

## EIR Daily Alert Service

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## EDITORIAL

### **LaRouche's Four Laws: The Alternative to War**

Oct. 7 (EIRNS)—President Donald Trump will get nothing but opposition in Washington, for again moving to bring U.S. troops out of the Southwest Asia; only the American people will be happy to see that. And if he is, de facto, cooperating with Russia's President to check Turkey or other nations there from setting off another war disaster, he'll be charged with "fawning over Putin." Whenever the President moves against "endless war," or fires the like of John Bolton, the war party "blows the whistle."

The really urgent battle is with Wall Street, where candidate Donald Trump promised in 2016 to “pop the gigantic bubble on Wall Street,” but as President Trump has wandered from that promise. This is a job for those who will support the late economist and statesman Lyndon LaRouche. Yet again now, eight months after his death, LaRouche being angrily attacked in the *New York Times*, *Washington Post*, BuzzFeed, etc., as his proposals to stop a financial crash—or a “Green New Deal”—and lift up the economy, are again front and center.

We are already back in 2007 before the 2008 financial crash. That is the last time the Federal Reserve had to make large “emergency liquidity” loans to the Wall Street and European big banks—as it is now doing by tens of billions every day, since Sept. 17. In the next four weeks it’s prepared to have to make daily short-term injections into these banks of another \$300 billion or so. Bad debt is hissing out of the “everything bubble” these banks support, just as fast or faster than new-printed money is being pumped into it by the Fed. It’s just as much a financial emergency as it was in spring 2007—and you didn’t hear about it in national media then either.

LaRouche described this pre-crash phenomenon 25 years ago, calling it “a Typical Collapse Function.” More important, he called it out precisely in 2007 (in a July 25 international webcast that year) and laid out how to stop it.

Restoring the Glass-Steagall Act to break up Wall Street’s huge combinations of speculating divisions, and protect *only* the commercial lending parts, became the first of LaRouche’s Four Laws to save the economy and the nation. The nation and the President need that action urgently, now.

In an extraordinary Schiller Institute conference in New York City this past Saturday, LaRouche’s decades of campaigning for a Moon-Mars mission for NASA and other space nations, and for a crash program to develop fusion power technologies, were convincingly presented as “the necessary alternative to war.” This scientific celebration of NASA’s

“International Observe the Moon Night” should be watched. The video is available on the Schiller Institute website.

This—that these nations must join in human exploration of the Solar System, beginning with the Moon, and break through to fusion power—is LaRouche’s Fourth Law. It could be imminent now, with NASA working on an accelerated Moon-to-Mars mission ordered by President Trump. But it depends on having the national credit to do it, and therefore on heading off the threatening financial crash with Glass-Steagall bank regulation and a new credit institution for technological advance and infrastructure.

This is the time for LaRouche to be exonerated, and for his ideas to be realized. It is just in time, to escape from constant wars and repeated financial collapses, into real human progress.

## COLLAPSING WESTERN FINANCIAL SYSTEM

### **Fed’s ‘Repo’ Struggles Continue—See LaRouche’s Triple Curve**

Oct. 7 (EIRNS)—The Federal Reserve has had to continue its battle, now in its fourth week and second consecutive quarter, to keep short-term interest rates from rising and wrecking parts of the “everything bubble” centered on corporate debt and derivatives.

The New York Federal Reserve Bank’s trading desk not only has had to continue overnight repo lending operations into October, but their volume is increasing again, requiring \$47 billion loaned of the \$75 billion limit this morning. The Fed now says it will continue the overnight repo loans every morning at this limit at least until Nov. 4, and in addition will conduct eight 14-day repo loan operations between now and then, of \$35-45 billion each, starting tomorrow, Oct. 8.

In their “Wall Street on Parade” column today, Pam and Russ Martens write: “The Fed’s money sluicing operation that began abruptly on Sept. 17 is taking on the distinct appearance of its machinations during the early days of the 2008 crash—a time when it also refused to name the banks that were receiving the money.” They remind that many of the “primary dealer

banks” getting these loans are actually “the securities units of foreign banks” like Deutsche Bank, HSBC Securities, etc., which are experiencing their worst year, financially, since—2008.

Fundamentally the Fed is fighting to prevent a rise in short-term interest rates which began to express itself, explosively, Sept. 16-18, as a result of the sheer mass of demand for more debt to cover existing masses of speculative debt as they come due or roll over, and as the underlying economic sectors involved stop growing and/or contract.

Lyndon LaRouche showed this in his 1995 “Triple Curve” heuristic diagram of a “Typical Collapse Function” (see *EIR*, January 1, 1996). There, he referred to the escalating growth of debt in such a crisis as “the financial aggregates,” and showed the explosive expansion of money-printing—“monetary aggregate”—to keep up with it. If money-printing—as in the “QE4” the Fed has effectively been propelled into—reaches even greater acceleration than the debt growth, a financial blowout threatens. It can be prevented, but only by strong intervention to break up “universal banks” on the Glass-Steagall principle and protect commercial banking. *EIR* showed that this point arrived early in the 2000s, leading to the 2007-08 global financial crash which LaRouche sought to prevent with appropriate legislation, blocked in Congress.

If short-term rates escape Fed control and rise even for months, they would blow out leveraged lending and parts of the securitized corporate and household debt in large waves of default. The fact that industry and manufacturing are again sinking, makes the problem worse.

## U.S. POLITICAL AND ECONOMIC

### Trump Wants To Leave Syria as Turkey Threatens To Invade Northeast Zone

Oct. 7 (EIRNS)—Following a telephone discussion between U.S. President Donald Trump and Turkish President Recep Tayyip Erdogan, White House press secretary Stephanie Grisham said America will neither support nor oppose Turkey’s proposed military “buffer zone” operation in Northern

Syria. The decision, and Trump's statement on withdrawal from Syria, brought out Washington geopoliticians of all stripes and parties in battalions against Trump, who said on Twitter that he would severely punish Turkey economically if its military operation "got out of line" or did not keep captured ISIS fighters in northeast Syria imprisoned.

"Turkey will soon be moving forward with its long-planned operation into Northern Syria," the White House statement read. "The United States Armed Forces will not support or be involved in the operation, and United States forces, having defeated the ISIS territorial 'Caliphate,' will no longer be in the immediate area.

"The United States Government has pressed France, Germany, and other European nations, from which many captured ISIS fighters came, to take them back, but they did not want them and refused. The United States will not hold them for what could be many years and great cost to the United States taxpayer. Turkey will now be responsible for all ISIS fighters in the area captured over the past two years in the wake of the defeat of the territorial 'Caliphate' by the United States."

Erdogan and Trump agreed to meet in Washington this November. They also exchanged views on Turkey's plan for a 30-km "safe zone" in Syria. Speaking at a meeting of his ruling Justice and Development Party (AKP), Erdogan criticized the United States administration for not obeying Trump's Syria policy—withdrawal—on the issue of the area east of the Euphrates. Trump brought up the issue of withdrawal, the people next to him did not follow the instructions yet, Erdogan said. Erdogan also criticized the arms support by the U.S. administration for the Syrian Kurdish-dominated People's Protection Units (YPG). which Ankara sees as the Syrian branch of the illegal, Kurdistan Workers Party, PKK.

A Turkish incursion into Syria, which Erdogan has dubbed, "Operation Fountains of Peace," threatens to create far more problems for Turkey than it will solve. While Turkey claims that it will open the way to the return of refugees, it has raised fears that it will create another huge wave of refugees. The best way to stabilize the situation in Syria, is for Turkey to

open talks with the Syrian government in Damascus to work towards a permanent solution. While Erdogan refuses this, the leader of the Turkish opposition Republican People's Party (CHP) Kemal Kilicdaroglu called for Turkey to open a dialogue with the Syrian government in order to finally resolve the conflict in Syria.

“If you are defending the territorial integrity of Syria, if you want the civil war to end, you will talk to the Damascus administration,” Kilicdaroglu said at a party meeting in the Black Sea Province of Bolu. The CHP enjoys excellent party to party relations with Syria's ruling Arab Socialist Ba'ath Party and could facilitate relations between the two governments if requested by Erdogan.

### **Second Faux 'Whistleblower' Sent in from the Bench**

Oct. 7 (EIRNS)—In the information warfare operation which is upon us, a new, second anonymous whistleblower has been called from the bench, as President Donald Trump observed in a tweet. And his stroll into the game is heralded by Washington's breathless scribes as yet another instance of the walls closing in as they are hit by word “bombshells.” In reality, the hearsay complaint, drafted after contact with Adam Schiff, and handed to the Inspector General of the Intelligence Community—who turns out to be a recent veteran of the effort to take out Trump by the Justice Department's National Security Division, and who then changed the rules for processing such complaints—is being batted out of the park by the President's allies.

Breitbart has an article today laying out the full story of the law firm which is producing the faux whistleblowers, all of whom appear to be a coven of holdover veterans of John Brennan's CIA, a gossipy CIA knitting circle. (Aaron Klein, “Attorney for Impeachment ‘Whistleblowers’ Actively Sought Trump Admin Informants,” Oct. 6, 2019) Matt Taibbi expresses outrage about this over at *Rolling Stone*, contrasting the faux whistleblowers with actual whistleblowers like Bill Binney. (Matt Taibbi, “The ‘Whistleblower’ Probably Isn't,” Oct. 6, 2019)

Breitbart's Aaron Klein traces the whistleblower's attorney Mark Zaid and his co-founder of “Whistleblower Aid,” John Tye, to a network of left

organizations, most of which circle back to the megabucks funders of the Democrats, George Soros and Pierre Omidyar, and other Silicon Valley billionaires who also funded Christopher Steele after he was fired by the FBI. In particular, Klein writes that Whistleblower Aid, founded in September 2017, placed ads all over Washington, D.C. seeking government employees to come forward against President Donald Trump.

Appropriately, Klein focuses on the Organized Crime and Corruption Reporting Project (OCCRP)—the NGO funded by the British and U.S. governments directly for targeting the former East Bloc countries, in particular—as a major source in the faux whistleblower’s complaint. OCCRP has been literally tailing Rudy Giuliani throughout his efforts to explore Ukraine’s role in attempting to take down Trump. Bruce and Nellie Ohr, Glenn Simpson, and Christopher Steele all have associated in the past with this entity.

## STRATEGIC WAR DANGER

### Report Saudis Sought Peace with Iran after Trump Rejected Post-Aramco Retaliation

Oct. 7 (EIRNS)—The *New York Times* posted a story Oct. 5 reporting that the Saudis are engaging in “quiet openings” with Iran in order to head off a war between the two countries. Much of what is reported there is not new, such as the interventions of Iraqi Prime Minister Adel Abdul-Mahdi and Pakistani Prime Minister Imran Khan, to act as intermediaries between Riyadh and Tehran.

What hadn’t been reported before is that the Saudis began their outreach after President Donald Trump refused to launch military strikes against Iran in retaliation for the Sept. 14 strikes on two Aramco oil facilities.

“It was President Donald Trump’s refusal to retaliate against Iran for the Sept. 14 attack, analysts say, that set off unintended consequences, prompting Saudi Arabia to seek its own solution to the conflict,” the *Times* reported. Aside from lamenting what the *Times* sees as the collapse of the anti-Iran front of the U.S., Israel, Saudi Arabia, and the U.A.E., the *Times*

report also expresses sour grapes on how Trump's refusal to attack Iran also means that his administration's plans for an "Arab NATO" to militarily contain Iran is effectively now off the table.

As already reported by *EIR*, the Saudis have additionally entertained ceasefire proposals which may lead to their exiting their barbaric war on Yemen.

### **U.S. Withdrawal from Northeast Syria Has Already Begun**

Oct. 7 (EIRNS)—By all accounts, the withdrawal of U.S. troops from bases near the Syrian border with Turkey began within hours after the White House issued a statement, late Sunday night (Oct. 6) following President Donald Trump's phone call with Turkish President Recep Tayyip Erdogan. According an Oct. 7 report in the *New York Times*, administration officials indicated after the phone call that the 100-150 United States military personnel deployed to that area would be pulled back in advance of any Turkish operation but that they would not be completely withdrawn from Syria. In fact, according to Kurdish and Turkish media reports and postings on the Syria Live Update Map website, U.S. troops have already withdrawn from two bases near the border. Reuters reports that a U.S. official said American troops had withdrawn from two observation posts on the border, at Tel Abyad and Ras al-Ain, and had told the commander of the Kurdish-led Syrian Democratic Forces that the United States would not defend the SDF from an imminent Turkish offensive.

The *Times* reports that American officials contacted late Sunday would not say how far back from the Turkish border American troops would redeploy, or whether it signals the beginning of a larger overall withdrawal of the 1,000 American troops now in northeast Syria conducting and supporting counterterrorism operations. "We are not going to support the Turks and we are not going to support the SDF," one official said. "If they go to combat, we're going to stay out of it."

Pentagon spokesman Jonathan Hoffman issued a statement, today, expressing the same point, and stating that Secretary of Defense Mark Esper and Chairman of the Joint Chiefs of Staff Gen. Mark Milley had

stressed to their Turkish counterparts “that coordination and cooperation were the best path toward security in the area,” and that unilateral Turkish action in Syria creates risks for Ankara. “As the President has stated, Turkey would be responsible, along with European nations and others, for thousands of ISIS fighters who had been captured and defeated in the campaign led by the United States,” Hoffman said, referring to the thousands of ISIS fighters and tens of thousands of their family members who are in the SDF’s custody.

### **Russia Responds to President Trump on Getting U.S. Troops Out of Syria**

Oct. 7 (EIRNS)—Following President Donald Trump’s statement on getting all U.S. troops out of Syria today, Russian President Vladimir Putin’s spokesman Dmitry Peskov announced, “Syria’s territorial integrity must be preserved,” Reuters reported.

Peskov told reporters that Moscow was aware that Turkey shared Russia’s position on Syria’s territorial integrity. Peskov added, “We hope that our Turkish colleagues would stick to this position in all situations,” Reuters reported. Peskov then reiterated Moscow’s stance that all foreign military forces “with illegal presence” should leave Syria.

## **THE NEW GLOBAL ECONOMIC ORDER**

### **Ambassador Antonov Speaks on Improving U.S.-Russia Relations**

Oct. 7 (EIRNS)—Russian Ambassador to the United States Anatoly Antonov made several statements on U.S.-Russian relations while speaking at the Fort Ross Dialogue international forum in San Francisco. His comments focused on improving relations between Russia and the United States. According to TASS, Antonov said he hoped that the Sept. 27 meeting between Russian Foreign Minister Sergey Lavrov and U.S. Secretary of State Mike Pompeo at the UN will further boost a dialogue. “The talks between both ministers were sincere and open,” Antonov said. “We hope that the meeting will give an additional impetus to our dialogue.”

The complete text of Antonov's speech is posted to the embassy's website. He also called for re-invigoration of mutual exchanges of people with the United States in the business, cultural, scientific, and other spheres.

"We speak for an increase in the number of mutual exchanges of our citizens within the frames of business, personal, cultural, scientific, sports, as well as family and friendly relations," Antonov said.

He revealed that he has requested meetings with new U.S. National Security Adviser Robert O'Brien and the new administration under Mark Esper at the Pentagon. "I can tell you that I have turned to O'Brien, asking him to receive me for a meeting," Antonov said. "I have also proposed to newly-appointed senior officials of the U.S. Department of State to pay them at least a courtesy visit, because we had businesslike and pragmatic relations with former executives of Pentagon. I dearly hope that we will establish normal and working relations with the new administration of the National Security Council and Pentagon," the ambassador said.

Of the issue of short- and medium-range missiles, Antonov said: "In case the United States deploys these types of missiles very close to our borders, we will be forced to protect our country; we will be forced to resort to the necessary measures. It is high time for us to sit at the negotiation table, to stop negotiating via media, trading accusations; it is high time to meet, perhaps in Geneva, in Vienna, in Washington, in Moscow, and to come to grips with these issues."

### **Syria Sees Chinese Way as Example for the World**

Oct. 7 (EIRNS)—Chinese news agency Xinhua interviewed Bouthaina Shaaban, Presidential Political and Media Adviser to the President of Syria, yesterday, on the occasion of the 70th anniversary of China's founding. China's huge achievements in development have reverberated on other countries and provide examples for the world to learn from, an example of how the global human community should be established, Shaaban told Xinhua. Mentioning President Xi Jinping's speech on Oct. 2 at the grand celebration to mark the anniversary, Shaaban said Xi's address contained

several key messages and one of them was that a strong China would go hand in hand with a strong international community. Shaaban said she was impressed that China has maintained its unique characteristics and traditions while moving forward with this legacy to achieve further prosperity. Technological advancement is one of the things Shaaban is interested in, particularly how China has made major advances in 5G technology. Shaaban said she also admired the rapid urban development in China, citing the recent inauguration of the Beijing Daxing International Airport.

The leadership of the Communist Party of China has played a very significant role in the progress of China, Shaaban said. Arab countries should learn from China, she stressed, declaring that the China-proposed Belt and Road Initiative will reflect positively on Arab countries, as the initiative is based on consultation and cooperation.

On bilateral ties, Shaaban said that the relations between the two countries are historical, reaching back to the days of the ancient Silk Road, and should become even deeper and more robust, due to the positive role China could play in Syria's investment, infrastructure and many other areas.

## OTHER

### **British Empire's Chris Patten Leads Campaign for Hong Kong Regime Change**

Oct. 7 (EIRNS)—After writing an op-ed in *Project Syndicate* on Sept. 30 calling for “the people” (meaning the Anglo-American-funded Jacobins) in Hong Kong to set up a virtual alternative government to investigate alleged police and government brutality, the former last British Governor of the Crown Colony of Hong Kong, Chris Patten, has now intoned that Chief Executive Carrie Lam is “crazy” and her decision to impose colonial-era anti-riot laws (established by the British colonialists) “absolute madness.” Among other things the laws forbade wearing face masks.

“She would have to be crazy to be making these decisions on her own without being pressured into them,” Patten told Reuters on Oct. 6. “The face mask business, absolutely madness. I fear for the future, unless Carrie Lam actually intervenes and understands the importance of dialogue.” By “dialogue,” he means, with masked terrorists who are shutting down the city with widespread destruction of subways, stores, streets, attempted murder of police, and, as of this past weekend, recurring severe beatings of any civilian who protests the riots.

China’s Foreign Ministry responded to Patten’s colonialist madness. Under the title: “Commissioner’s Office of Chinese Foreign Ministry in HK to Chris Patten: U.K. Is Pioneer of Anti-Mask Law,” Xinhua quoted the spokesperson as saying: “Patten has totally ignored the call of the majority of Hong Kong citizens for stopping violence and the chaos, and the fact that the U.K. is a pioneer in banning masks. We strongly condemn the remarks, which are full of hypocrisy, bigotry and ruthlessness and have fully exposed Chris Patten’s true color.

“By distorting the truth and fabricating excuses in total disregard of the mainstream public opinion and the serious threat to civilian safety, Chris Patten attempts to justify the rioters and impede the [Hong Kong] SAR government’s efforts to stop violence. Such intention is simply despicable.” Pointing out that the U.K. had banned face masks during riots throughout Britain in 2011, the spokesperson demanded: “Is that also ‘absolutely madness’ according to Chris Patten’s criteria, we wonder?”