

EIR Daily Alert Service

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EDITORIAL

The Trans-Atlantic Financial System Is Crashing; China and the U.S. Are the Key Battlegrounds

Nov. 26 (EIRNS)—“The key issue facing the world,” Helga Zepp-LaRouche stated today, “is that the crash of the trans-Atlantic financial system is about to happen. If you talk to informed people in the world of finance or people in the know, they all agree that a major crash is upon us, and that it will be worse than 2008.” Deutsche Bank is frequently mentioned as one of perhaps many banks that urgently need a bail-out.

Zepp-LaRouche added that the way to intervene in this situation is to get people to understand that the only chance for survival is to join with the Belt and Road Initiative, which is a framework of growth and stability. “For that reason, the fight inside the United States and China are the two crucial questions,” she stated, as her husband Lyndon LaRouche had repeatedly emphasized. “The battle inside the United States and the battle over China are the two strategic questions which are of foremost relevance today.”

In the United States, the situation remains undecided. The British drive to impeach Trump is running into serious trouble: Trump supporters are fully backing Trump, and even some Democratic congressmen, especially in the Rust Belt states, are beginning to come to their senses and realize that an all-out impeachment drive could mean their own political suicide.

“But this doesn’t mean that the British and their U.S. allies will not completely escalate the impeachment drive,” Zepp-LaRouche warned. The collapse of their financial system demands it; and so does the fact that they themselves are looking at possible criminal prosecutions if they fail to dump Trump. It is noteworthy that Senators Ron Johnson and Grassley earlier this week sent a letter to the U.S. National Archives and Records Administration requesting that *all* records which pertain to the 2016 campaign be turned over to them, by Dec. 5th. And the upcoming Durham

report is also key, since it involves criminal investigations against those who launched the baseless impeachment drive against Trump.

The other major development, Zepp-LaRouche continued, is the unprecedented escalation of attacks against China, including the approval by both the U.S. House and Senate of the Hong Kong Human Rights and Democracy Act, which threatens China with Russia-style economic sanctions. The Chinese government has repudiated the Act in no uncertain terms, and taken note of the fact that there is a major pressure campaign underway to get President Donald Trump to sign it into law, against his own better judgment.

The recent elections in Hong Kong are also being used to promote violence and a frontal assault against China, while the Chinese government, Zepp-LaRouche stressed, “keeps emphasizing that the election result in Hong Kong will in no way change the basic framework of ‘One Country, Two Systems,’ that China’s development and progress are unstoppable, and that the country will always provide guarantees for Hong Kong.”

Zepp-LaRouche emphasized that *EIR*’s just-published 24-page report on China, “Stop the McCarthyite Witch Hunt Against China and President Trump,” is a timely and critical contribution to the effort to bring about U.S.-Chinese cooperation on the Belt and Road Initiative, as the alternative to the collapsing trans-Atlantic financial system. The report is available on the homepage of *Executive Intelligence Review*.

STRATEGIC WAR DANGER

Chinese Minister Blasts ‘Hong Kong Human Rights and Democracy Act’ as ‘Brazen Interference’

Nov. 26 (EIRNS)—Chinese Vice Minister of Foreign Affairs Le Yucheng denounced the Hong Kong Human Rights and Democracy Act, recently passed by both houses of Congress, as interference in Chinese internal affairs. “We believe that it is a brazen interference by Washington [into Chinese affairs] and we will resolutely oppose it,” he told reporters on Nov. 25, according to TASS. He also said the U.S. is a behind-the-scenes

mastermind of unrest in Hong Kong. “They support and finance these Hong Kong rebels, they cover and incite them,” Le Yucheng declared. “We will continue to protect our sovereignty and security. Our decisiveness is unshakable on this issue.” He concluded by pointing out that the Nov. 24 local elections in Hong Kong will not affect the situation in his opinion, but no further details were given.

P.R.C. Media Warn against ‘Color Revolution’ Pressure on Trump To Sign Hong Kong ‘Democracy’ Act

Nov. 26 (EIRNS)—In the aftermath of the Hong Kong elections, which gave a media victory to the “pro-democracy” color revolution project against China, the British and their liberal allies in the U.S. have been putting a full court press against President Donald Trump to sign the Hong Kong Human Rights and Democracy Act. The act would give the President the “right” to impose Russia-style sanctions on China, and mandate an annual State Department report on whether Hong Kong is being given enough “democracy” for our approval, or lose the special economic policies granted Hong Kong but not all of China. I.e., it is a frontal provocation against China, which would do lasting damage to U.S.-China relations—which Trump values.

The Nov. 25 edition of *Global Times* published an op-ed by Mu Lu, which makes it clear that some in China are well aware that there is a factional war around Trump on the Hong Kong/China question, and exposes the deeper historical roots of their current regime change gambit.

“There is a group of academic elites in the U.S. who have kept a close watch on the situation in Hong Kong,” the op-ed states. “These so-called scholars insist on the supremacy of their Western values and refuse to acknowledge the fact that China’s system is more suitable to its current situation—particularly after China repeatedly dismissed their conspiracy theories on it. They feel discomfort and try to vent their anger. Since U.S. President Donald Trump had threatened to veto the so-called Hong Kong Human Rights and Democracy Act, they came out to voice their support for

the bill and condemned their democratically elected President for failing the city.”

The op-ed then cites Christian Whiton, a senior fellow at the conservative Center for the National Interest think tank and former adviser to the Trump Administration, who “said on Friday that it would be foolish if Trump does not sign the bill. This shows people coming from behind the scene to the stage. In the 1920s, Edward Bernays, who is widely regarded as the father of public relations and propaganda, outlined how to control what people think. His theory was believed to be the origin of the ‘color revolution’ concept. Some American scholars may have followed Bernays’ theory and played an important role in the current Hong Kong unrest.”

The reference to Bernays is well taken. Bernays is considered the founder of PR and advertising manipulation of subject populations. He was Sigmund Freud’s nephew, he was part of the early Walter Lippman/Tavistock circles, he was a top adviser to Woodrow Wilson, and worked with the CIA on such operations as the 1954 Guatemala coup.

The *Global Times* op-ed continues: “These people have taken Hong Kong and Taiwan as ‘fortresses’ and ‘experiment fields’ of democracy. Together with Washington, they use the two places as leverage to contain China, and infiltrate education and social groups of Hong Kong with their thinking and values. Some U.S. academic institutions and foundations, such as the Washington, D.C.-based National Endowment for Democracy (NED), regard Hong Kong as a laboratory and have done so-called experiments, in addition to funding local organizations to preserve so-called democratic rights—in line with the protests—and help organize training seminars for scholars, lawyers and civil servants. For instance, the Hong Kong Confederation of Trade Unions—the city’s second-largest labor group that supported the ‘umbrella movement’ in 2014 - has reportedly received donations from the NED worth about \$2 million in the past two decades.”

The op-ed concludes: “As the unrest escalates in Hong Kong, they have completely removed their academic veneer and showed their true anti-

China intentions. We have become clearer about what they are really up to. But as it had happened several times in the past, their evil intentions will eventually collapse amid China's steady pace forward."

***Global Times* Cautions Mobs To Not Misread Hong Kong Election Results as Excuse for Violence**

Nov. 26 (EIRNS)—While the liberal media internationally is celebrating the “stunning landslide victory” of the so-called pro-democracy movement in Hong Kong (the London *Guardian* goes so far as to spin the vote as “one of the most serious challenges to its [China’s] autocratic President, Xi Jinping, since he took power in 2012”), China’s semi-official media has a different reading.

Global Times published an editorial Nov. 25 that said: “We want to say that the pro-democracy camp winning more seats doesn’t mean Hong Kong voters support violent demonstrations.... It is inconceivable and impossible that the majority of Hongkongers would encourage violence, support political confrontation against the mainland, and back the city to become a bridgehead for U.S. political forces to pressure China.... It is crucial to rationally interpret the result of Hong Kong’s district council elections, lest mobs should be emboldened by misreading them.”

China Daily also had an op-ed by a research fellow at the Communication University of China on the Hong Kong elections, which suggested that the danger of violence is not over: “Certain rioters even claimed that the election is another battlefield of the radicals and gave a call to ‘vote in the morning and hold violent demonstrations later.’ ”

Russian Defense Ministry Reveals al-Nusra, White Helmets May Make New Chemical Arms Strike in Idlib

Nov. 26 (EIRNS)—The Russian Defense Ministry reported it has information indicating that militants of the Hayat Tahrir al-Sham (HTS), otherwise known as Jabhat al-Nusra, together with White Helmets, have been plotting to stage another chemical weapons provocation, this time in the Idlib de-escalation zone in Syria.

“Via several channels, we received confirmation of reports that militants from the group of field commander Abu Malek, which is a part of Hayat Tahrir al-Sham, jointly with the White Helmets organization, plan to carry out provocations involving staged air raids and use of chemical weapons in populated areas of the Idlib de-escalation zone,” the ministry said in a statement, quoted by TASS. “Militants have been selecting local residents who would participate in the filming of scenes depicting the consequences of air strikes and use of poisonous agents.”

The ministry statement indicated it had information obtained from the town of Sarmada, 30 km northeast of Idlib, which said that a group of unidentified people and three trucks transporting various containers with unknown chemicals arrived there in early November. “One of the vehicles carried professional video equipment and fragments of air and artillery shells with Soviet and Russian identification marks,” TASS quoted the Defense press service. The terror group is expected to make the false films and release them through social media networks.

U.S. POLITICAL AND ECONOMIC

Impeachment Update: ‘House of Lords, We’ve Got a Problem’

Nov. 26 (EIRNS)—British outlets like the *Guardian* are taking stock of where things stand after their impeachment circus in the House of Representatives over the last couple of weeks, and they are not happy. The unstoppable juggernaut that they were trying to conjure up has proved elusive.

“Congressional Republicans dug deep in defense of Donald Trump over the weekend,” the *Guardian* complained, “frustrating Democratic hopes that the impeachment inquiry would build bipartisan support following weeks of testimony laying out how Trump attempted to extract a political ‘favor’ from Ukraine in exchange for official acts, not a single elected Republican stepped forward to criticize Trump.” Even worse, “Other Republicans buttressed Trump’s insistence on a baseless and debunked

conspiracy theory that Ukraine, not Russia, was behind 2016 election tampering.”

On the other side of the aisle, Yahoo! reports, Democrats in swing states are “flipping on impeachment.” The Nov. 25 wire presented the case of Michigan Congresswoman Brenda Lawrence (D-14th CD), who last June told CNN she was in favor of impeachment: “I feel we should begin that process.... Our democracy is bigger than Donald Trump, and we need to act.” But now Lawrence is singing a different tune: “You can censure, you don’t have to remove the President. Sitting here, knowing how divided this country is, I don’t see the value of kicking him out of office, but I do see the value of putting down a marker saying his behavior is not acceptable.”

What Lawrence is actually saying is that her constituents, like most Michiganders, aren’t buying into the impeachment circus. Furthermore, as fellow Michigan Congresswoman Debbie Dingell stated last week, at this point Trump will again take Michigan and also win the 2020 presidential election.

Mike Bloomberg’s 2020 campaign chief Kevin Sheekey made the same admission in a discussion with CNN yesterday: “Mike is getting in this race because he thinks that Donald Trump is an existential crisis and he thinks he’s on a path to victory and he’s getting in to alter that dynamic.” Citing the much-discussed *New York Times* and Siena College polls that showed Trump beating leading Democratic candidates in the six states that he says define the election (Wisconsin, Michigan, Pennsylvania, North Carolina, Florida and Arizona), Sheekey went on: “That’s the whole general election. And right now Donald Trump is winning, he is winning that election. It’s very tough for people who don’t live in New York or California to understand that, but that is what’s happening.” Sheekey said.

The *New York Post* published an article by Salena Zito on Nov. 23 which also pointed to the same hard political reality, under the headline: “Rust Belt Voters on Trump: ‘I’d Vote for Him Again in a Heartbeat.’”

President Trump Reiterates, My Job Is To Defend the Presidency

Nov. 26 (EIRNS)—The judicial dueling over the British drive to overthrow the elected President of the United States saw two differing decisions so far this week.

The Supreme Court ruled yesterday that President Donald Trump's financial records do not have to be handed over to the House of Representatives, for now. A frustrated CNN reported: "The ruling is a win for Trump, who is fighting on several fronts to shield the records from becoming public. In a brief order, the court granted the President's emergency request to block a subpoena from House Democrats to his long-time accounting firm from moving forward. There were no noted dissents."

Federal Judge Ketanji Brown Jackson of the U.S. District Court for the District of Columbia, on the other hand, ruled that former White House counsel Don McGahn must testify before Congress, as House committees have demanded. The judge reportedly equated an assertion of executive privilege as equivalent to acting as a king.

The ruling will be appealed, but President Trump responded in a tweet yesterday that what is at stake, here, is protecting the U.S. Presidency.

"The D.C. Wolves and Fake News Media are reading far too much into people being forced by Courts to testify before Congress. I am fighting for future Presidents and the Office of the President. Other than that, I would actually like people to testify. Don McGahn's respected lawyer has already stated that I did nothing wrong. John Bolton is a patriot and may know that I held back the money from Ukraine because it is considered a corrupt country, & I wanted to know why nearby European countries weren't putting up money also. Likewise, I would love to have Mike Pompeo, Rick Perry, Mick Mulvaney and many others testify about the phony Impeachment Hoax. It is a Democrat Scam that is going nowhere but, future Presidents should in no way be compromised. What has happened to me should never happen to another President!"

Time for Washington To ‘Seek a Grand Bargain with Moscow over Crimea’

Nov. 26 (EIRNS)—U.S. Naval War College Associate Professor Lyle Goldstein proposed just such a strategy in an enjoyably polemical article posted by *The National Interest* on Nov. 24. “American diplomats should perhaps turn their attention away from reciting tiresome talking points and stirring up old Cold War tensions to actually negotiating a grand bargain to set European security on a much more positive course,” he proposes. That will require accepting Crimea as part of Russia, and commitments to help Ukraine economically with more than adorning its former Chernobyl nuclear plant with solar panels and wind farms.

It’s time the “venerable” American foreign policy elite gives up its “Russia in decline” claim. That elite “will not be pleased to learn that the Russian Transport Ministry announced on Nov. 1 that trains would begin running between Crimea and the Russian mainland before the end of 2019.... These trains will, of course, cross the famed Crimean Bridge that was first opened with great fanfare in 2018 to vehicular traffic.” Freight traffic over that bridge is to follow sometime in 2020; “as of late October, according to one Russian report, heavy technical trains consisting of a locomotive with 23 cars full of crushed stones was operating on the bridge for tests. The overall weight of the test train amounted to 2,400 tons.”

Goldstein puts forward ten reasons to get to work on negotiating this “grand bargain.” Some are more workable than others, but his proposal to start such discussions is the key.

COLLAPSING WESTERN FINANCIAL SYSTEM

London Argues Military Dictatorships May Be Required To Defend Its Economic System

Nov. 26 (EIRNS)—The *Financial Times* Editorial Board yesterday warned Brazilian President Jair Bolsonaro that he is not allowed to have “second thoughts about handing free rein to a minister who studied economics at the University of Chicago in the 1970s.” The minister in question is Finance

Minister Paulo Guedes, who that very day told reporters in Washington, D.C. that if mass protests spread into Brazil from the rest of South America, military dictatorship may be imposed to crush it.

Such a message is clearly not aimed solely at Brazil.

Bolsonaro has done most of what London's man Guedes demands. The government succeeded in getting Congress to pass a law gutting the social security system (something sought by international financiers for decades), and it is proceeding on other "reforms": privatizing the state electricity company, ending the government monopoly on minting currency, mandating automatic austerity triggers for states and municipalities if they go over spending limits, and tax overhaul, among them.

Bolsonaro only postponed implementation of one "reform," which would cut public workers' wages and rights. The *FT*, however, recognized that this hesitation reflects fear that a process akin to Chile's "popular uprising [against] Friedmanite economic policies" could break out in Brazil, where former President Lula da Silva's release from jail could be a factor. Lula "has lost no time in labelling Mr. Guedes a destroyer of jobs and rallying opposition," the *FT* editorial board complained.

"Far too much is at stake for Brazil to risk its economic reforms foundering on the rocks of populism. Latin America's giant has already waited inordinately long to put government finances on a sustainable footing and to make the country a more attractive place to do business. If it misses the opportunity now, the window for change will close, perhaps for years, and international investors will turn elsewhere," the City of London's *FT* threatened. "Mr. Bolsonaro should keep his nerve...."

Guedes, in Washington for meetings, when asked about Lula's calls for mobilization against his economic "reforms," suggested the military government's 1968 "Institutional Act-5" (AI-5) may have to be reinstated. Under AI-5, Congress was shut down, mass arrests began, and torture was institutionalized as policy. "Is democracy only when your side wins? When the other side wins, after 10 months you convoke everyone to take to the

streets? What kind of responsibility is that? Don't be startled if someone asks for an AI-5," Guedes threatened.

President Bolsonaro's son and political ally, Eduardo, suggested reinstating AI-5 in November. Then, the Supreme Court remained silent. But London's Guedes wields far greater power, and the head of the Supreme Court, Dias Toffoli now responded: "AI-5 is incompatible with a democracy.... You do not build a future with the failed experiences of the past," he said.

SCIENCE AND INFRASTRUCTURE

Chang'e-4 Mission Team Receives Prestigious British Science Award

Nov. 26 (EIRNS)—The mission team for China's Chang'e-4 mission to the far side of the Moon, led by Wu Weiren, the chief designer of China's lunar exploration project, receive the Team Gold Medal award for their achievements from the Royal Aeronautical Society of Great Britain in London yesterday. Bill Tyack, chairman of the Medals and Awards Committee, called it an "outstanding achievement" by the Chang'e-4 mission team, in particular for the first "soft landing" on the far side of the Moon, as well as for the successful release "of a piggyback microsatellite during the Earth-Moon transfer orbit, which orbited the Moon for astronomical observation," reported Xinhua.

Wu called the award "a testimony of increasing international recognition of China's lunar exploration project and its overall aerospace development." He stressed, in remarks to Xinhua: "Space exploration is a common aspiration shared by humankind, which is very significant for the future of human society. Therefore, we expect more international cooperation to jointly explore outer space and pursue scientific discoveries."

Large Majority of Swedes Express Support for Nuclear Energy, Up from Last Year

Nov. 26 (EIRNS)—A new poll in Sweden once again revealed huge support in the population for continuing the operation of nuclear power plants in Sweden, in spite of the government's push to eliminate all nuclear reactors by 2040.

The poll was sponsored by the Analysis Group, which is financed by the energy industry, and carried out by pollster Novus. It showed that 78% of those polled strongly support nuclear energy (up from 71% in last year's survey), while 43% are open to the construction of new nuclear power plants, another 35% would like to continue using today's reactors throughout their lifetime. Those opposed to nuclear energy were no more than 11%.

“From hovering steadily around 20% over the years, we see a significant change in this year's survey: the proportion who want to decommission nuclear power is down to a record low of 11%,” Uppsala University researcher and member of the Analysis Group Mattias Lantz explained as reported by Sputnik. “Women have historically been more skeptical, but this year's survey shows that women become increasingly accepting of nuclear energy,” Viktor Wemminger of pollster Novus explained. Young people, who earlier proved to be among the most skeptical, appear more accepting as well. Wemminger attributes the support for nuclear power to concern over climate change.

Sweden currently has three operational nuclear power plants with eight operational nuclear reactors, which produce about 40% of the country's electricity.