



Fireworks Begin At NATO As Trump Prepares For Putin Summit

July 12, 2018—President Trump continued his demands on the NATO countries to pay their agreed share for the defense of Europe, but the question should be: defense against whom? Trump has not, as yet, repeated his charge issued during the election campaign in 2016, when he said NATO was "obsolete" and "disproportionately" too expensive, and that terrorism was the primary concern. But he has insisted, repeatedly, that "it is a good thing to be friends with Russia and China." Certainly being friends with Russia and China should render NATO obsolete.

Trump recognizes that Russia is no threat to Eastern or Western Europe, nor any other nation, and refused to characterize Russia as a "foe" on his way to the NATO summit. He has also repeatedly noted that Russia is playing a crucial part in countering terrorism, especially in Syria.

Trump's effort to establish friendly relations with Moscow, starting with the historic summit with Putin next Monday in Helsinki, is driving the British and British assets nuts. Rabid Anglophile Nicholas Burns, the former US Ambassador to NATO, said today that Trump's approach was "Orwellian -- he's making our friends out to be our enemies and he's treating our enemies like Putin as our friends."

Trump noted the irony that Germany and France want the U.S. to put up billions to defend them from "enemy" Russia, while they buy billions in gas and oil from Russia. While there is no legitimate basis to oppose the Nordstream 2 pipeline, it is to be hoped that Trump, in his discussions with NATO leaders today and tomorrow, with Theresa May on Friday, and with Putin on Monday, will note that any money, or any foreign troops, used to defend Europe from Russia is a waste, based on a lie.

The situation inside the UK is totally chaotic. The May government could fall virtually any day, even during Trump's three day visit starting Friday. Lunatic Boris Johnson's resignation was a not-so-subtle announcement of his desire to be Prime Minister, while Jacob Rees-Mogg's "Brexit caucus" of 80 MPs met today, declaring that Johnson would be a "brilliant" prime minister. May is replacing those members of government who are resigning with her closest supporters, regardless of their lack of qualifications for the various posts. The Tory's are likely to come together to tell May to leave, and chose a new

prime minister, but the situation could get out of control and force new elections, which could bring in a Corbyn government.

In any case, the massive derivatives bubble in the City of London financial institutions and their assets on Wall Street is primed to explode. There is only one solution to that existential threat to the Western financial system -- put it out of its misery with a new "Bretton Woods" agreement to establish a fixed-exchange-rate system. This could be brought about by the very same "friendship" Trump is forging with Russia and China, with support from India, Japan, South Korea and others who recognize the urgency of creating a new financial architecture to replace the bankrupt British imperial system. Only such a new financial architecture, centered on the Belt and Road Initiative, can bring about the required era of development for all the world's sovereign states, and prevent a new global depression and war.

The tit-for-tat tariff policy initiated by Trump against China is a dangerous ploy, and has been firmly renounced by China's government. The Trump Administration announced Tuesday that it was preparing to impose 10% tariffs on another \$200 billion of Chinese imports, to go into effect in 2-3 months. The Chinese Commerce Ministry said today that it would complain to the WTO, calling the action "completely unacceptable" and an act of "bullying," and that China would respond in an unspecified manner. Senior Trump Administration officials told the press that the U.S. wants talks with China to reach a resolution, but no talks have been set as yet.

While unilateral tariffs will only cause losses on both sides, the "deal" that Trump wants to negotiate will only be successful if -- as with the threat of the derivatives bubble bursting in the West -- it is based on a new global financial system, as Lyndon LaRouche has promoted for the past fifty years.

Now, finally, there is no denying that his warnings were correct, and that his proposed solutions are both necessary and possible.

It is precisely through a major-power agreement between, especially, Russia, China and the U.S., that the power required to replace the dying British system becomes feasible.