

EIR Daily Alert Service

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

- The Five Percent Solution
- Reckless State Department Escalates Attacks on China over Hong Kong
- Chinese Media Foresee a ‘Long-Term Battle’ with U.S., Call for Calm, Measured Response
- Lavrov Writes in *Global Times*, Pandemic Reveals the Immorality of Geopolitics and ‘Ultra-Liberal System’
- U.S. COVID-19 Death Toll Surpassed 100,000 on May 27
- Brazil’s COVID Horror Story Is Likely the Face of the Future in the South
- Financial Vultures To Vote on ‘Credit Event’ in Argentina, Unleash Swaps and Derivatives Chaos
- The EU Commission ‘Next Generation EU’ Proposal Is a Scam To Finance Green Fascism
- House Cancels Vote on FISA Authorization Bill Before Certain Defeat
- DOJ Doubles Down on Investigation of Obamagate, as Prosecutor Is Named To Look Into ‘Unmasking’
- National Academy of Sciences Report on Developing Fusion Energy More Plasma Scientists

EDITORIAL

The Five Percent Solution

May 28 (EIRNS)—Executive Intelligence Review announced today that it is making available on its website a special 29-page digital offprint of the cover feature of the May 29, 2020 issue of EIR magazine, “The LaRouche Plan To Reopen the U.S. Economy: The World Needs 1.5 Billion New, Productive Jobs.” That discussion document—which details the manner in which 50 million new productive jobs can be created in the U.S., as the driving force for a global industrialization drive which will provide productive employment to 1.5 billion currently unemployed people around the world—has begun to circulate among engineers, workers, farmers, scientists, students and others across the country. It is also being translated into a number of foreign languages, for its wide circulation internationally as well.

At the heart of the report’s proposals is Lyndon LaRouche’s specification that a truly healthy, anti-entropic economy must have about half of its labor force working as productive, goods-producing operatives; and an additional 5% have to be engaged in the scientific and technological work that is the creative engine driving the whole economy forward. In the opening section of Chapter 6 of the new study, “America’s Space Mission: Youth’s Next Frontier,” that point is put into sharp focus:

“America’s space sector will play a decisive role in shifting 5% of the U.S. labor force into research and development. As specified by LaRouche, this is the key to increasing the productivity of the entire labor force. ‘Increases in productivity come directly, only, from improvements in technology derived from fundamental scientific discoveries; the higher the rate you convert fundamental physical discoveries into practice, the greater the rate of increase of productivity per capita of population, and per square kilometer of area.’ (Lyndon LaRouche, Sept. 2, 2000 speech)”

That outlook best locates the significance of America's imminent return to launching spacecraft from its own territory, a task which was postponed from yesterday, May 27 to Saturday, May 30, due to the weather. America's eyes are once again turning to the skies. As Nicole Mann, of the NASA astronaut office stated: "This is not just about one launch; this is Launch America. It's not just about NASA; it is launch America and it's huge.... It is the first big step on our roadmap to the Moon for the Artemis mission, and eventually to Mars." Space is also the domain requiring international cooperation, as NASA Administrator Jim Bridenstine recently emphasized, when asked about the U.S. relationship to Russia: "Our cooperation transcends above terrestrial geopolitics."

There is little more urgent than that. The U.S. and the whole world is being slammed by an economic, political and cultural shockwave unlike anything we have seen in recent history, Helga Zepp-LaRouche warned today. It is coming from a worsening pandemic, mass unemployment, a financial breakdown crisis, and a frightening escalation in the direction of war between the U.S. and China, and the U.S. and Russia. Nothing less than Lyndon LaRouche's call for the bankruptcy reorganization of the current financial system and the creation of a New Bretton Woods, will be sufficient to totally change this global dynamic, quickly enough. The incessant provocations issuing from Secretary of State Mike Pompeo, along with others acting on behalf of the British Empire's geopolitics, are increasingly dominating the policy of official Washington and putting China and Russia between a rock and a hard place. We ignore their increasingly alarmed warnings about this policy drift, at our own peril, Zepp-LaRouche stated. Rather, this is precisely the moment we should be closely cooperating with China, Russia, India and other nations on space exploration, stopping the pandemic, and reviving the world economy with 1.5 billion new, productive jobs.

You might call it the 5% solution.

STRATEGIC WAR DANGER**Reckless State Department Escalates Attacks on China over Hong Kong**

May 28 (EIRNS)—The U.S. mission to the United Nations tried to call an emergency meeting of the UN Security Council on May 27, to put China in the docket because its new security legislation for Hong Kong purportedly was “a matter of urgent global concern that implicates international peace and security.” China “categorically rejects the baseless request” because “legislation on national security for Hong Kong is purely China’s internal affairs ... (and) has nothing to do with the mandate of the Security Council,” China’s UN Ambassador Zhang Jun posted on Twitter.

The U.S. said China’s opposition to a Security Council meeting on Hong Kong coupled with its “gross cover-up and mismanagement of the COVID-19 crisis, its constant violations of its international human rights commitments, and its unlawful behavior in the South China Sea, should make obvious to all that Beijing is not behaving as a responsible UN member state.”

Continuing with the provocations, Mike Pompeo’s State Department issued a joint statement today of four of the so-called “Five Eyes” nations (the U.S., Australia, Canada, and the United Kingdom, but not New Zealand), pronouncing that “Direct imposition of national security legislation on Hong Kong by the Beijing authorities, rather than through Hong Kong’s own institutions as provided for under Article 23 of the Basic Law, would curtail the Hong Kong people’s liberties, and in doing so, dramatically erode Hong Kong’s autonomy and the system that made it so prosperous.” This would also “undermine the One Country, Two Systems framework,” the statement maintained.

In other words, the argument is heading in the same direction as what the State Department has used to end the JCPOA, the INF Treaty, the Open Skies Treaty, and other international accords: You have violated “One Country,” therefore we are going to end support for that policy. It is well

known that China considers the One China policy to be a red line in their foreign relations.

President Donald Trump continues to join in the China-bashing, as he has done over the last couple of weeks—in striking contrast to his own, earlier attitude—with a tweet this morning on the toll the coronavirus is taking: “All over the World the CoronaVirus, a very bad ‘gift’ from China, marches on. Not good!”

Chinese Media Foresee a ‘Long-Term Battle’ with U.S., Call for Calm, Measured Response

May 28 (EIRNS)—There is a noticeable shift in tone in China’s semi-official media, in response to the escalating attacks on the country coming from Secretary of State Mike Pompeo, White House adviser and China negotiator Peter Navarro, Defense Secretary Mark Esper, and even President Trump himself, over the course of month of May to date. Global Times editorialized that, “In the face of U.S. aggression, China should adopt a calm mentality and be prepared to engage in a long-term battle with the U.S.... As China maintains its powerful nuclear deterrence and boosts its military strength, the U.S. will not readily resort to a military showdown with China over China’s core interests. Decoupling is the last trump card the U.S. has.... If the U.S. insists on decoupling with China in sectors where its own strength is shrinking, let it be.”

Responding to Pompeo’s open threats to damage Hong Kong’s role as an international financial center, the editorial continued: “If a financial war spirals out of control, it is the U.S. that will suffer the most. With its real economy shrinking, the U.S. economy is largely relying on the financial sector, which means launching a financial war equals self-harm.... The China-U.S. ‘battle over Hong Kong’ is on.”

A second Global Times editorial stated: “There is growing speculation that the U.S.’s strong response may open a new front in the U.S.-China confrontation, which could escalate into a ‘financial war’ and lead to regrettable economic repercussions. A financial war is very different to the exchange of trade sanctions. Punitive trade measures may target a country’s

trade sectors or companies, but it is hard to punish a country's financial market precisely.”

The editorial continued: “If Trump takes on China in the financial field, he would roil the global markets, as such a war would certainly go beyond Chinese and U.S. markets. No developed countries could shelter their open financial systems from the shocks. The Trump administration needs to think about consequences before taking any reckless moves, because no one knows how fast market risks could spread and what crisis they may cause.”

Lavrov Writes in *Global Times*, Pandemic Reveals the Immorality of Geopolitics and ‘Ultra-Liberal System’

May 28 (EIRNS)—In a Viewpoint article written for China's *Global Times* on “[Conclusion and Mission on COVID-19](#),” (“[The Pandemic: Objectives and Lessons Learned](#)” in the Foreign Ministry posting) Russian Foreign Minister Sergey Lavrov delivered a scathing warning to those seeking to take advantage of the pandemic to further their geopolitical “predatory attitudes”: It is your own countries that are suffering the consequences of these policies, Lavrov stated.

The pandemic has shown that “all countries and peoples are equal before tragedy, regardless of geography, wealth or political ambitions,” he wrote. Yet “the unavoidable natural consequences of the pandemic are being complemented with the man-made effects created by the inability of humankind, or rather a certain part of it, to abandon the friend-foe mentality even when facing a shared adversity....

“The pandemic has yet again laid bare the Western myth about the end of history and the victorious advance of the ultra-liberal development model based on individualism and on the belief that market methods offer a solution to any problem. This approach has played a dirty trick on its proponents. Self-sufficient countries with established mobilization mechanisms, clear national interests and distinct values have turned out to be more resistant to stress,” he drily declares.

Lavrov counters to the “untreatable selfishness of some countries and their ruling elites,” the need to strengthen the United Nations.

Lavrov also points to the various integration projects now underway in the “vast Eurasian space” as a prospective area to generate areas of growth to help the world’s post-crisis economic connectivity. Calling on the European Union to join this perspective, Lavrov proposes that Eurasian integration will not only be economically beneficial, but also that such cooperation “will serve as an important first phase in the development of the territory of peace and stability from Lisbon to Jakarta.”

At no point is the United States named in his article, but Lavrov reiterates that Russia “will cooperate with anyone who is willing to work together on the principles of honesty and mutual respect for each other’s interests and concerns.... Now is the time to abandon the mentality of inertia based on outdated stereotypes and to start, at long last, to act from positions of morality, because a safe future for all people on Earth, our common home, is hanging in the balance.”

COLLAPSING WESTERN FINANCIAL SYSTEM

U.S. COVID-19 Death Toll Surpassed 100,000 on May 27

May 28 (EIRNS)—“Another Harrowing Milestone,” is the way Fox News described the fact that the United States surpassed 100,000 deaths from COVID-19 on May 27. Of those, 23,000 are in New York and 11,100 in New Jersey—in other words, the two states have one-third of the national total. Even though the daily U.S. death toll is now dropping, with 500 deaths reported on May 25, the lowest daily figure since March 28, there is little question that the entire country is dealing with a traumatic shock from the pandemic—medically, economically, and psychologically.

The immediate question is whether or not the loosening underway will unleash a new spike and second wave of COVID-19.

Dr. Anthony Fauci, director of NIH’s National Institute for Allergy and Infectious Diseases, was circumspect in an interview yesterday with PBS’s

Judy Woodruff, saying that as we “try to gradually and prudently try to reopen the country to a little bit more normality” there will inevitably be some increase in cases and deaths. “The real critical issue, Judy, is how you respond to that, how you can have the resources in place to be able to identify, isolate, contact trace, so a blip doesn’t become a surge.” He reiterated that “I have always been publicly skeptical about that [those who say that enough tests are now being performed]. But, right now, what I’m seeing is that the kinds of testing availability is getting better and better. And, as the weeks go by, I believe strongly that we’re going to be able to address that.”

Asked if “it is going to be safe for states to open up, as long as they do it carefully?” Fauci responded: “I do think so.” He also said: “I’m cautiously optimistic that we would have a vaccine towards the end of this year and the beginning of next year.... So, my cautious hope and optimism is that, as we get into the fall, we will be able to control the inevitable return of infection. Anybody that thinks it’s not going to come back in the fall is not being realistic. It’s how you handle it that determines whether or not you have a second wave.”

Dr. Sarah Cody, the Santa Clara County, California health official widely credited for getting the Bay Area to lock down way before other parts of the country (March 16), and thereby significantly suppress infections and death, has stated her opposition to the idea of relaxing measures too quickly. She said that the new California state policy of allowing gatherings of up to 100 people in religious venues and elsewhere is premature (and will not be implemented in Santa Clara and a bunch of neighboring counties): it poses a “very serious risk” that, if only one person is contagious, it would overwhelm the ability to carry out contact tracing. She said there has to be a strict 14-day (and preferably 21-day) waiting period between each step, to make sure everything is under control. She also said this premature lifting endangers Blacks and Latinos more than other groups, because of their greater social vulnerability, poverty, etc.

Brazil's COVID Horror Story Is Likely the Face of the Future in the South

May 28 (EIRNS)—Brazil has some 415,000 official cases of COVID-19 at this point, with 25,697 deaths, according to data compiled by Johns Hopkins University. But the University of São Paulo Medical School continues to warn that real rates of infection could be five times greater than the official number. In other words, Brazil could have 5-6 million cases of COVID-19—i.e., the same number that is the official total globally today.

This is quite likely, given Brazil's notorious income inequality, favelas, impoverished northeast, etc., not to mention the Bolsonaro government's cavalier attitude of total disregard for elementary public health measures. Under these conditions, there is no way that anyone could have an actual, reliable count of what is going on in the country, either in terms of cases or deaths.

The Institute for Health Metrics and Evaluation based at the University of Washington is forecasting that official total deaths could rise from over 25,000 today to 125,000 by early August. It is not far-fetched to wonder if the actual number of deaths from COVID in Brazil has not already broken 100,000.

The World Health Organization (WHO) stated on May 24 that the world is still in the midst of a "first wave" of the pandemic. "Right now, we're not in the second wave. We're right in the middle of the first wave globally," said Dr. Mike Ryan, executive director of WHO's Health Emergencies Program. "We're still very much in a phase where the disease is actually on the way up." Ryan noted that South America, South Asia, and other areas are still on the rise. For example, India saw a record single-day jump in new cases for the eighth straight day. It reported 6,387 new infections on Wednesday, May 27, raising its total to 151,876, including 4,346 deaths.

Financial Vultures To Vote on 'Credit Event' in Argentina, Unleash Swaps and Derivatives Chaos

May 28 (EIRNS)—On May 27, the Credit Derivatives Determination Committee of the International Swaps and Derivatives Association (ISDA) met in New York to determine whether Argentina's failure to make a \$503 million interest payment on May 22, constituted a "credit event" or default. A vote on it is expected next week. Should the 14-member committee vote in the affirmative, it would trigger credit default swaps (CDS) which investors purchase from private insurers to protect against default.

In today's volatile financial environment, in which many developing-sector nations are threatening default, an official Argentine default label and activation of credit default swaps (a form of derivatives) would very possibly destabilize the entire, highly unstable \$1.8 quadrillion derivatives bubble. According to Bloomberg, there are between \$1.3 and \$1.5 billion in swaps to be paid out.

Exactly who owns the majority of the swaps in this case is not publicly known, although suspicion has been cast on Elliott Management, owned by mega-speculator and vulture fund kingpin Paul Singer. A spokeswoman for Elliott declined to comment when asked by Bloomberg. Singer spent almost a decade litigating against two Kirchner governments in Argentina, attempting to collect the full face value on bonds he had purchased for next to nothing. Neither Presidents Nestor Kirchner nor Cristina Fernández de Kirchner paid him a cent, but in one of his first acts in office in December 2015, neo-liberal President Mauricio Macri made a deal with Singer and paid up.

Today, Elliott sits on the 14-member ISDA committee that will vote next week, along with other financial vultures currently negotiating with the Alberto Fernández government to restructure \$65 billion in debt: JPMorgan Chase, Goldman Sachs Group, PIMCO, and Cyrus Capital Partners, among others. In the meantime, Fitch has downgraded Argentina's sovereign rating to "restricted default" status, while Standard

& Poor's Global downgraded four of its dollar-denominated bonds to "default" status, Reuters reported.

The EU Commission 'Next Generation EU' Proposal Is a Scam To Finance Green Fascism

May 28 (EIRNS)—The €750 billion "Next Generation EU" fund proposed by European Commission President Ursula von der Leyen yesterday is being earmarked to finance the EU Green Deal, as its press release "[Europe's Moment: Repair and Prepare for the Next Generation](#)," makes clear.

The "Green Deal" concept is heavily emphasized, as these few passages from the section on "The Policy Fundamentals of the Recovery" demonstrate:

"Next Generation EU will raise money by temporarily lifting the own resources ceiling to 2.00% of EU Gross National Income, allowing the Commission to use its strong credit rating to borrow €750 billion on the financial markets. This additional funding will be channelled through EU programs and repaid over a long period of time throughout future EU budgets—not before 2028 and not after 2058. To help do this in a fair and shared way, the Commission proposes a number of new own resources. In addition, in order to make funds available as soon as possible to respond to the most pressing needs, the Commission proposes to amend the current multiannual financial framework 2014-2020 to make an additional €11.5 billion in funding available already in 2020....

"Relaunching the economy does not mean going back to the status quo before the crisis, but bouncing forward. We must repair the short-term damage from the crisis in a way that also invests in our long-term future. All of the money raised through Next Generation EU will be channelled through EU programs in the revamped long-term EU budget.

"The European Green Deal as the EU's recovery strategy:

- A massive renovation wave of our buildings and infrastructure and a more circular economy, bringing local jobs;

- “• Rolling out renewable energy projects, especially wind, solar and kick-starting a clean hydrogen economy in Europe;

- “• Cleaner transport and logistics, including the installation of 1 million charging points for electric vehicles and a boost for rail travel and clean mobility in our cities and regions;

- “• Strengthening the Just Transition Fund to support re-skilling, helping businesses create new economic opportunities.”

The €750 billion should go partly in grants (€500 billion) and loans (€250 billion) to member countries that present “Green Deal” plans. The money should be collected on the market by selling €150 billion bonds directly issued by the EU Commission every year. The bonds would be repaid through the EU’s own budget in 30 years.

The EU annual budget is currently €160 billion. In order to find the money to repay the bonds, some items such as agriculture and fishery subsidies will be reduced, new “green” taxes will be raised directly by the Commission and member states will increase their direct payments into the budget itself.

The new taxes include aviation and maritime gasoline tax, a tax on carbon-intensive imports, a tax on big digital companies and a “plastic tax,” for a total of €35 billion.

U.S. POLITICAL AND ECONOMIC

House Cancels Vote on FISA Authorization Bill Before Certain Defeat

May 28 (EIRNS)—Plans to get the House of Representatives to vote up the Senate bill restating the expired powers of the Foreign Intelligence Surveillance Act (FISA) were scuttled today when it was clear the Democratic leadership did not have the votes needed for passage.

In March, a different version of the FISA authorization bill had passed with bipartisan support, but amendments added to the Senate bill required a second vote. Between the March vote and today, however, a flood of

revelations poured out, documenting the central role of abuse of FISA played in the criminal British-Obama “Russiagate” coup attempt against President Donald Trump.

In announcing the vote cancellation, Majority Leader Steny Hoyer admitted that “the two-thirds of the Republican Party that voted for this bill in March have indicated they are going to vote against it now.”

President Trump had promised in a tweet on May 27, that “If the FISA Bill is passed tonight on the House floor, I will quickly VETO it. Our Country has just suffered through the greatest political crime in its history. The massive abuse of FISA was a big part of it!” Today he celebrated the bill’s withdrawal, tweeting, “Thank you to our GREAT Republican Congressmen & Congresswomen on your incredibly important blockage last night of a FISA Bill that would just perpetuate the abuse that produced the Greatest Political Crime In the History of the U.S., the Russian Witch-Hunt. Fantastic Job!”

Speaker Nancy Pelosi was not happy, but she didn’t have all the Democrats lined up behind extending the FISA tyranny either. The House Progressive Caucus announced their opposition on Wednesday. Co-chair Rep. Mark Pocan (D-WI) explained that “the people of this country are over-policed & over-surveilled.... I cannot vote to continue and expand that surveillance today.”

DOJ Doubles Down on Investigation of Obamagate, as Prosecutor Is Named To Look Into ‘Unmasking’

May 28 (EIRNS)—Department of Justice spokeswoman Kerri Kupec announced last night on Fox News’s Sean Hannity show that Attorney General William Barr has appointed John Bash, U.S. Attorney for the Western District of Texas, to investigate the flood of “unmaskings” of Donald Trump’s team carried out by the Obama Administration before and after the 2016 presidential election.

Republican Senators released a list of more than three dozen high-level Obama Administration officials involved in the British post-election

rampage to set up Donald Trump and the man he chose to be his National Security Adviser, Gen. Michael Flynn, by requesting the “unmasking” of his name in intelligence reports. By law, the names of U.S. citizens found in intelligence surveillance operations are to be kept out of those reports, and identified as “Person One,” and the like. Officials have to file paperwork when seeking to “unmask” any of those generic IDs, and that paper trail is now being gone over with a fine-tooth comb.

From Kupec’s report, the flood of requests were so egregious that Bash has been called in to help U.S. Attorney John Durham’s already ongoing investigation. Bash is to look into “the frequency, the motivation, and the reasoning behind unmasking” in that period, and report to Durham, who has also been looking into “unmasking,” Kupec explained.

“Looking specifically at who was unmasking whom can add a lot to our understanding about motivation and big-picture events.”

SCIENCE AND INFRASTRUCTURE

National Academy of Sciences Report on Developing Fusion Energy More Plasma Scientists

May 28 (EIRNS)—The National Academy of Sciences today released its Decadal Assessment of Plasma Science, titled, “Plasma Science: Enabling Technology, Sustainability, Security and Exploration.” One of two main concerns of the scientists who studied the issues and wrote the report are that the fusion community is aging and that there are not enough young scientists to replace them in the future. There isn’t a single college in the United States that has a fusion department, they said. One of their recommendations that seems, at first glance, to be insignificant was change the name of the Department of Energy’s fusion office, from “Fusion Energy Sciences” to “Office of Fusion Energy and Plasma Sciences.”

- Watch the [Morning Briefing with Harley Schlanger](#) on Friday, May 29: 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](#).