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EDITORIAL

Schiller Institute Conference This Weekend To Mobilize for Summits, and Economic and Cultural Renaissance

April 23 (EIRNS)—The Schiller Institute's two-day online international conference Saturday and Sunday will fully rehearse what must immediately be launched at summits of the leaders of the major economic and technological powers to create a new economic and cultural paradigm from this crisis. Schiller Institute President Helga Zepp-LaRouche, between Jan.

4 and March 8, issued three urgent appeals for summits of the leaders of at least the United States, China, Russia, and India to initiate a “New Bretton Woods” credit system like the one intended by Franklin Roosevelt’s post-War Bretton Woods conference. Ending the British system of financial speculation and returning to the American System of economy, is the way to solve this existential crisis.

The third appeal included an addendum, an unpostponable first task for the new paradigm: Create a new, world health system building modern hospitals throughout the developing countries and all the infrastructure and equipment to support them.

This weekend’s Schiller Institute conference came from the need to realize those appeals for a new system, beginning with that act of love toward the developing nations. Without it, pandemic experts are clear that the COVID-19 pandemic will devastate unprepared and underdeveloped nations of the world and then return upon the industrial countries.

In this pandemic, the “treatment” is to put people first in a new economic order, protect human life and seek to eliminate poverty. The 50 years of the “floating exchange rate” casino monetary system which came from the City of London’s destruction of Bretton Woods in the early 1970s, has left a bubble economy, a financialized and deindustrialized world completely unprepared for this emergency. And this will not be the only such disaster, or even the only such new pandemic we face.

Professionals from the ranks of diplomacy and governments; productive economy and physical economics; frontiers of science and engineering; and Classical music and culture, will present four panels spanning what must be a new Renaissance, coming from a grave threat to humanity. They will discuss questions from among an online audience expected in the thousands across the world.

The system of increasingly unbridled Wall Street-City of London speculation, bailed out by governments in every crisis, has collapsed under the blow of the pandemic. The policies of Lyndon LaRouche, who never tolerated that system and 50 years ago called it a system of deadly austerity

and eventually pandemics of new and recurring old diseases, motivate this meeting—including his proposals for a New Bretton Woods.

Make sure to attend the April 25-26 online conference beginning at 10:00 a.m. EDT on Saturday, on the [Schiller Institute's website](#) and register at the site for the best participation.

COLLAPSING WESTERN FINANCIAL SYSTEM

Leading Economies Collapse in April, with Exceptions of China and South Korea

April 23 (EIRNS)—The condition of the economies of leading industrial nations is, at least for this month, that of the depth of the Great Depression.

The surveys of purchasing managers in industry and service companies, generally published in coordinated fashion in the fourth week of the month, are being released today as “purchasing managers’ indices.” All, with two exceptions, are in by far the deepest contraction ever seen in these surveys. The European Purchasing Managers’ Index (PMI) for industry, on which below 50 indicates contraction, was at 33.6 in the third week of April; for services, it was at 11.7—even in March still having been 23.6. The composite (industry plus services) PMI for Japan fell to 27.5. The Markit composite PMI for the United States dropped to 31, with manufacturing at 36.9 and services at 27.4. China’s composite PMI, however, rose sharply from March to reach 46.9 in April. South Korea’s composite PMI was actually slightly expansionary in April, at 50.2.

In the United States, 4,427,000 new claims for unemployment were filed as of April 22. Accounting for revisions of previous weeks, 26.6 million new claims were filed in five weeks. Even assuming that some (very) few have found new jobs, this in itself represents 16% unemployment. Real unemployment is likely 25% (some 40 million) as of mid-April—again, not including about 3.5 million long-term dropouts from the labor force. Overall, fewer Americans are employed now than at the end of 2009 after a full year of uninterrupted mass layoffs. When they might “return to work”

is an unanswerable question; it should be: Where can they be mobilized under a new paradigm?

The global oversupply of oil, relative to current demand, is estimated to be growing at about 25 million barrels each day, 750 million barrels of unused oil over the next month. No country has thus far been willing and/or able to reduce its production by more than a couple of million barrels per day. So while last week's "negative oil price" was an artifact of speculation and one very large U.S. storage hub being full, in about a month world storage will be full; the only remaining storage will be on tankers, and they will all be full soon after. The price of oil has been levered back up to below \$20 by 1) proposals to have the Federal Reserve loan oil companies money to shut in production; and 2) heightened U.S.-Iran tension, which may have been created for that purpose. The price will decline further, and world oil production may again become concentrated in the Persian Gulf kingdoms and sheikhdoms which alone can sustain production at that level.

U.S. home sales were down -9.5% from the previous year, and that was only in March. U.S. auto sales fell -31% from the prior year in March and are at about -38% down in April.

Exchange between MEP Marco Zanni and ECB's Christine Lagarde Exposes Eurosystem Corruption

April 23 (EIRNS)—Because the ECB, in order to include junk bonds, has lowered the rating of eligible assets for its Assets Purchase Program (APP), the corrupted euro system allows the European Central Bank to purchase junk bonds and derivatives directly from corporations, but it forbids the ECB to buy government bonds, except from banks, so that the latter always gain.

In a written query to the ECB, European Parliament Identity and Democracy Group Chairman Marco Zanni (Italy-Lega) demanded an explanation of why the ECB is clearing corporations from moral hazard while keeping it for states.

“Can the ECB explain why it is permissible to make direct purchases on the corporate instrument market when government instruments can only be purchased on the secondary market,” [Zanni](#) asked ECB President Christine Lagarde. “Does [the ECB] not view it as distortionary that the notion of moral hazard is being interpreted differently depending on whether the beneficiary is a public sector or a private sector organization?”

ECB President Lagarde answered on April 21 by referring to Article 123 of the European Treaty (TFEU), saying: “The objective of Article 123 of the TFEU is to encourage the Member States to follow a sound budgetary policy, not allowing monetary financing of public deficits to lead to excessively high levels of debt or excessive Member State deficits. The Treaties have been understood to mean that primary market purchase of government debt, i.e., the direct financing of governments, would undermine the capability of this objective to encourage such disciplined budgetary policy. This is why, under the Public Sector Purchase Program (PSPP), which is part of the APP, Eurosystem central banks may only purchase debt instruments issued by the public sector indirectly, namely on the secondary market.”

Her ECB letter is no explanation, but black and white evidence of a corrupt system. Marco Zanni’s comment on Twitter was, “The ECB answer makes it clear how dangerous are the absurd Eurozone rules: The Treaties forbid purchases of government debt on the primary market because otherwise the markets cannot impose fiscal discipline on sloppy politicians, whereas such a limit does not exist for private debt assets, owned by big corporations. Moral hazard works for politicians but not for managers, great scourges of statalism until they run to Mama State when things go bad.”

STRATEGIC WAR DANGER

British Outlets Pour Out ‘Take Down China!’ Propaganda

April 23 (EIRNS)—Every leading British outlet is feeding the proposition that the West is at war with China.

The April 16th cover of the City of London's "prestigious" *Economist* weekly blared, "Is China Winning? The Geopolitical Consequences of COVID-19," above a coronavirus-sun rising over a Chinese city depicted against a red background.

London's more scandalous British intelligence leaksheet, the *Daily Mail*, concluded its April 18-20, three-part series "uncovering China's role in fueling the coronavirus pandemic," with an article likewise playing up "fears that China is in prime position to exploit the West's economic implosion in the wake of COVID-19." The first article in that series hyped the "created in a Wuhan lab" charge. The last in the series cited *The Economist's* "Is China Winning?" call-to-arms and the Henry Jackson Society's ravings, but proclaimed that China's beginning recovery has provoked "a backlash against the Chinese leadership for triggering [the West's] savage downturn."

British intelligence's Washington, D.C. outpost, the Atlantic Council, is following in lockstep.

"As facts emerge about China's efforts to contain the virus and take advantage of the international disorder the pandemic has caused, Beijing's narrative of triumph is increasingly turning into a narrative of blunder and blunt self-interest," wrote Council analyst Joe Bodnar wrote in its *New Atlanticist* newsletter issue for April 3. "While it is too early to understand the impact of the coronavirus on geopolitics, it is not too early to recognize China as a rising power that is aggressive, opportunistic, and susceptible to mistakes," Bodnar insisted. Cover headline the issue, which is Bodnar's piece: the wishful "China's Failing Coronavirus Strategy."

By last week this crew began displaying signs of clinical delusion. In its wild April 17 issue, "China's COVID-19 Statistics Resemble Horrific Past," Atlantic Council analyst Evanna Hu compared China's successful suppression of the first wave of the coronavirus in less than three months, with way under 10,000 deaths, to the death by starvation of 15 million Chinese between 1959-1961 under Mao's failed "Great Leap Forward"!

What basis could be given for this preposterous lie? Simply, that China's figures come from "statistical methodologies that also cater to its global ambitions."

The global ambitions are instead on the British Empire side. "The world is scrutinizing China not only through the humanitarian lens of the best practices to stop the virus from spreading, but also from the approach of great power competition," she wrote.

U.S. POLITICAL AND ECONOMIC

Government Tries To Preserve Both Wall Street Monsters and Human Lives

April 23 (EIRNS)—While the Trump Administration steadily mobilizes Federal government and military manpower and resources, and some high-technology private industry, to battle the COVID-19 pandemic itself, its response to the economic collapse is to save Wall Street finance and the corporate monsters it has created, at all cost.

The latest monster is the hopelessly overindebted and economically inefficient shale oil/gas drilling industry. On April 22 Energy Secretary Dan Brouillette told the *Washington Post* that the Federal Reserve's so-called "Main Street lending program" (\$2.3 trillion as announced) could be used to aid oil companies—that is, to make four-year low-interest loans to them. This followed on President Trump's statement that he had ordered the Administration to provide aid to the oil companies (he had simultaneously tweeted, "I have instructed the United States Navy to shoot down and destroy any and all Iranian gunboats if they harass our ships at sea," a statement perhaps intended to raise oil prices and thus stock prices, which it did).

This Federal Reserve aid would be a very bad idea. There are many abuses reported in the Treasury-Fed lending and quantitative easing programs, which abuses are lesser problems than the overall policy direction of supporting financial market assets and very large banks. And

many of the Fed's other QE programs already violate even Section 13(3) ("unusual and exigent circumstances") of the Federal Reserve Act.

But this oil company aid would combine every kind of breach, even violating the Fed's ten-day-old announcement of the "Main Street lending program" itself. That announcement said the Federal Reserve would lend to companies below 10,000 workers or \$2.5 billion annual revenue, only if their creditworthiness were not impaired by other circumstances prior to the coronavirus crisis. Large numbers of the shale drillers have for years been junk-debt and high-yield leveraged-loan companies, paying only interest and having been put through debt reorganizations by their lenders in order to keep drilling. Saving them from bankruptcy now, so that they can continue producing oil for which there is no demand, is a policy which aids nothing but those oil field companies' bank and shadow bank lenders—recall Capital One Bank, a relatively small oil field lender, but already "excused" by FDIC from paying a \$1 billion margin call on oil price derivatives.

***New York Times* Practically Admits Publishing Disinformation from Intelligence Agencies on China**

April 23 (EIRNS)—In an April 22 report entitled "Chinese Agents Helped Spread Messages That Sowed Virus Panic in U.S., Officials Say," the *New York Times* claims that covert Chinese trolling was behind the spread of messages over social media and texting in March, claiming that the U.S. government was about to impose martial law and a nationwide lockdown in response to the coronavirus pandemic. The article includes a number of unsupported assertions, mostly by unnamed officials but also by one named State Department official, sprinkled with words like "murky," "likely," and "apparent." Also to be found in the middle of the report is the method of the Russiagate operation, to which this is clearly linked, that is, the implication that "there is no other possibility" for the spread of such rumors except via Chinese disinformation operations.

And it's all about causing "disunity" within the American population. As public dissent simmers over lockdown policies in several states,

officials worry it will be easy for China and Russia to amplify the partisan disagreements, the *Times* says.

“It is part of the playbook of spreading division,” said Sen. Angus King (I-ME). Adding suspicion to the whole thing is that the “findings” of U.S. intelligence on this are “supported” by outside research groups, including the British-run Alliance for Securing Democracy and the neo-liberal Center for a New American Security.

But then the *Times* practically admits its own role not only in this disinformation campaign against China, but also in that leading to the U.S. invasion of Iraq in 2003: “Given the toxic information environment, foreign policy analysts are worried that the Trump Administration may politicize intelligence work or make selective leaks to promote an anti-China narrative,” the *Times* reports. “Those concerns hover around the speculation over the origin of the virus. American officials in the past have selectively passed intelligence to reporters to shape the domestic political landscape; the most notable instance was under President George W. Bush in the run-up to the Iraq War.”

SCIENCE AND INFRASTRUCTURE

Chinese Experts and Scholars Produce Report on ‘China’s Fight against COVID-19’

April 23 (EIRNS)—On April 21, Chinese experts and scholars released “[China’s Fight Against COVID-19](#)” and promoted as, “Fighting COVID-19—The China Way.” Available in multiple languages, the report of about 46 pages was prepared by experts from the China Watch Institute, China Daily Institute of Contemporary China Studies, Tsinghua University, and the School of Health Policy and Management, Peking Union Medical College.

The paper can be understood as a valuable resource in the battle against the virus, and also part of China’s experts’ actions to get out in front of China-bashing. The report also indirectly points to how much U.S. and European efforts, despite their limitations, are based on the China lessons

of the fight in Wuhan and Hubei province. In the “Editors’ Note,” the authors state that the report is “best viewed as an early attempt to summarize China’s practices in combatting the COVID-19 pandemic, a trailblazer in the hope of clearing the path for better ones later, to continue in the spirit of respecting science, universal rules and common practices—the chronicling of our experience as human beings in overcoming this major infectious disease.”

The Abstract states: “The flexible and humanized social management and non-medical intervention featured by standard quarantine measures became key factors for containing the spread of the virus. The screening, test and supervision measures and epidemiological investigation proved to be crucial in cutting off the chain of virus transmission. By assorting hospitals based on utility, differentiating patients and the treatments they received based on their conditions, and integrating traditional Chinese medicine into therapy, China sharply decreased the infection rate and fatality rate, and at the same time raised the recovery rate. Meanwhile, China made full use of the advantage of its social system, allocated resources with high efficiency across the country and secured much-needed logistics support.”

Learning from treatment, and constantly improving methods for diagnosis and treatment, characterized the fight against the virus. There were seven editions of their medical protocol over the few months’ campaign. The seventh has been adopted by many countries and is available.

They discuss the “tremendous efforts in medical supply manufacturing” and compared it with what the United States and European nations have undertaken since. They also cover the supply delivery system that ensured “safe and timely delivery of daily necessities to people’s homes.”

Of note, they report, is the important role of the central government, specifically the “central government guiding group” that supervised epidemic control work in Wuhan and Hubei, arriving in Wuhan on Jan. 27. They made the decision to establish a network of designated hospitals,

makeshift hospitals and quarantine venues to ensure quarantine, hospitalization, transfer of the infected, material transport and logistics services.”

THE NEW GLOBAL ECONOMIC ORDER

Boris Johnson’s Administration Refuses To Ban Huawei, Talks to Trump

April 23 (EIRNS)—Simon McDonald, Britain’s permanent undersecretary and head of the diplomatic service at the Foreign Office, told lawmakers that the decision to use Huawei technology in the U.K.’s 5G infrastructure plan would not be reopened, according to Reuters.

“The government decided to proceed with an investment but with very strict conditions, McDonald said. “As far as I know, that ... is a firm decision and is not being reopened. China is a very important partner of the United Kingdom, and I think it’s compatible to proceed with the Huawei decision and have the strategically independent relationship that I have been talking about.”

McDonald’s announcement follows a revolt by Tory MPs who tried to overturn Prime Minister Boris Johnson’s earlier decision to reject U.S. demands to ban Huawei from the British 5G development, a demand placed on all the Five Eyes—Australia, New Zealand, Canada, U.K. and U.S.

U.S. Secretary of State Mike Pompeo added his voice to the effort to undermine the Chinese economy on April 17, telling Fox News: “I am very confident that at this moment, this moment where the Chinese Communist Party failed to be transparent and open and handle data in an appropriate way will cause many, many countries to rethink what they were doing with respect to their telecom architecture. And when Huawei comes knocking to sell them equipment and hardware, that they will have a different prism through which to view that decision.” Although Huawei is a private company, not related to the government.

A Huawei statement responding to the effort to sabotage the Prime Minister's decision said: "We have been providing U.K. telecom carriers with cutting-edge technologies for over 15 years. Building on our sound track record, we will continue to support our customers' investments into 5G networks, promote local economic growth, and help the U.K. maintain its global competitiveness."

Johnson hasn't given in. President Donald Trump spoke with Johnson on April 21, where Johnson was still recovering from his severe bout with coronavirus at Chequers, the Prime Minister's country house, since being discharged from hospital on April 12. They discussed the pandemic, the effort to negotiate a U.S.-U.K. trade agreement, and other global affairs.

India Has Slowed Doubling Rate of COVID-19, Increased Testing

April 23 (EIRNS)—Officials of the government of India, one of the four powers whose leaders are needed in summitry to launch a new international credit system, said that nation had reduced the rate at which COVID-19 is doubling in the country, reports the *Hindustan Times*. Medical experts concurred, the paper said, that the country's measures have reduced growth of the disease while allowing both testing and healthcare preparedness in be increased.

Environment Secretary C.K. Mishra, All-India Institute of Medical Sciences Director Dr. Randeep Guleria, and Indian Council of Medical Research Director General Dr. Balram Bhargava stressed that the focus has been on expanding the testing base, tracing contacts across the community to detect the spread of infection, and scaling up healthcare infrastructure to prepare for a spike in cases. They said infections were growing at a slower rate and larger numbers of people were being tested.

April 23 marked the 30th day of a national lockdown. In India, 21,700 people have so far been infected by SARS-CoV-2, according to Health Ministry data as of April 23. Mishra, who is leading one of the 11 COVID-19 empowered groups, said there were several positive features in how India had handled the pathogen so far. "The growth of COVID-19 cases has been more or less linear, not exponential; this indicates that the strategies

we have adopted have succeeded in containing the infection to a particular level,” he said. “Despite a 24-fold increase in testing, the percentage of positive cases is not rising. The percentage (4.5%) of positive cases as a ratio of testing is more or less the same as that a month back,” he said.

- **Watch the [Morning Briefing with Harley Schlanger](#) on Friday, April 24:** Every weekday morning Harley will brief you on what you need to know to start your day. Subscribe to the LaRouchePAC YouTube channel and hit the notifications button to be notified when Harley’s briefings are posted. Or you can listen to the audio file on [SoundCloud](#).