

## EIR Daily Alert Service

P.O. BOX 17390, WASHINGTON, DC 20041-0390

- Time to Get Rid of the Cancer
- The Biggest Bubble Ever: Global Financial Aggregates Break \$1.8 Quadrillion
- Berlin Accelerating on Banking Union during Merkel's Rome Trip
- Evo Morales Is Safely in Mexico; State Department Imposes 'Democracy' via Terror in Bolivia
- State Department Praises Morales's Economic Advance, but Says 'Democracy' Required His Ouster
- Chinese Media Say Hong Kong Protesters Acting Like 'Terrorists' and Could Be 'Shot Dead on the Spot'
- African Energy Ministers Slam as 'Criminal' Green Efforts To Stop Africa Using Its Fossil Fuels
- Colombia Looks to Belt and Road, China's Anti-Poverty Success
- Xi Jinping Supports Greek Demand for British To Return the Stolen Parthenon Marbles
- Who Does George Soros Support? Follow the Nation-Wrecking Policies
- 'Parker Solar Probe Is Crossing New Frontiers of Space Exploration'

## EDITORIAL

### Time to Get Rid of the Cancer

Nov. 12 (EIRNS)—Underlying all of the stormy developments convulsing the planet today, is the deadly blowout of the bankrupt British Empire's trans-Atlantic financial system, Helga Zepp-LaRouche reported today.

Over the first half of 2019, financial derivatives (or bets on speculative activity) grew by nearly 20%, compared to six months earlier, bringing the total world speculative bubble of financial aggregates—derivatives, debt, stock market valuations, etc.—upwards of \$1.8 quadrillion.

This is now the biggest speculative bubble *ever*, much larger than what blew out in 2008—only today, the central banks and financial institutions have run out of scams and machinations to keep their bubble afloat. At this rate, we will ring in the New Year with a \$2 quadrillion global financial cancer—assuming that the trans-Atlantic system survives that long.

Something very big is going on, Zepp-LaRouche elaborated. This was telegraphed by the U.S. Federal Reserve’s urgently jumping into the repo market every single day since Sept. 17. And it is also indicated by German Chancellor Angela Merkel’s surprise about-face yesterday to support the formation of the European Banking Union, with secretive negotiations underway to quickly adopt policies for “dealing with bank failures” and to “harmonize bank insolvency laws.”

There is no exit from this blind alley, other than putting the entire British Empire’s system through bankruptcy reorganization, including measures such as the reestablishment of FDR’s Glass-Steagall law, followed by Lyndon LaRouche’s full Four Laws policy proposal.

But the British Empire will have none of it: they are completely incapable and unwilling to change their policies, which have brought the world to the edge of a systemic breakdown crisis. They are instead resorting to outright terror to try to whip a restive and increasingly mobilized world population back into line.

- In Hong Kong, their black-clad terrorists have burned people alive, stabbed pro-government politicians, tossed Molotov cocktails, and destroyed as much property as they could.

- In Bolivia, they have deployed fascist squadristi to ransack and burn homes, threaten pro-government politicians and hold their families hostage for political ransom, while the U.S. State Department ensures that the

Bolivian military and police go along with a coup d'état against the Evo Morales government.

- In Ukraine, they are sponsoring “the neo-Nazis who are actually running the show,” as Russian Foreign Minister Sergey Lavrov stated, to sabotage any possibility of peaceful resolution in that country.
- In Mexico, they have unleashed their narco-terrorist cartels to seize control of a city of a million, threatening to kill the families of military men if the narco leader’s son wasn’t freed instantly.
- And in the U.S., they are using smoke and mirrors to orchestrate a mass media impeachment spectacular against President Donald Trump, that would make the impresarios who brought you the Roman Circus green with envy.

Needless to say, all of that doesn’t give the British Empire much of a calling card around the world these days, especially as compared to what China’s Belt and Road Initiative has to offer. For example, the Colombian Ambassador to China just stated that Colombia intends to join the BRI next February, pointing to China’s impressive record of raising 800 million people out of poverty as exemplary of the kind of development his country hopes to achieve as well.

Or take the discussion of the nearly 2,000 delegates who attended the annual “Africa Oil Week” in Cape Town, who rejected out of hand the City of London and Wall Street attempts to impose “de-carbonization” and other green policies on them, when 600 million Africans—half the population—still don’t have access to electricity. “Under no circumstances are we going to be apologizing” for developing hydrocarbons, stated Gabriel Obiang Lima, the Energy Minister of Equatorial Guinea. “Anybody out of the continent saying we should not develop those [oil and gas] fields, that is criminal.”

So, too, the people of the United States are enraged at the policies of perennial wars and physical economic collapse, even if they don’t yet fully understand where those policies came from, nor what the actual solutions

are. *EIR*'s upcoming pamphlet "Stop the McCarthyite Witch Hunt Against China and President Trump" will help address both of those issues, at a moment of tremendous danger—and opportunity—for the nation and the world.

## COLLAPSING WESTERN FINANCIAL SYSTEM

### The Biggest Bubble Ever: Global Financial Aggregates Break \$1.8 Quadrillion

Nov. 12 (EIRNS)—Officially reported global derivatives rose sharply over the last six months, according to the latest BIS report, which means that the actual total international financial aggregates (derivatives, debt, stock market valuations, etc.) have now surpassed their 2013 peak, reaching a total of \$1.8 quadrillion as of June 2019, according to *EIR*'s estimates. (*EIR* estimates that the actual notional value of derivatives is about twice the officially reported number.) If the current trend continues for the second half of 2019, we will ring in the New Year with \$2 quadrillion in total global financial aggregates.

According to the Bank for International Settlements, notional amounts of over-the-counter (OTC) derivatives rose to \$640 trillion at the end of June 2019. This is up from \$544 trillion at end-2018—an almost 20% increase!—and the highest level since 2014. It marks a continuation of the trend of increase evident since end-2016. The vast majority of all derivative contracts, some 75% or so, are in interest-rate swaps of various complexities. That means that if and when the central banks lose control of their endless nightmare zero and negative interest rate regime, and interest rates make a sharp move upward, not just corporate junk debt will go down, but derivatives will explode.

The BIS also reports that gross market value of OTC derivatives—which supposedly nets out positive and negative values—also rose, from \$9.7 trillion to \$12.1 trillion (a 25% increase in a short period of time), led by increases in euro interest rate derivative contracts. This is the amount that bettors have immediately at risk, and could lose in the blink of an eye.

The BIS figures also show a significant rise in exchange-traded derivatives (rising from \$94 trillion to \$120 trillion in the last six months). So when you take it all together, along with debts and stocks, the global total financial aggregates is now at about \$1.8 quadrillion.

### **Berlin Accelerating on Banking Union during Merkel's Rome Trip**

Nov. 12 (EIRNS)—The German government is suddenly accelerating on the completion of the Banking Union which includes, among other things, a single deposit insurance fund for the EU and the transformation of the European Stability Mechanism (ESM) into a universal bailout fund.

The proposal was first made by German Finance Minister Olaf Scholz in a *Financial Times* op-ed Nov. 5, and confirmed by Angela Merkel in a press conference with Italian Prime Minister Giuseppe Conte in Rome yesterday. Does Berlin's sudden shift in favor of an EU deposit insurance fund have to do with the collapsing financial system? Take a guess.

Merkel, who initially was said by her spokesman to be against Scholz's proposal, has now changed her mind and in her joint press conference with Conte in Rome, said: "The Banking Union must be completed to safeguard the stability of the euro.... Deposits guarantee is of great significance to show our strength as internal market. I am absolutely in favor of this, I am for improving the Banking Union. Our Finance Minister has presented a very clear, frank, clean proposal to give new impulse to the project. We will discuss the details in the Federal government."

Scholz's proposal had been rejected by many, including Italian Finance Minister Roberto Gualtieri, because of the many strings attached. As the *FT* reports: "His [Scholz's] demands include amending EU capital rules to remove incentives for banks to buy up large quantities of their home country's sovereign debt; further action to reduce bad debts in the EU banking system; and the establishment of common European rules on calculating companies' taxable profits. Mr. Scholz also wants the EU to harmonize bank insolvency law, saying a patchwork of national rules undermines EU attempts to make sure senior creditors share the cost of dealing with bank failures."

Most probably, by “removing incentives,” Scholz means to put a risk-tag on sovereign bonds, which the Italians and others strongly oppose, because it would dramatically reduce banks’ capital. Also, the focus is still on bad debts, while nothing is said about financial assets and derivatives.

Chamber of Deputies Budget Committee Chair Claudio Borghi is worried about the EMS negotiations and demanded that the government inform Parliament about the aspects of the negotiations.

## STRATEGIC WAR DANGER

### **Evo Morales Is Safely in Mexico; State Department Imposes ‘Democracy’ via Terror in Bolivia**

Nov. 12 (EIRNS)—Deposed Bolivian President Evo Morales arrived in Mexico City this morning aboard a Mexican Air Force plane. As he disembarked, he was warmly welcomed and embraced by Mexican Foreign Minister Marcelo Ebrard, who said that “this is a happy day, because the asylum offered to Evo Morales is now in effect, and he is here on Mexican soil where he will enjoy freedom, security, integrity and protection.”

A visibly tired Morales thanked Mexico for “saving my life,” and vowed that “as long as I have life, I will continue in politics ... continue the fight.” Addressing his supporters in Bolivia he said: “I will never abandon you.” He reiterated he had been the victim of a coup, and detailed the terror attacks, house burnings and physical violence to which his own family, trade unionists, indigenous populations, government employees and members of his Movement Toward Socialism (MAS) had been subjected to—and is still ongoing. He also reported, according to the Bolivian Information Agency (ABI), that one day prior to his Nov. 10 resignation, he had been told by a member of his Army security staff that there was a \$50,000 bounty on his head, for anyone willing to “hand him over.”

In briefing reporters this morning, Ebrard’s report on the difficulties of getting Morales safely out of Bolivia to arrive in Mexico, confirmed that the Bolivian leader’s life had been in danger. It was, Ebrard said, “like taking a trip through Latin American politics,” where U.S. State

Department pressures are clearly at work and required tremendous patience and perseverance on the part of Mexican diplomats. Peru and Ecuador, and whatever “authorities” existed at the time in Bolivia, did everything possible to make the Mexican Air Force plane’s return trip to Mexico as difficult and dangerous as possible, denying Mexico use of landing rights for refueling and even their airspace, and delaying Morales’s departure from an airport in Cochabamba, where there was a very tense standoff between the Army and Morales’s supporters.

The White House unfortunately issued a statement yesterday in President Donald Trump’s name, backing the coup, charging that Morales had tried to “override the Bolivian Constitution” and that his departure “preserves democracy and paves the way for the Bolivian people to have their voices heard.... We are now one step closer to a completely democratic, prosperous and free Western Hemisphere.” At a special session of the Organization of American States today, U.S. Ambassador Carlos Trujillo peddled a similar line, claiming that Morales had “tried to subvert the Bolivian people’s will,” by committing fraud.

### **State Department Praises Morales’s Economic Advance, but Says ‘Democracy’ Required His Ouster**

Nov. 12 (EIRNS)—In its Aug. 16, 2019 issue, Lyndon LaRouche’s *Executive Intelligence Review* documented the economic and social transformation set into motion by Bolivian President Evo Morales since he took office in 2006. “Under his leadership, Bolivia is being transformed from South America’s historically poorest country to one of the region’s fastest growing, working closely with China’s Belt and Road Initiative and with Russia on numerous high-technology and infrastructure projects,” *EIR* reported. Its headline summed up the audacity of Morales’s development program: “Bolivia Sets Its Sights on Fusion Energy and Eliminating Poverty!”

Even a senior State Department official had to admit yesterday that Morales had radically changed for the better the lives of the majority of Bolivians who are poor and indigenous—in the same breath that the official

was instructing the media that the overthrow of the Morales government was necessary, and then laid out the steps required to rapidly consolidate a new government, in order secure “democratic values” in the Western Hemisphere!

The official spoke during a background briefing called by two unnamed senior officials from the State Department on the Veterans Day holiday, as chaos spread in Bolivia, to counter “the false narrative” that Morales had been overthrown by a coup. A PBS NewsHour reporter questioned the officials’ assertion that Morales was forced out by “the will of the people,” given that the protesters demanding Morales’s ouster were almost exclusively middle-class, and not representative of the majority of Bolivians.

One of the State officials answered: “The Bolivia that existed when I ... became a public servant was a Bolivia with severe challenges of social inclusion and a remarkable degree of stratification. And that has not ended but it’s changed radically, and there are radical new opportunities over the last decade and a half [when Morales was President], opportunities for people from social classes previously excluded from public life and from a broad swath of the economy ... that should be praised.

“But ... I hope that we can focus on those principles that we all here in this hemisphere focus on, and have tried to focus on for years, and those principles are the Inter-American Democratic Charter, those principles that people can set their own course in the world.... We want Bolivians to be able to do that in their own way, but within those democratic norms that we’ve all [sic] agreed are important for us to follow here in the Western Hemisphere,” the official intoned.

### **Chinese Media Say Hong Kong Protesters Acting Like ‘Terrorists’ and Could Be ‘Shot Dead on the Spot’**

Nov. 12 (EIRNS)—*Global Times* published an editorial yesterday whose tone indicates that many in China now believe that the situation in Hong Kong has reached the end of the line. Noting that recent incidents include setting civilians on fire, stabbing opposition politicians, and attempting to

seize policemen's weapons, the editorial warns that many of the protesters are acting like "terrorists," and if they keep it up, they run the risk of "being shot dead on the spot."

The editorial states, in part:

"As a mainland media concerned about the ongoing situation in Hong Kong, the *Global Times* firmly supports the Hong Kong police in shooting down the rioters under the above-mentioned circumstances. The use of force by the Hong Kong police re-established the power of legal justice that was despised by radical protesters: Attacking and threatening the police in the process of law enforcement should face all kinds of legal risks, including being shot dead on the spot.

"We strongly condemn the barbarism of the mobs that set fire to an ordinary citizen who disagrees with them. Their heinous performance is no different from that of terrorists. Claiming democracy and freedom, the rioters cannot tolerate people who express different perspectives. They are showing vicious and primitive autocratic fanaticism.... They are creating terror that is unprecedented in any civilized society, by fatally stabbing pro-establishment legislator, throwing Molotov cocktails into courts and setting ordinary people on fire.

"Actions must be taken to resolutely control the increasingly rampant mobs. It is time for all Hongkongers to step forward to defend the city's rule of law. We want to tell Hong Kong police: Fear nothing and resolutely guard the city's peace and tranquility in accordance with law.... When necessary, the People's Armed Police Force and the People's Liberation Army Hong Kong Garrison will back you up in accordance with the Basic Law."

A similar editorial about Hong Kong published by *China Daily* is somewhat milder in tone, but it particularly goes after the Hong Kong judiciary for handing out "extraordinarily light sentences."

"The leniency Hong Kong judges have so far demonstrated toward the offenders involved in the months-long unrest—by allowing them to apply

for bail on easy terms and handing down extraordinarily light sentences—has also served to encourage inhuman terrorist acts. So far, more than 3,000 people have been arrested for various offenses including assault occasioning bodily harm and arson during the five months of turbulence. But none of the arrestees has been jailed. Thanks to the judicial leniency, many rioters have made themselves repeat offenders.”

## THE NEW GLOBAL ECONOMIC ORDER

### **African Energy Ministers Slam as ‘Criminal’ Green Efforts To Stop Africa Using Its Fossil Fuels**

Nov. 12 (EIRNS)—A record number of cabinet ministers, 23, and 1,839 delegates attended the annual “Africa Oil Week”—Africa’s largest oil and gas event—in Cape Town, South Africa last week. Ministers of numerous countries presented plans for expanding oil and gas exploration, transportation and refineries, for which they sought investment.

Extinction Rebellion activists protested outside, demanding African nations stop exploiting fossil fuels, in the name of “fighting climate change.”

Officials from a continent nearly half of whose inhabitants—600 million people—still have no access to electricity, and where the poor quality of power supply that does exist makes it difficult to power industry, and thereby provide meaningful employment, would have none of it.

Gabriel Obiang Lima, Energy Minister of Equatorial Guinea, told reporters: “Under no circumstances are we going to be apologizing.... Anybody out of the continent saying we should not develop those [oil and gas] fields, that is criminal. It is very unfair.”

Gwede Mantashe, Energy Minister of South Africa and national chair of the ruling African National Congress, said bluntly: “Energy is the catalyst for growth. They even want to tell us to switch off all the coal-generated power stations. Until you tell them, ‘you know we can do that, but you’ll breathe fresh air in the darkness.’ ” Mantashe declared that ensuring a

secure supply of oil for the nation is “not negotiable. We want to supply energy at a cost-effective level, because if it is too expensive I can tell you that it becomes ‘a nice to have,’ but people do not access it,” S&P Global Platts quoted him saying.

Noel Mboumba, Minister for Hydrocarbons of Gabon, declared oil to be a major driver of its development, affirming, “we will do all in our power to develop it.”

Somalia’s Minister of Petroleum and Mineral Resources Abdirashid Mohamed Ahmed was succinct: “We all share the common objective of facilitating the crucial investments that will power Africa’s economies, build communities and shape societies.”

### **Colombia Looks to Belt and Road, China’s Anti-Poverty Success**

Nov. 12 (EIRNS)—Colombia will join the Belt and Road in 2020, Ambassador to China Luis Diego Monsalve told *People’s Daily* on Nov. 8. “Next year will be the 40th anniversary of diplomatic relations between China and Colombia, which began in February 1980. At that time, Colombia shall participate in the Belt and Road Initiative.”

Colombia is one of the “big four” Ibero-American nations which have yet to formally join the BRI (Mexico, Argentina and Brazil being the others).

The ambassador spoke of expanding Colombia’s notoriously small trade with China, but what he most emphasized was that Colombia, like other developing countries, can learn from China, which has lifted hundreds of millions of people out of poverty:

China “is a different country than what people had in mind 40 or 50 years ago. What China has done, especially in the last 40 years of reform and opening up, greatly impresses me. No other country in the world has taken so many people out of poverty in a short period of time,” he said, and further, that all developing countries, including Colombia, should learn to eliminate poverty from China, reported *People’s Daily*.

## Xi Jinping Supports Greek Demand for British To Return the Stolen Parthenon Marbles

Nov. 12 (EIRNS)—Wrapping up his state visit to Greece with a tour of the Acropolis Museum yesterday, Chinese President Xi Jinping expressed solidarity with Greece's demand for the British to return the Parthenon Marbles which it looted from Greece in the early 19th century and now keep in the British Museum. Greek President Prokopis Pavlopoulos, who was hosting Xi's tour of the museum, told him: "These Marbles' place is here and not in the British Museum. They are keeping them there illegally. We ask for your support."

"Not only do I agree with the return of the Parthenon sculptures, but you will also have our support, as we too have our own [artefacts] of Chinese culture outside the country and are trying to get them home," the Chinese President stated, as cameras rolled.

The Parthenon Marbles, outrageously called the "Elgin Marbles" after Thomas Bruce Lord Elgin, who robbed them from the Parthenon during the Ottoman occupation of Greece, brought them to England, seriously damaging them in the process. Lord Byron called Elgin's violence vandalism. The Marbles were then put in the British Museum with other looted art treasures, where they were damaged further by nasty English private schoolboys.

Earlier in the day Nov. 11, China and Greece signed agreements that would enable the development of Piraeus to become Europe's largest port. This was the intention expressed by President Xi in his Nov. 10 op-ed in the Greek daily *Kathimerini*, in which he wrote that the port of Piraeus is the "head of the dragon" of the Belt and Road. The task will be carried out between the Chinese COSCO Group, which is the majority owner of the Piraeus Port Authority, and the Greek government and Greek companies. At the head of the list of projects is the building of a fourth container terminal which will be able to increase the throughput of the port from the current 7 million to 10 million containers, putting Piraeus in the top level of ports of Europe along with Rotterdam, which is currently receives 15

million containers annually. Piraeus processed nearly 5 million containers last year.

Other projects include a new terminal for cruise ships. Piraeus is already Europe's largest passenger port, given the tremendous ferry traffic between the Greek mainland and the islands.

## U.S. POLITICAL AND ECONOMIC

### **Who Does George Soros Support? Follow the Nation-Wrecking Policies**

Nov. 12 (EIRNS)—Billionaire George Soros has thrown money at nation-wrecking policies throughout his entire career, as LaRouchePAC's 2008 pamphlet "Your Enemy, George Soros" documented.

Today, Soros is one of the funders of Democratic Congress Members supporting the fraudulent impeachment of President Donald Trump. In 2019, Soros has funded Reps. Pramila Jayapal (D-WA), Tom Malinowski (D-NJ), and Amy McGrath, a former combat pilot, running for U.S. Senate in Kentucky against Majority Leader Mitch McConnell, to whom Soros has contributed \$5,600; U.S. incumbent U.S. Sen. Jeanne Shaheen (D-NH), who received \$2,800 from Soros, and Rep. Hakeem Jeffries (D-NY), a leader on the impeachment drive, whose district covers Brooklyn and Queens. Soros also contributed \$100,000 to the Democracy PAC, which is funding more Democrats. Soros's funding from 2019 is documented by the Center for Responsive Politics' website [OpenSecrets.org](https://www.opensecrets.org).

## SCIENCE AND INFRASTRUCTURE

### **'Parker Solar Probe Is Crossing New Frontiers of Space Exploration'**

Nov. 12 (EIRNS)—NASA's Parker Solar Probe (PSP) team released to the public today scientific data that have been collected during the mission so far. The data include data files and graphic displays, which can be analyzed, manipulated or plotted any way desired, and are available to anyone with access to the internet. The data have been collected by NASA

Space Physics Facility, the Solar Data Analysis Center, and the APL Parker Solar Probe Gateway, and the Science Operation Centers of the four science investigation teams (the University of California, Berkeley; Princeton University; Harvard-Smithsonian Center for Astrophysics; and Naval Research Laboratory). The scientific teams have been eagerly poring over the wealth of data compiled so far by the Probe, and are preparing to release the mission's first scientific results later this year.

“Parker Solar Probe is crossing new frontiers of space exploration, giving us so much new information about the Sun,” said Parker Solar Probe Project Scientist Nour E. Raouafi, from the Johns Hopkins Applied Physics Laboratory (APL) in Laurel, Maryland, which manages the mission for NASA. “Releasing [these] data to the public will allow them not only to contribute to the success of the mission along with the scientific community, but also to raise the opportunity for new discoveries to the next level.” It is noteworthy that many astronomical breakthroughs, such as the discovery of Pluto, were accomplished by citizen-scientists, and it is outstanding that NASA and its associated partners have historically encouraged the participation of the public in new scientific research.

The PSP, launched in 2018, has made only three orbits so far, of a planned 24; at its closest pass in the coming years, the PSP will come within 4 million miles of the Sun's surface—closer than any spacecraft before—and is designed to withstand the enormous heat and radiation at such a distance. The mission will provide unique data about how the solar corona functions and overall solar activity, and these will contribute significantly to mankind's ability to forecast major space weather events that affect life on Earth, and later, missions to the Moon.