

EIR Daily Alert Service

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EDITORIAL

Collapse of First Republic Shows It's Time To Deliver

May 1, 2023 (EIRNS)—With the dismantling and selloff the First Republic Bank over the weekend, more was exposed than that bank's dirty underwear. The FDIC arranged a deal with Jamie Dimon's JPMorgan

Chase, wherein the already bloated Chase Bank will become even more bloated, and the American public, in the form of FDIC bailouts, will pay for the unwanted toxic paper. Further, this is now officially the second largest bank failure in U.S. history, exposing the fact that the U.S., and by extension the entirety of the trans-Atlantic economies, are in an existential pickle between a hyperinflationary blowout on one side, and a rapid collapse of financial values on the other.

At the same time, the danger of a larger war breaking out over the theater of Ukraine is escalating. Russia launched a wave of strikes against Ukrainian targets Monday, May 1, targeting buildups of military hardware and troops along Ukraine's line of conflict, in preparation for Ukraine's supposed counter-offensive. This comes on the heels of top British officials visiting Kiev, warning Ukraine not to pursue a path of diplomacy following the phone call between Zelenskyy and Chinese President Xi Jinping last week. Britain is also moving to send much longer range missiles to Ukraine than have so far been delivered. Clearly, as National Security Advisor Jake Sullivan said recently, any peace process is "unacceptable."

This war drive is not the result of a lack of goodwill, or of qualified proposals. As Pope Francis said on his way back from visiting Hungary, "everybody is interested in the road to peace," and indicated that he himself is involved in some sort of peace mission. The driving force behind this war, rather, is the ominously failing economies of the trans-Atlantic, whose debts are growing, creaking, and increasingly crushing the poorest under their weight.

The truth of this, however, and the disaster of the proxy war in Ukraine is increasingly obvious for all to see. The implementation of a bank separation bill, otherwise known as Glass-Steagall, was almost pushed through the Swiss Parliament in April following the collapse of Credit Suisse, except that that government was pressured by the U.S. to bail out the bad debt and force a buyout. As one leading parliamentarian in Switzerland said, the U.S. should have taken it, "but they made us pay. An

example of great power politics.” If this is how the Western oligarchical system treats one of its allies, how do you think the rest of the world feels?

We are right now at an epochal change in the history of the world. As the fight for Glass-Steagall epitomizes, the assertion that the development of peoples is the sole purpose of policy—and not the maintaining of financial paper or the upholding of your sphere of power—that is the basis for a universal definition of policy practice for every nation on the planet. This is what is being rejected by the West’s decision to risk the nuclear annihilation of mankind in order to defeat and dismember Russia. The acknowledgment of this dichotomy is currently creating an irrepressible response around the world, and also illustrates the way out of this crisis.

What is needed now is the revival of that great tradition of intervening, of speaking out, of raising your voice when no one else will. Our enemies fear this more than anything else. And the time has never been more ripe to stand up, and deliver.

- Watch [Harley’s Updates](#) with Harley Schlanger on Tuesday May 2, 2023: Every weekday morning on The LaRouche Organization, Schlanger will give you the strategic briefing you need to start your day.

STRATEGIC SHOWDOWN

Russian Strikes Counter Ukrainian Offensive Buildup

May 1, 2023 (EIRNS)—It appears that over the last 24 hours or so, Russian forces have been targeting the military buildup ahead of Ukraine’s much anticipated offensive. The most spectacular strike seems to have hit Pavlohrad, about 90 km northeast of Zaporozhye. According to reports circulating in Telegram, a huge cache of missiles for S-300 air defense batteries went up in massive balls of fire in the middle of the night. “A huge fiery volcano erupted over the city, the detonation of rockets has been going on for almost an hour,” according to one report posted at 4:44 p.m. EDT. Another report about 15 minutes later suggested that the strike was

carried out “with daggers,” that is, with Kinzhal hypersonic missiles as they hit without any warning whatsoever. Pavlograd serves as a major logistics hub for both the Donbass and southern fronts.

“The locals tell me about massive landings on railroad infrastructure and fuel and ammunition depots, which Ukrainian militants have accumulated for the counteroffensive,” Vladimir Rogov, the acting leader of the Zaporozhye region told TASS. Rogov later estimated that fuel and ammunition supplies for three Ukrainian brigades had been destroyed.

The Russian Defense Ministry, in its daily update for this morning, reported that overnight, the Russian armed forces launched a long-range, high-precision air and sea-based missile strike against Ukrainian military-industrial complex facilities and all of the assigned targets were destroyed. “The enterprises producing ammunition, weapons and military equipment for Ukrainian forces have been disrupted,” the statement said.

Other developments include the following:

The Russian Defense Ministry’s daily update of April 30 reported several strikes on Ukrainian troop concentration areas, causing hundreds of casualties and up to 200 tonnes of Ukrainian ammunition supplies have been destroyed as a result of a strike on a train at a railway station near Kramatorsk.

Ukraine Victory Resolution in U.S. Congress Is Part of the ‘Break-Up Russia’ Drive

May 1, 2023 (EIRNS)—Two speakers in the April 28 “Free Nations of Post-Russia Forum” conference in New York City highlight the direct tie between the “Post-Russia Forum” operation and the introduction of the Ukraine Victory Resolution in the U.S. Congress in the middle of the Forum’s four-day U.S. roadshow.

Those were Hanna Hopko and Casey Michel, both of whom had also spoken at the June 23, 2022 “briefing” on “Decolonizing Russia: A Moral and Strategic Imperative” organized by the CSCE, otherwise known the U.S. Helsinki Commission. The “Ukraine Victory Resolution” was

organized and sponsored by that official U.S. government agency. The April 26 CSCE press release hailed the Victory Resolution, because it “affirms that it is the policy of the United States to see Ukraine victorious against the Russian invasion, holds that the peace brought by victory must be secured by integrating Ukraine into NATO, and declares that the United States must work with its allies and partners to secure reparations, reconstruction, justice for Russian war crimes, and accountability for Russian leaders.” [<https://www.csce.gov/international-impact/press-and-media/press-releases/bipartisan-ukraine-victory-resolution-introduced>]

Hopko, a former Euromaidan activist who served in the Ukrainian Parliament (2014-2019), is ecstatic about the introduction of that resolution. She assured the “Post-Russia Forum” conference that it shows that Ukraine and the U.S. Congress “are on the same page” that no diplomatic, negotiated settlement to the Ukraine-Russia war can be tolerated; the only acceptable outcome is that Ukraine enters NATO, its 1991 borders are restored, Russia’s leadership be prosecuted for war crimes, and Russia pays reparations.

The resolution does not explicitly call for the breakup of Russia, but Hopko sure does. She told the Forum that one of Ukraine’s missions is to free the “prisoner nations” inside Russia, and began and ended her remarks by citing the title of an April 27 *Politico* interview of a Chechen militia leader currently fighting in Ukraine against Russia: “[When Russia Is Defeated in Ukraine, Look to Chechnya.](#)”

For his part, Michel, a former Hudson Institute operative now ensconced at the Human Rights Foundation, spoke as an American thrilled that, because of the Ukraine war, he sees the possibility that decades of a U.S. policy which refused to support Russian disintegration, can now be overturned. Americans are finally seeing the need to “decolonize” Russia, he claimed, manically saying that there is more interest in Russian colonialism than there has ever been in U.S. history. U.S. policy will not change overnight, but by “dialogue channels” opening up, with education such as the Forum is doing, this is how things will change.

Take note: “Euromaidan activist” Hopko, first elected to the Verkhovna Rada by the Self-Reliance Party of the founder of one of the battalions fighting in the Donbass, received the National Endowment for Democracy’s National Democratic Institute Democracy Award in 2014. [USAID](#) advertises her as their agent, heading the USAID-funded National Interests Advocacy Network (ANTS), and chairing the 2019 USAID/ENGAGE-supported Democracy in Action Conference (DIA).

Pope Met Russian Metropolitan Hilarion in Budapest, Discussed Peace in Ukraine

May 1, 2023 (EIRNS)—During his April 28-30 visit to Hungary, Pope Francis met with Orthodox Metropolitan Hilarion and talked to him for 20 minutes at the Apostolic Nunciature where the Holy Father was staying.

Hilarion has been for 13 years “foreign minister” of Moscow Patriarch’s Kirill, and was appointed Metropolitan of Budapest in June 2022. Pope Francis has met him several times in the past. On the return flight to Rome, [Pope Francis](#) gave a press conference, replying to AGI news agency’s Eliana Ruggiero as to whether he talked about Ukraine with Metropolitan Hilarion in their April 29 discussion, and with Hungarian Prime Minister Viktor Orbán. “I believe that peace is always made by opening channels, never can peace be made by closure. I invite everyone to open relationships, channels of friendship. This is not easy. The same speech I made in general, I made it with Orbán and I made it a little bit everywhere,” Pope Francis replied according to the Holy See transcript published by the Holy See.

“Hilarion is someone I respect so much, and we always had a good relationship. And he was kind enough to come and see me, then he was at the Mass, and I saw him here at the airport as well. Hilarion is an intelligent person with whom you can talk, and these relationships need to be maintained, because if we talk about ecumenism and then we say, ‘I like this, I don’t like that’... We need to have an outstretched hand with everyone, and also to receive the hand of others.”

The Pope talked demonstratively at length about other Russian officials he speaks to: “With Patriarch Kirill I spoke only once since the war started, 40 minutes to zoom, then through Antony, who is in Hilarion’s place now and who comes to see me: he is a bishop who was a pastor in Rome and knows the environment well, and always through him I am in connection with Kirill. It is pending the meeting that we were supposed to have in Jerusalem in July or June last year, but because of the war it was suspended: that will have to be done. And then, with the Russians I have a good relationship with the Ambassador who is now leaving, Ambassador for seven years in the Vatican, he is a great man, a man *comme il faut*. A serious, educated person, very balanced. The relationship with the Russians mainly is with this Ambassador.”

“Could Hilarion and also Orbán accelerate the peace process in Ukraine and also make it possible for there to be a meeting between yourself and Putin, if they could act—in quotes—as intermediaries?” Ruggiero asked.

Francis replied: “You can imagine that in this meeting we did not only talk about Little Red Riding Hood, we talked about all these things. We talk about this because everybody is interested in the road to peace. I am willing, I am willing to do whatever needs to be done. Even now there is a mission going on, but it is not public yet, let’s see.... When it is public I will talk about it.”

Climate Activists Call on Biden To Back Ukraine Peace Talks

May 1, 2023 (EIRNS)—Leading anti-war activist group CODEPINK, which has stood against wars in Iraq, Afghanistan, Ukraine, etc., prompted more than 2,300 “people of conscience” and environmentalist groups to sign a letter on Earth Day, “[Environmentalists to President Biden: Call for Negotiations in Ukraine Now!](#)” saying that “based on climate justice reasons alone,” the U.S. government must use its power to ensure that peace talks between Russia and Ukraine happen swiftly, according to a report in Common Dreams. CODEPINK was joined by Amazon Watch, 350.org North America, and Extinction Rebellion US, among others, in this call to peace that was also addressed to the members of Congress.

It should be stated that after the blame was initially laid on Russia for the Nord Stream sabotage, many climate activist groups were silent, leading to questions of their relationship to Western intelligence agencies that knew the truth. However, climate groups now joining CODEPINK in the letter to Biden and Congress have taken aim at that sabotage which “led to the release of 300,000 tons of methane gas into the atmosphere.”

The letter otherwise addresses the ecological damage caused by war in terms of damage of “local ecosystems, forest fires, blackened trees, air pollution, sewage leaks and chemical contamination of rivers and groundwater in Ukraine,” and importantly addresses the dangers of the continued shelling around the Zaporozhye Nuclear Power Plant. The letter ends with a stark warning of the danger of nuclear warfare:

“Our call for a ceasefire is all the more urgent as the world risks the ultimate environmental crime: nuclear war. Should a conventional war not deliver a decisive victory—and we do not see one in the offing—the risk of the use of nuclear weapons increases and jeopardizes the entirety of life on earth.

“We must stop this madness before it’s too late! For the sake of future life on this planet, we urge you to initiate peace talks to end this war now.”

India Slams Ukraine for Hinduphobic Tweet

May 1, 2023 (EIRNS)—As Ukraine becomes increasingly dominated by Nazi ideology, the evidence reveals itself in peculiar ways. On April 30, Ukraine’s Ministry of Defense tweeted a cartoon of the immediate aftermath of its explosion against a fuel depot in Sevastopol, Crimea, next to a caricature of the Hindu goddess Kali in a fashion similar to Marilyn Monroe’s iconic pose from 1955. In this grotesque depiction of the Hindu goddess, whose worship is known for destroying negative tendencies or defeating rivals, Kali’s dress is the flared out mushroom cloud of the blast in Sevastopol, while her legs extend down to the blast site, in the caricature of Monroe’s pose. Ukraine’s Ministry of Defense accompanied the drawing of Kali’s likeness to Marilyn Monroe by Ukrainian artist Maksym Palenko,

with a short caption reading “Work of Art,” and entitling the cartoon, “Sevastopol Today!”

The tweet was seen by almost a million people before the Ukrainian government account removed it, due to the massive outrage on Twitter. Indian users of the social media platform said that their goddess Kali was being “mocked.” According to RT, Twitter users also tagged Twitter CEO Elon Musk and Indian Foreign Minister Subrahmanyam Jaishankar, urging them to take action.

While the reaction from the general population was serious, the Indian government responses have a far sharper dimension, due to potential blowback on Ukraine and their incessant demand for support in the war. [Senior Advisor at the Indian Ministry of Information and Broadcasting Kanchan Gupta](#) took aim at the tweet, saying: “Recently Ukraine Dy [Deputy] Foreign Minister was in Delhi soliciting support from India Behind that fakery lurks the real face of Ukraine Govt. Indian goddess Ma Kali has been caricatured on a propaganda poster. This is an assault on Hindu sentiments around the world.” Gupta was referring to the April 11 visit to New Delhi by Ukrainian Deputy Foreign Minister Emine Dzhaparova, the highest level Ukrainian official to visit India since February 2022.

In response to the backlash, Ukraine’s Ministry of Defense deleted the tweet on April 30, but not before this incident exposed their *übermensch* proclivities.

COLLAPSING WESTERN SYSTEM

First Republic Bank Goes Down, Sold to Highest Bidder

May 1, 2023 (EIRNS)—The California Department of Financial Protection and Innovation (DFPI) announced today that First Republic Bank has been taken over by regulators and will be sold to JPMorgan Chase. The DFPI “appointed” the FDIC as the receiver of First Republic, and said that JPMorgan will “assume all deposits, including all uninsured deposits, and

substantially all assets.” Notably, it stated: “Deposits are federally insured by the FDIC subject to applicable limits.” (Assumedly, a lot of the deposits that fled the bank the last six weeks or so have been above the \$250,000.)

The FDIC’s call for banks to submit bids had a Sunday, April 30, deadline, of which JPMorgan Chase was the highest bidder. The \$30 billion injection in March evidently bought about six weeks of time—about \$1 billion per banking day.

In their press release about the takeover, the FDIC stated that as of April 13, 2023, First Republic had \$229 billion in total assets and \$103 billion in deposits, making it the second largest bank failure in U.S. history. They estimated that the amount to be bailed out by the FDIC will be about \$13 billion.

Swiss MP Martullo-Blocher on Bank Separation and Reserve Currencies

May 1, 2023 (EIRNS)—[Magdalena Martullo-Blocher](#), daughter of Swiss People’s Party (SVP) founder Christoph Blocher and herself an MP in Swiss National Council (Nationalrat), said a bank separation (Glass-Steagall) system would have prevented the Credit Suisse debacle in an interview with the Zürich-based Watson news portal. She also said a multi-reserve currency system is good for Switzerland and the current decarbonization agenda is bad.

“After the state bailout of UBS, the SVP, together with the left, wanted to push through a bank separation system,” Ms. Martullo-Blocher said. “The riskier part of a bank could have gone bankrupt separately. The FDP [Free Democrats] and CVP [Christian Democrats] had prevented that. The ‘too big to fail’ regulation did not deal with the bank run, when customers withdraw their money. Ensuring liquidity was left to the [Swiss] National Bank (SNB). CS now needs such large amounts that not even the SNB is equipped to handle it and the federal government has to step in. The federal guarantee alone corresponds to 1.5 times the annual federal budget!”

The interviewer asked if the U.S. had put pressure on Switzerland, and if they did not want the U.S. part of Credit Suisse to be spun off and wound up.

Martullo-Blocher responded: “Yes, actually the Americans should have saved the ailing U.S. business, but they made us pay. An example of great power politics. The U.S. controls the financial markets with the dollar. Whoever is excluded is dead. The Europeans initially tried to establish the euro as the reserve currency, but failed. Now China is trying. Will it succeed? For Switzerland, too, several reserve currencies would be better.”

In the U.S.-China conflict, it is not good to be “at the mercy of a major power, as is now the case with CS.... Especially for a small state like Switzerland, it is always better to be in good contact with the whole world. Neutrality allows for that.”

U.S. POLITICAL & ECONOMIC

Engorged JPMorgan Zombie Says It Still Won't Lend Any Money

May 1, 2023 (EIRNS)—As JPMorgan Chase continues to gobble up regional banks like Silicon Valley Bank and First Republic Bank, its CEO Jamie Dimon admitted that their longstanding policy of refusing to lend money will continue. According to Zero Hedge, in [“JPM CEO Says ‘System Is Very, Very Sound,’ After Second Largest U.S. Bank Failure in History,”](#) Jamie Dimon told investors during a call on Monday, May 1, that, “we are clearly going to see some reduction in bank lending.” Zero Hedge’s analysis of Dimon’s statement implied that JPMorgan will be doing “God’s work” for the Federal Reserve “by contracting credit without the need for rate-hikes.”

In that call, Dimon also told investors, “We need large, successful banks in the largest economy.” Perhaps indicating their strategy to consolidate control over the U.S. banking system to become “large” and “successful,” Dimon told investors that JPMorgan will continue to “support community banks” and that “banks will consolidate.” In a pithy analysis of JPMorgan’s

intentions, Zero Hedge said that of course these moves will continue, “once the banks are pushed into FDIC hands and assets scooped up by JPM with govt bankstops....” Zero Hedge translates that to mean: “We [JPMorgan] will wait for the bank run (thanks Fed for the hike to 5.25%) to cripple them all, then buy them all for cents on the dollar with the FDIC keeping the toxic crap.”

People with deposits in the regional banks are now beginning to see a pattern after the failures of Silicon Valley Bank and First Republic, where the larger “too big to fail” banks are now being seen as safe havens, regardless of whether they refuse to lend. Reuters had a May 1 article that noted the shares in regional lenders fell in morning trading after the collapse of First Republic Bank. The KBW Regional Banking Index was down nearly 1%. Among individual movers, Citizens Financial Group, PNC Financial Services Group, Trust Financial Corp., and U.S. Bancorp fell between 2.2% and 7%.

The United States now faces the end result of the Fed’s disastrous monetarist policy of the recent years—with previous decades bad too. Low interest rates fueled the addiction to high returns on speculation by the “too big to fail” banks engorged by bailout cash and disinterested in lending to the real economy, while the regional banks that previously saw new openings for lending to the real economy at decent rates are now being smashed by the rapid pace of interest hikes by the Fed. Meanwhile, for the City of London and their lackeys like Dimon, they have long been disinterested in lending to the real economy and real people. It appears Dimon prefers to cannibalize the remains of the real economy, including the regional banks, in order to become a large bank that doesn’t lend in the largest economy—a success when you’re the only one left standing ... at least for now. Perhaps this was behind his reasoning when Dimon told investors today, “the system is very, very sound.”

NEW STRATEGIC AND ECONOMIC ARCHITECTURE

Five West Asia Foreign Ministers Discuss Syrian Normalization in Jordan

May 1 (EIRNS)—The foreign ministers of Syria, Iraq, Egypt, Jordan and Saudi Arabia met in Amman, Jordan, today, to discuss Arab normalization with Syria. According to a joint statement issued after the meeting, the ministers affirmed the importance of cooperation between Syria, the states concerned and the United Nations to crystalize a comprehensive strategy and deal with security challenges regarding border security and combating terrorism, reported Syria's SANA. The final statement of the meeting said that priority should be given to end the crisis in Syria and its repercussions, end the suffering of the Syrian people through a political solution that keeps Syria sovereignty and territorial integrity, and provide safe and voluntary return of refugees to their home.

The statement also called for boosting cooperation between Syria and the neighboring countries in combating drugs trafficking or smuggling them through Syrian borders in line with Syria's Arab and national commitments in this regard

Jordanian Foreign Minister Ayman Safadi told reporters after the meeting that the meeting was “a start, and the process is ongoing” to secure an end to the conflict. “There must be steps on the ground that lead to an improvement in the reality in which Syria and the Syrians live,” Safadi said, reported Reuters.

Asked whether they had discussed Syria's return to the Arab League, Safadi said the decision would have to be taken by the body itself. He did not say whether it was on the agenda for the next League summit in Saudi Arabia on May 19.

Syrian Foreign Minister Faisal Mikdad met with Safadi upon his arrival in Amman. They discussed the strategy of implementing a leading Arab role to reach a political solution to the Syrian crisis based on the Jordanian initiative and other plans from Arab nations, reported the *Jordan Times*. The two ministers also addressed border security, combating drug

trafficking, water and refugees, according to a statement from the Jordanian Foreign Ministry.

EXECUTIVE INTELLIGENCE REVIEW

New Interventions Page Up on LaRouche Organization

May 1, 2023 (EIRNS)—A new page of all the recent interventions undertaken by LaRouche activists and friends has been published on [The LaRouche Organization](#) website. On it, you can easily find all the links to send out and organize others with.

***EIR* Releases Feature, “Shut Down Anglo-American ‘Break Up Russia’ Operation Now!”**

May 1, 2023 (EIRNS)—Available on the website of [EIR News Service](#) on May 2 will be a pre-print of the forthcoming article “Shut Down Anglo-American ‘Break Up Russia’ Operation Now!” that will appear in the May 5 issue of *EIR* this week. By *EIR* researchers Gretchen Small and Carl Osgood, the 11-page feature documents the ugly record of the decades-long drive to dismember Russia, whose networks have just held a four-day marathon forum over April 25-28 in Washington, Philadelphia, and New York.

In addition, an off-print will be available May 2 on the *EIR* website, of the feature by Lyndon H. LaRouche, Jr., “[On a Basket of Hard Commodities: Trade Without Currency.](#)” Reprinted by *EIR* in March, LaRouche wrote the article on July 18, 2000, and it is now must-reading for forging solutions to the present-day financial and economic breakdown.