cities. This is the vision which we have for logistical and commercial development between Panama and Colon,” Varela wrote.

Varela was in Japan today, meeting with Prime Minister Shinzo Abe. Japan is providing the lead financing, engineering and equipment for the construction of Panama City's third metro line. That line is to run across that fourth Canal bridge, with its terminus in the “City of the Future” 37 km away—which is where the planned high-speed railway to the border of Costa Rica is to start.

Varela's Presidency ends in late June, and he is clearly working on getting such momentum going in Panama's participation in the Belt and

Road, that the next President, whoever it will be, will be hard put to reverse it.

### **Chinese Partners Are Fair and Respectful, Finds Duisport Annual Report**

April 4 (EIRNS)—In the wake of yesterday's annual review of the Duisburg port's performance, Germany's state-run DLF radio station reports that there are no fears in Duisport that its Chinese business partners and investors are out to grab control here. Duisport CEO Erich Staake told DLF that not only are the Chinese eager to learn from the port's know-how, but they also treat their German partners with respect and fairness. The reality experienced by Duisport in dealing with China is different from the image of aggressive Chinese land-grabbers which the mainstream media are concocting.

Duisport, the world's largest inland port, situated in Duisburg on the Rhine River, is now the weekly destination of 35 freight trains coming from Chongqing after a journey of 14 days. The number of trains running this route is expected to increase, especially as ongoing work to improve the logistics aims to cut the train trip to 10 days. Achieving that, Staake says, would attract up to five times more German clients than at present, to put their goods into rail freight containers destined for China.

With that optimistic development perspective, the port area which now is 40 hectares, is being enlarged by another 15 hectares, which will add more jobs to the 47,000 that already directly or indirectly depend on the port.

### **Trade between Zambia and China Shows a Steep Rise**

April 4 (EIRNS)—The bilateral trade volume between Zambia and China has risen sharply to reach \$5 billion, with Zambia enjoying a balance of about \$3 billion in its favor, the Lusakatimes news platform reported today. China's Ambassador Li Jie, in a press statement issued in Lusaka today, said the milestone trade volume recorded in 2018 has seen Zambia post a year-on-year trade growth of 33.9%, to become China's second-largest

trading partner in Africa. China's direct investment into the country has also continued to grow, and increased by \$327 million last year.

"I deeply feel that Zambia has great development potential. The country has a tradition of stability, the economy is growing fast, the society is full of vitality, and people's livelihood continues to improve," said Ambassador Li. He said China will continue to invest in Zambia in order to assist the country improve its economy in order to benefit Zambians. He said China does not pursue a trade balance with Zambia, but stands ready to support Zambia's economic and social development through cementing bilateral trade.

## SCIENCE AND INFRASTRUCTURE

### Rwanda's Effort To Provide Universal Access to Power Gets a Boost from China

April 4 (EIRNS)—Rwanda's efforts to achieve universal access to electricity by 2024 have received a boost after a deal that will see China's SinoHydro build the Nyabarongo-II Hydropower Plant. The 43.5 MW plant is expected to be in operation in five years' time at a cost of \$214 million. According to Energy Development Corporation Limited (EDCL), once complete, the project will contribute over 11.5% of the total electricity on the national grid, reported the Rwandan daily *New Times* today.

In addition to electricity generation, Théoneste Higaniro, Head of Power Generation Projects Implementation at EDCL, said the multipurpose dam will be used for flood control and regulating water flow to allow for irrigation systems downstream and thereby reclaiming some 20,000 hectares of land for agricultural activities. The project is expected to create an average of 900 direct and indirect job opportunities.

Some 51% of Rwandan households have access to electricity, with 37% connected to the national grid and 14% to off-grid systems. Under its seven-year plan, which runs up to 2024, the government targets 100% access to electricity, the *New Times* reported.

## Vocational Training Centers To Be Set Up in Djibouti and Egypt

April 4 (EIRNS)— Africa's first Luban Workshop, a Chinese program designed to provide state-of-the-art technical and vocational training around the world, was introduced in Djibouti on March 28, reported Xinhua. The workshop will offer an opportunity to turn the dreams of more young people into reality. To establish Luban Workshops in Africa and offer vocational training for young Africans is a concrete measure to implement the eight major initiatives of the 2018 Beijing Summit of the Forum on China-Africa Cooperation (FOCAC), *People's Daily Online* reported on April 3. The workshop was built by China's Tianjin municipal government, Djibouti's Ministry of Education, Tianjin First College of Commerce, Tianjin Railway Technical and Vocational College and China Civil Engineering Construction Corporation.

The Luban Workshop project was launched in May 2018 by the Tianjin government to better serve the purpose of the Belt and Road Initiative. The project is named after Lu Ban, the father of Chinese architecture from around the 4th century B.C., according to China's Education Ministry.

In Egypt, the Arab Organization for Industrialization (AOI) and the German Federal Institute for Vocational Education and Training (BIBB) signed a protocol for vocational training on March 30, reported Egypt's official MENA news agency. After the signing ceremony, AOI President Abdel Monem el Tarras stressed the importance of benefitting from the distinguished German expertise in the field of vocational training, in order to meet the needs of the manufacturing sector and development. Vocational education is seen as Egypt's hope for taking a quantum leap in the manufacturing sector, el Tarras said, reported MENA.