

EIR Daily Alert Service

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EDITORIAL

Pulling Back the Veil

June 11 (EIRNS)—Many are shocked at the extent and lightning speed with which the COVID pandemic is sweeping the globe, infecting over 7

million people and killing more than 400,000 according to official statistics—although the reality may well be double that, on both counts.

Many are likewise stunned at the explosion of unemployment in this country and worldwide, which is exacerbating the grinding poverty, malnutrition and even outright starvation of a large and growing ration of the human population.

In a matter of weeks:

- Promising U.S. relations with China have devolved to a point of open talk of decoupling, economic warfare, and even a threatened new Cold War;
- A wave of mass protests are sweeping the U.S. and the world, which provocateurs are trying to channel into violence against the police and other institutions; and
- There is a brazen British attempt to radically polarize the U.S. into civil war conditions, and to provoke a Constitutional crisis between the U.S. military and the elected President, in order to remove President Trump from office to make sure he isn't reelected in November.

What, you rightly ask, is going on here?

“You have right now a complete breakdown of the old paradigm,” Helga Zepp-LaRouche stated in her June 10 weekly international webcast. “This breakdown has many points to it, many aspects: Obviously, the pandemic of the coronavirus pulled away the veil of a lot of things that were already there before, but now they are crystal clear, and staring into one’s face with all their, in large part, ugliness. One such ugliness was obviously what came out in this absolutely barbaric murder of George Floyd.”

That same strategic point was emphasized by the international youth movement which the Schiller Institute and its founder, Helga Zepp-LaRouche, are organizing, in a call they issued yesterday for an international Day of Action on June 17, to demand global action to replace the bankrupt old paradigm with a new, just one. That call states:

“The large demonstrations around the world following the killing of George Floyd were *triggered* by a brutal murder—but were not *caused* by it. The underlying cause is a broad and long-standing injustice in social and economic conditions across the entire world. Either we remedy that injustice now, or the whole world could plunge into a new dark age.

“We have the program to address this crisis—the *LaRouche Plan* to reopen the economy—and it needs to be implemented now. If we don’t move with such a program for 1.5 billion new productive jobs worldwide, which includes jobs building modern health systems and infrastructure in every nation, we will face a complete disaster of civilization. While it may seem like an insurmountable task, we are at a unique moment of history when the currently bankrupt economic system can be replaced with a new and just one—initiated by a Four Powers summit among the United States, Russia, China, and India—and Lyndon LaRouche and his ideas exonerated.

“We are counting on you to take on this historic mission and be part of the solution. Study and circulate the *LaRouche Plan* and sign the petition for a global health infrastructure—create a chorus of voices to demand that our governments implement this now!”

COLLAPSING WESTERN FINANCIAL SYSTEM

Growing Realization That a Major Economic Explosion Is Imminent This Summer

June 11 (EIRNS)—There is a growing realization that a major economic train wreck is just around the corner in the United States, as the massive influx of funds into the banks (mainly) and to some degree the population, is about to run its course.

A June 10 BuzzFeed article focused on how the consumer house of cards—based on mortgage and other debt postponements, and an influx of unemployment insurance cash to millions of Americans—is about to collapse. The article, “The Real Economic Catastrophe Hasn’t Hit Yet. Just Wait for August,” begins: “After a terrifying spring spent in lockdown and a summer of protests in the streets, things are going to get a lot worse in the

fall.” The article adds colorfully: “The U.S. economy right now is like a jumbo jet that’s in a steady glide after both its engines flamed out. In about six weeks, it will likely crash into the side of a mountain. What’s kept us in the air so far is an extraordinary government relief effort. In most states, evictions have been temporarily banned, preventing a mass homelessness crisis. Most federal student loan payments have been put on hold, removing one of the largest recurring monthly expenses that millions of people face. Banks were ordered to give their customers a six-month break on mortgage payments if requested.”

But all of that will be coming to an end in the summer. Mortgage foreclosures are a particularly serious problem: “This month, about one-third of renters were unable to pay their rent in full or at all, despite all the stimulus money. A federal law that bans evictions in any properties financed by federally backed mortgages—more than a quarter of all households, according to one estimate—expires on July 25, just a week before millions of people’s main economic lifeline is pulled away [the \$600 weekly unemployment payment]. Unless they are extended, statewide orders banning all evictions in places that have been hardest hit by the unemployment crisis will also expire around then: Florida’s on July 1, California’s on July 28, and New York’s on Aug. 20....

“Payments on millions of paused student loans will begin again at the beginning of October; the more than 4 million homeowners who received a six-month pause on their mortgage after April’s mass layoffs will need to start making payments again at the end of October.” There are estimates as much as one-third or all rents in the country, residential and commercial, won’t be paid for July.

Nor will the problem be solved by massive rehiring of all the laid off workers: “By some estimates, more than 40% of all the job losses of the last few months could be permanent, not temporary.”

As for the banking side of the blowout, in a lengthy article in the *Atlantic*, Frank Partnoy complains that “The U.S. financial system could be on the cusp of calamity. This time, we might not be able to save it.” As a

former banker (“I was part of the group that structured and sold CDOs and CLOs at Morgan Stanley in the 1990s”), Partnoy notes that the CDO bubble which triggered the 2008 blowout, has been replaced by an even more explosive CLO (collateralized loan obligation) bubble. “It lurks on the balance sheets of the big banks, and it could be cataclysmic.... As a result, we could be on the precipice of another crash, one different from 2008 less in kind than in degree. This one could be worse.... There are more than \$1 trillion worth of leveraged loans currently outstanding. The majority are held in CLOs.”

Readers of *EIR*, of course, were made aware of this ticking time-bomb over a year ago, for example in March 2019 coverage in the *EIR Daily Alert*.

Defending Food Sovereignty, Argentine President To Expropriate Grain Speculator, Alarms Wall Street

June 11 (EIRNS)—In a move that has shaken up Wall Street and the City of London, on June 8 Argentine President Alberto Fernández took a bold step in defense of his nation’s food sovereignty, announcing his intention to expropriate the bankrupt grain exporter Vicentins SAIC and place it under state control. Vicentins, which employs 2,000 people and possesses ports, silos, warehouses and other key infrastructure, is a key operator in Argentina’s \$20 billion-a-year largely soy export business, accounting in 2019 for 7.4 million metric tons of exports of soy and derivative products, Bloomberg reported.

Argentina, Fernández said, “is taking a step toward food sovereignty,” as in “a post-pandemic world food will be at the center of the discussion,” *Página 12* reported him saying. This is a “strategic and exceptional decision,” he added, pointing out that Vicentins controls 13% of the grain market. “We’re talking about [a company] that not only operates in grains but also beef. These are strategic issues that can allow us to be sovereign as a country in the production of food.”

Strategic indeed. Vicentins was not only mismanaged and looted during the 2015-2019 administration of neo-liberal President Mauricio Macri,

taking on huge amounts of debt and defaulting on \$1.5 billion at the end of 2019. It has also been investigated for involvement in tax evasion and money-laundering, and it turns out, the Swiss-based Glencore firm, previously owned by mega-speculator and crook Marc Rich, also controlled 67% of Vicentins affiliate, Renova which includes one of the world's biggest soy-crush plants. In early April, Glencore offered to buy up the remaining stock for \$325 million, and had the sale gone through—the coronavirus intervened—Vicentins would have ceased to be the largest exporter of crushed soy.

The hysteria emanating from global speculators and their local affiliates is lawful therefore, as Fernández is challenging the country's cartel-dominated agricultural export apparatus which has been under private control since President Juan Perón was overthrown in 1955 and his state-controlled agricultural export and marketing company, IAPI, dismantled. Fernández said he wants to keep Vicentins “in Argentine hands.” Wall Street's Bloomberg was completely unnerved by Fernández's move, while political and media forces linked to Macri inside Argentina organized protest pots and pans demonstrations, charging that the President's actions were “illegal and unconstitutional.” The Anglophiles in the Rural Society, representing the landed oligarchy, loudly protested as well, but Vicentins' own employees and affiliated port workers enthusiastically backed Fernández's bold action.

STRATEGIC WAR DANGER

Pompeo and EU Aim New Provocation against China

June 11 (EIRNS)—Secretary of State Mike Pompeo will address the June 18-19 Copenhagen Democracy Summit next week, which will be attended by Taiwan President Tsai Ing-wen and Hong Kong activist Joshua Wong. This all on the invitation of EU Commission Vice President for Values and Transparency Vera Jourova (Czech Republic), who gave a speech today attacking China and Russia as the sources of “fake news,” under cover of

EU coronavirus solidarity. Tsai will give a 10-minute recorded speech to the summit, scheduled for June 19. Wong is supposed to speak on June 18.

Pompeo will address the topic “China and the Challenge To Free Societies,” also scheduled for June 19. This is obviously a direct intervention into the European situation where there is still considerable support for cooperating with China on many issues. It is also a fact that Taiwan played a very active role, together with the United States, in the riots in Hong Kong.

Other leading speakers include U.S. former Secretaries of State Madeleine Albright and John Kerry, former NATO Secretary General Anders Fogh Rasmussen; and numerous individuals from the International Republican Institute and National Democratic Institute, the two pillars of the National Endowment for Democracy (NED), the official U.S. regime-change outfit; other speakers are from something called the “European Endowment for Democracy.”

China Counters State Department ‘Religious Freedom Report’

June 11 (EIRNS)—The State Department on June 10 released its “Religious Freedom Report” to target all those countries that oppress religious freedom, with Secretary of State Mike Pompeo leading the charge. The top three on the list are Nicaragua, Nigeria, and (guess who?) China. Pompeo crows, “And in China state-sponsored repression against all religions continues to intensify. The Chinese Communist Party is now ordering religious organizations to obey CCP leadership and infuse communist dogma into their teachings and practice of their faith. The mass detentions of Uighurs in Xinjiang continues. So does the repression of Tibetans and Buddhists and Falun Gong and Christians.”

The Chinese Foreign Ministry rebuffed Foggy Bottom on June 11 with some statistics. Speaking at the daily briefing, Information Department Director Hua Chunying said, “The Chinese government protects our citizens’ freedom of religious belief in accordance with law. In China there are nearly 200 million religious believers, more than 380,000 clerical personnel, approximately 5,500 religious groups and more than 140,000

places of worship registered for religious activities. People of all ethnic groups enjoy full freedom of religious belief. The facts are there for all to see.”

She then returned Pompeo’s fire: “By contrast, ethnic minorities in the U.S. find themselves in a worrisome situation with regard to religion. The U.S. has a long-standing problem of systemic racism. According to poll results released by Gallup and Pew Research Center, 75% of Muslims in the U.S. believe they are under severe discrimination due to their religion. According to the publicly available data I’ve seen, the number of mosques in the U.S. nationwide is less than a tenth of that in Xinjiang. There are mass protests in the wake of George Floyd’s death [on May 25], which in itself reveals deep-rooted problems. Instead of reflecting on it, the U.S. still points the finger at China. Why on earth does it feel so entitled to do so?”

U.S. POLITICAL AND ECONOMIC

Gen. Milley Apologizes for Accompanying Trump, as Biden Hopes Military Drags Him from White House

June 11 (EIRNS)—Gen. Mark Milley, the chairman of the Joint Chiefs of Staff, issued an apology today for his walking with President Donald Trump across Lafayette Park on June 1 and standing with him when Trump stood in front of St. John’s Episcopal Church—where U.S. Presidents have worshipped—after rioters had set fire inside the church. “As senior leaders, everything you do will be closely watched. And I am not immune. As many of you saw, the result of the photograph of me at Lafayette Square last week. That sparked a national debate about the role of the military in civil society,” Milley said in a prerecorded speech to graduates from the National Defense University, reported CNN. “I should not have been there. My presence in that moment and in that environment created a perception of the military involved in domestic politics. As a commissioned uniformed officer, it was a mistake that I have learned from, and I sincerely hope we all can learn from it.”

The British Empire and their minions in the liberal U.S. media have been having a field day with Milley's statement, trying to fold it into with earlier remarks by fired Gen. Jim Mattis and Defense Secretary Mark Enders to paint a picture of a profound rift between President Trump and the U.S. military. That rift is a devoutly held British desire, as reflected in a June 7 *Economist* article headlined, "No Longer His Generals. America's Top Brass Break with Donald Trump." The City of London weekly asserts that "America is in the midst of its worst civil-military crisis for a generation, one that threatens to do enduring harm to democratic norms and the standing and cohesion of its armed forces," and claims that there is "unease and alarm up and down the chain of command."

A day earlier, Joe Biden, the presumptive Democratic Presidential nominee and who's not always known for his coherence, declared in an interview on "The Daily Show" that he was certain that Trump would try to steal the November Presidential election, but he was confident that if Trump lost and refused to leave the White House, the military would escort him out. "It's my greatest concern—my single greatest concern. This President is going to try to steal this election," Biden said, in reference to Republican allegations that mail-in voting is easily susceptible to fraud. Saying he was "so damn proud" of the military leaders who have recently criticized Trump, Biden continued, "you have so many rank and file military personnel saying, well, we're not a military state, this is not who we are. I promise you, I'm absolutely convinced, they will escort him from the White House in a dispatch." Biden, of course, may have been covering his body parts, on the chance he might lose the election.

White House Press Secretary Kayleigh McEnany called Biden's remarks a "ridiculous proposition" during an appearance on Fox News today.

THE NEW GLOBAL ECONOMIC ORDER

Chinese Officials Urge for Improved Ties in Trade and Fighting Virus with U.S.

June 11 (EIRNS)—Chinese officials on June 11 held a press conference in which they urged for improved relations with the United States, reported Reuters today. Zhu Guangyao, a cabinet adviser and former vice finance minister, said that China honors its trade agreement with the United States and that the two countries should waste no time in working to cooperate on the coronavirus. “China and the United States should communicate on key issues, and the scope of communication should go back to normal, not just on trade issues,” Zhu Guangyao said. “We should resume strategic communication at various levels, including politics, diplomacy and economy.”

Speaking at the same press conference, Liu Huan, another cabinet adviser, said that China’s economic growth could be around 5% in the third quarter, which would bring the yearly growth to around 3-4% for 2020. He also indicated that the budget deficit had also been increased in order to deal with the aftermath of the coronavirus pandemic.

China Places Life Above All Else in Coronavirus Pandemic

June 11 (EIRNS)—At an event sponsored by the China-Forum Berlin, China’s Ambassador to Germany Shi Mingde underscored that China places human life above all other considerations in the coronavirus pandemic, and emphasized that the Chinese system has enabled the country to dramatically reduce poverty.

Held on June 10, the webinar was entitled “China and the World—Together or against Each Other, Noble in Mind and Action or Shameless—Those Are the Questions in and after the COVID-19 Crisis.”

Shi said we are in a world crisis, in which coronavirus represents a challenge for every society. The virus doesn’t know borders, different political systems, etc. The international community is at a crossroads: either

unilateralism or multilateralism, either isolation or globalization, and either confrontation or cooperation.

Shi underscored that China was, is, and will be a socialist country with Chinese characteristics. This system allowed China to overcome poverty. This system allowed China to master the coronavirus crisis. China considers human life above everything else, above economic interests. The Chinese population demonstrated its unity in the lockdown. The country will create 9 million new jobs this year (13 million 2019). China will end poverty in the country this year.

On relations with the U.S., Shi said there were continuing problems, but until the elections in November, China thinks there will be no change for the better.

In response to a question from the moderator on Hong Kong, Shi made clear that to begin with, it is an internal affair of China's policy for "One Country, Two Systems." That is not and will not be changed. Foreign policy, internal security and defense are obligations of the central government, just as in Germany, where the states have their autonomy in other fields. The security of Hong Kong as an important financial center must be protected, Shi said.

Mexican President Tours South of Country To Promote Energy and Rail Infrastructure

June 11 (EIRNS)—Mexican President Andrés Manuel López Obrador (AMLO) carried out an eight-day tour of the country's southeast in early June, to launch the beginning of work on the railroad across the Isthmus of Tehuantepec; continuing work on the Maya Train for tourism; and refurbishing and reopening six closed refineries and petrochemical plants and the construction of two new ones.

The Isthmus project dates back to the 19th century, and was actively promoted by then-President José López Portillo in the early 1980s. The LaRouche movement has long organized for the project as part of its global reindustrialization program.

AMLO stated on June 7: “Despite the pandemic and the world economic crisis, China continues being the factory of the world, as are the Asian countries, and there is now more, a lot more transportation of goods across the Pacific. That is why we think that this project is going to be successful. Improving and expanding the two ports, the Port of Salina Cruz, the Port of Coatzacoalcos, modernizing this railroad, establishing centers for industrial development, industrial parks along the 300 km route.... We want to grant incentives for companies to set up here and generate jobs, because what we are conceiving of is to place a curtain here in the isthmus and the southeast to stop the flow of people ... to create employment in the isthmus, so that anyone who wants to go look for work elsewhere will do so because he wants to, not out of necessity.”

Three construction groups (two from Mexico, one a joint Portuguese-Chinese consortium) won the contracts to work on different stretches of the isthmus project. López Obrador said that the total project will cost close to \$1 billion—although this remains the Achilles’ heel of AMLO’s overall economic policy. Mexico has been prohibited by London and Washington from working with China’s Belt and Road Initiative; AMLO has steadfastly refused to touch the Bank of Mexico’s “autonomy,” and use their reserves for development projects; and he, therefore, falls back on the incompetent idea of financing Mexico’s development by using resources from ending corruption and “redistributing” the wealth.

AMLO also spoke before the closed gates of the famous Cangrejera Petrochemical Complex in the state of Veracruz, which was built during the López Portillo Administration and later abandoned—along with a half-dozen other plants—during the subsequent years of banker-imposed neo-liberal dictatorship. AMLO reported with outrage: “We are now buying a little more than 70% of the gasoline we consume in the country. We sell crude oil and buy gasoline, not to mention our dependence regarding petrochemical products.... We will initiate the reestablishment of a national petrochemical policy.” He said Mexico’s greatest asset to do that are the workers and engineers of Pemex, the state oil company.

SCIENCE AND INFRASTRUCTURE

Astrobotic of Pittsburgh To Deliver VIPER Rover To Map Water Ice on the Moon

June 11 (EIRNS)—The commercial company Astrobotic was selected by NASA to deliver the Volatiles Investigating Polar Exploration Rover (VIPER) to the Moon's South Pole in late 2023. NASA's VIPER Moon Rover will perform the first resource mapping mission on another world, using advanced instruments and tools to determine the location and concentration of water ice on the Moon. VIPER will be the first robot to touch water ice and will determine how deep it is and how much is there.

Astrobotic was awarded \$199.5 million for the mission. During the briefing today announcing its selection, it was expressed on a number of occasions that VIPER is going to be a game changer. VIPER will be important for increasing our understanding of how water is stored at the surface of the Moon, and how much is there and how much is needed to turn it into oxygen to breathe, water to drink and rocket fuel. It was stated that VIPER will help us understand how water has formed and moved around the Solar System. These discoveries will not only be crucial to the success of the Artemis mission to launch the first woman and next man to the Moon in 2024, but for a sustained presence on the Moon, and future missions throughout the Solar System.

Spanish Science Minister, Former Astronaut, Praises Russian Space Specialists

June 11 (EIRNS)—Pedro Duque, Spanish Minister of Science and Innovations, and Spain's first astronaut, gave praise to Russian space industry specialists. "I witnessed ... these successes [of the Russian space industry], and hold Russian science and space industry in high regard," he told TASS in an interview published yesterday. "I have many colleagues among Russian cosmonauts, cosmonaut instructors, ... I am acquainted with Zvezda and Energiya engineers, as well as some others, and, in my opinion, Russian professionals ... are some of the best in the world."

“Spanish scientists and companies participate in cooperation between ESA and Roscosmos,” Duque said. “At this point, this cooperation is particularly intensive in manned flights and the ExoMars joint scientific mission.” The ExoMars mission is planned for launch from Baikonur in 2022, sometime between August and October, for Mars landing in April or July 2023.

Duque was the first Spanish astronaut and flew both on the Discovery Space Shuttle in October 1998, and on the Russian Soyuz rocket in October 2003. He has been awarded with Russia’s Order of Friendship.

- Watch the [Morning Briefing with Harley Schlanger](#) on Friday, June 12: 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](#).