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EDITORIAL

A Tremendous Challenge: We Face Two Global Pandemics

May 15 (EIRNS)—The COVID-19 pandemic is now truly worldwide and has already killed almost 300,000 people, with months and likely years to go. It should have struck down the “globalist” illusion that the system of free trade, low wages and financial speculation which has run the world since the 1970s, is compatible with human survival, let alone human invention and progress.

The major nations were not prepared to treat the victims of a serious pandemic pneumonia; they did not have the hospitals, the most modern

medical devices, the health workers equipment ready. The unindustrialized developing nations are fighting to develop any defenses against it.

There is now very clearly a second, worse, global pandemic—of hunger and extreme life-threatening impoverishment. Half of the workforce of the entire world is unemployed, more than 1.6 billion people who overwhelmingly survive on “informal work” which has disappeared in broken chains of supply and demand, closed borders, public health lockdowns. The judgment of the experts of the World Food Program is firm: “Abject poverty” and food deprivation is becoming so widespread that 300,000 people could very soon be dying *every day* from the hunger pandemic.

The major technologically leading nations—particularly the United States, China, Russia and India—have to meet and agree to launch and fund a huge building project—the public health infrastructure those nations need and lack, and other basic infrastructure besides.

And those leading nations need a new public health infrastructure as well. They did not have the hospital beds needed. That’s why 40-45,000 Americans with no coronavirus infections have died since late February from not going to the hospital or the clinic when they had to. And Americans with COVID-19 died at home, or in nursing homes.

The new world public health system, for which the Schiller Institute is petitioning and holding online international conferences, is needed by every nation on the planet. The four major nations we named, with others collaborating, must take the decisions to lead in the building of it.

As to why two-thirds of all the 3.3 billion working people in the world have only “informal” employment, essentially non-productive employment, month-to-month and even day-to-day “gigs” but—in developing countries and even some parts of the United States—with impossibly low returns? Half a century of a globalized system of deindustrialization, finance and “just in time” free trade with each country really producing only a few products, has thrown the human labor force into these straits.

And of the 50 million Americans either unemployed or forced into part-time work right now, 45 million—90%—of them did not have productive employment before losing it.

LaRouche’s representative in the Philippines, Butch Valdes, was quoted this way in the *Manila Bulletin*: “ ‘This will not end next month. The world and the Philippines will face economic contagion. Underdeveloped, ill-equipped nations will face severe effects. We have to go into a paradigm shift . . . reverse globalization, abolish central banks and establish national banks, collapse the speculative investment system (gaming) and push resources toward a physical economy. The U.S., China, Russia and India must lead the world toward this change to save civilization.’ In addition, public utilities must be returned to government control while “measures of growth change from useless GDP into per capita calorie intake; e.g., per-square-kilometer power generation, hospital beds according to population, similar methods of measuring production of goods.’ ”

Some 1.5 billion new productive jobs worldwide. The only way to face the challenge of these two global pandemics.

U.S. POLITICAL AND ECONOMIC

General Flynn’s Lawyer Sidney Powell Calls Out Obama for Lying

May 15 (EIRNS)—As part of a rising exposé that Republican Members of Congress are starting to call “Obamagate,” Lt. Gen. Michael Flynn’s lawyer, Sidney Powell, has publicized a hard-hitting “[Open Memorandum to Barack Obama](#)” on May 13. The memorandum effectively demolishes his “speech” of May 8 on a telephone call to the so-called Obama Alumni Association, in which Obama claimed that “There is no precedent that anybody can find for somebody who has been charged with perjury just getting off scot-free,” and claimed the Attorney General William Barr’s withdrawing the charges against Flynn, is “the kind of stuff where you begin to get worried that ... our basic understanding of rule of law is at risk.” Obama’s tirade gave cover to Judge Emmet Sullivan to “go rogue”

and effectively try to appoint himself and his friends as prosecutors of General Flynn.

Powell shows that Obama's claims to be a Constitutional law professor are as overrated as his presidency in his own mind. General Flynn did not, in fact, plead guilty to perjury, nor was he even charged with it, she points out: perjury she writes, "requires a material false statement made *under oath* with intent to deceive" (emphasis in original); both elements were provably absent in Flynn's case. Moreover, she notes, Obama's "wingman," Attorney General Eric Holder, himself threw out the charges in the case of the late Sen. Ted Stevens case—after conviction by a jury, on exactly the same grounds as Barr's action in Flynn's case: "egregious misconduct by prosecutors who hid exculpatory evidence and concocted purported crimes."

A tremendous pile-on of Obama Administration officials had rushed in early January 2017 to demand the "unmasking" of General Flynn in the intercepted conversations of Russian Ambassador Sergey Kislyak with the general. Given that a baker's dozen of the same officials had met with Obama in the Oval Office that Jan. 5 to discuss the matter, a conspiracy to prosecute Flynn and keep him out of Trump Administration policy was clear. And Obama, who fired Flynn in 2014 as Defense Intelligence Agency director, clearly considered him an enemy who knew too much about Obama's "Arab Spring" and pro-al-Qaeda policies in Syria in particular.

Though Senate Judiciary Committee Chairman Sen. Lindsey Graham indicated today he's shying away from calling Obama in the Judiciary Committee investigation, the ex-President's central role in the "Russiagate" coup is getting highly exposed, and becoming an election issue—particularly since Obama looked to be preparing to do the campaigning for Joe Biden while Michael Bloomberg did the money.

U.S. Tilts Toward Taiwan in an Attempt To Cripple Huawei

May 15 (EIRNS)—The U.S. administration is increasing the pressure in its fight with Huawei. In a ruling issued today the Department of Commerce

placed more stringent measures on the sale of certain products by U.S. companies to Huawei, targeting in particular semiconductors. The new measure is targeted at U.S. companies that have avoided the previous ban by producing their equipment overseas.

While using the national security gambit, the measure is clearly aimed at preventing China from becoming a major player in the high-tech world. At the same time, the Commerce Department issued a 90-day waiver on Huawei in order to allow rural communities, whose communications network is based on Huawei equipment, to find a replacement for that equipment. Commerce announced that this would be the final waiver.

Another move, superficially unrelated to the Huawei ban, is the decision by the Taiwan Semiconductor Manufacturing Company (TSMC), the world's biggest dedicated chip maker and a major supplier of chips to Huawei, to build a \$12 billion factory in Arizona. The United States hopes thereby to make TSMC subject to U.S. export rules and eliminate any relationship between the company and Huawei.

This tilt toward Taiwan is dangerous in more ways than one as it also enhances the U.S.-Taiwan relationship, which has been a particular goal of the neo-conservative circles around Steve Bannon and others. But given the fact that the Taiwan issue remains perhaps the most important core issue of China, this “flirtation” could easily lead to direct military conflict with Beijing.

Secret U.S.-Iran Deal May Have Secured Kadhimi's Confirmation as Iraqi Prime Minister

May 15 (EIRNS)—According to an exclusive report published by [Middle East Eye](#) news organization, the Trump Administration made a secret deal with Iran to install Mustaf al Kadhimi as prime minister of Iraq. Middle East Eye's unnamed Iraqi sources reveal that, in return for getting Tehran's support for Kadhimi, the U.S. agreed to de-escalate militarily in the Persian Gulf and to “look the other way” if a third-party country in Europe released some of the Iranian money frozen when sanctions were imposed. Iranian intercession was necessary because many of Iraq's Shi'ite factions—

particularly Kataib Hezbollah—opposed Kadhimi. They blamed him for the U.S. assassinations of Iran’s Gen. Qasem Soleimani and Iraq’s influential militia leader Abu Mahdi al-Muhandis on Jan. 3, 2020 outside Baghdad airport, despite denials by the Iraqi Intelligence Service which Kadhimi headed at the time. Kataib Hezbollah continued to threaten Kadhimi personally but other Shi’a political factions influenced by Iran allowed his nomination to go ahead. According to Middle East Eye’s Iraqi sources, Iran agreed to lean on the Shi’a factions in the Iraqi parliament in return for some relief from economically crippling U.S. sanctions against Iran by having some of the Iranian assets in Europe unfrozen. Iraqi sources declined to say where Iranian assets would be unfrozen, but pointed to a decision last month by a court in Luxembourg to block a U.S. request to transfer \$1.6 billion in Iranian assets to victims of the 9/11 attacks.

“The Americans managed to get their man, and the Iranians to get their money,” said the news agency’s source with knowledge of the secret deal. “The economic hardship that Iranians have faced, and all the difficulties they faced after the assassination of Qasem Soleimani, has hit them hard. There were negotiations. The deal ended with the Iranians accepting this guy [Kadhimi] and they told their allies to vote for him.”

In March, a senior source in Tehran told Middle East Eye that the U.S. had agreed to grant waivers allowing some countries to release Iranian assets to help Iran to buy medical supplies to fight the coronavirus epidemic. “The efforts of some countries have led to the release of some of the Iranian central bank’s money,” he said. “Those countries will receive a sanctions waiver, this has been granted and we are following this issue.” This would indicate that the deal, if there in fact was one, was in the works for weeks before Kadhimi was confirmed as prime minister on May 7. Kadhimi wasn’t named prime minister-designate until April 9, though President Barham Salih had indicated as early as Feb. 1 that Kadhimi was his preferred candidate.

Middle East Eye reports that news of the secret deal has already circulated in Arab media. The London-based *Al-Quds Al-Arabi* Arabic

newspaper said that the U.S.-Iran deal was the “decisive matter that opens the way for the parliamentarians’ agreement, and then the regional and world agreement.” Ibrahim al-Zubaidi wrote in another London-based Arab outlet, *The Arab*: “As you saw and you see, [political currents] agreed to pass it in parliament, as if nothing had happened, only when the last orders and instructions were issued from the [Iranian] embassy in Baghdad, or from the embassy of Uncle Donald Trump.”

Officially, the U.S. maximum pressure policy on Iran remains unchanged. But the U.S. military has also begun drawing down in the region, as shown by the withdrawal of the Patriot batteries from Saudi Arabia first reported by the *Wall Street Journal* May 7. “While Trump will claim credit for his maximum pressure policies on Iran, the fact is U.S. policy in the Gulf, the Saudi campaign in Yemen which it can no longer afford, and the pressures on Iran—all three powers are in trouble. And this is something for the Saudis to consider: The collapse of a U.S.-based strategy to push back on Iran. Trump will not mind negotiating a new nuclear deal with Iran, just as long as it has got his name on it,” said one Iraqi official.

This may lead to negotiations and further agreements between Washington and Tehran, the official further said. The view expressed by this Iraqi official is contradicted by the U.S. strategy at the UN Security Council to “snap back” at UN sanctions on Iran. Nonetheless, President Trump has said more than once that he’d be willing to talk to the Iranian leadership.

THE NEW GLOBAL ECONOMIC ORDER

Schiller Institute Embarks on Expansion Campaign

May 15 (EIRNS)—The Schiller Institute is implementing an outreach campaign to capitalize on the momentum generated by its major online conferences on April 25-26 and May 9, as well as large-scale workshops between Helga Zepp-LaRouche and youth and agricultural leaders, aiming to generate the political support for the construction of a global health

system and to recruit an international youth movement. The spearhead of the campaign is the latest petition, “[Coronavirus Petition: Build a Global Health Infrastructure](#).” The goal includes increasing the number of monthly recurring memberships to 500 and the number of petition signers to 5,000.

A task force of members in the U.S. and Germany aims to produce regular material for social media outreach and more frequent updates on the website.

China’s *People’s Daily* Interviews Schiller Institute Africa Specialist PÉRIMONY on ‘Health Silk Road’

May 15 (EIRNS)—The May 14 issue of *People’s Daily*, the organ of the Chinese Communist Party, carried an interview with Sébastien Périmony on “Creating a Health Silk Road.” Périmony is described as an expert on Africa issues for the Schiller Institute. Périmony says that with the onset of coronavirus in Africa, there is an urgent need to develop efficient public services and emergency medical supplies. He underlines the importance of Chinese participation in dealing with the problem in Africa and calls for multilateral cooperation to work together in Africa in order to build a Health Silk Road.

Périmony said that China has provided considerable medical aid, and medications as well as skilled personnel to help in the fight against COVID-19 in Africa. He called, especially, for cooperation among China, the United States, and nations in Africa, referencing the appeal of the African Union in 2013 for building an African epidemic control center, a proposal which has been supported and invested in by both the United States and China. The official construction of this center was started in January 2017, but some China hawks in Washington have insisted that funding for this project be halted. He stated that a benchmark for such collaboration was the success achieved by China-U.S.-Africa cooperation in combatting the Ebola virus. Périmony also brought attention to the important work of France’s Institut Pasteur in Africa.

Much of this work has been hindered, he said, by the way the trans-Atlantic nations have created roadblocks in the development plans in

Africa. Therefore, only by shaping an innovative and equitable international system on the African continent can these countries truly develop as advanced nations. Périmony praised President Xi Jinping's Belt and Road Initiative as a means of promoting African development, accelerating the docking of the BRI with the Africa Union's 2063 agenda, targetting the centennial of the African Union, for the framework signed on to by the African Union and the United Nations.

COLLAPSING WESTERN FINANCIAL SYSTEM

Fed's Wall Street Bailout Barrels On with No Main Street Aid Seen

May 15 (EIRNS)—The Federal Reserve Bank's balance sheet published May 14 showed its asset book now at just a hair under \$7 trillion, at \$6.983 trillion; having been at \$4.3 billion just two months ago. The rate of "quantitative easing" bailout of Wall Street, the City of London, Frankfurt and Tokyo banks, at \$1.3 trillion/month, dwarfs any bailout by a central bank before. The report also showed that the Fed added another \$90 billion in QE purchases of securities this week: \$41 billion in Treasuries; \$25 billion of mortgage-backed securities; and \$23 billion in its "facilities" such as Primary Dealer, Money Market Mutual Fund and Payroll Protection Program Facilities.

The Federal Reserve's global bank bailout role is central: Its "swap lines" to foreign central banks, which essentially are extended-term loans, had risen to just under \$450 billion as of the Fed's May 14 report (which covers the period to May 13). The largest swap lines by far have gone to the Bank of Japan (\$220 billion) and the European Central Bank (\$143.7 billion). These two and the 17 other recipient central banks use the dollar swap lines for the same purpose as the Fed: to buy up securities of all kinds and grade, exchange-traded funds, etc. which must be settled with dollars.

But on "Main Street," the Fed still has not bought a single municipal bond—which, if it did as it has announced, could assist in building new municipal hospitals or other infrastructure, for example—nor a single corporate bond through its "Main Street Lending Facility".

There is a problem with the Treasury and Fed's planning even of the Payroll Protection loans. These have been made by private banks taking applications and making loans, the Small Business Administration acting a regulator, the Treasury guaranteeing the loans, and the Fed buying the loans. The slow pace and relatively small volume of loans has maximized small business unemployment. In Germany, or Canada, etc. government development banks have made the loans directly, quickly and in relatively larger volume, resulting in less unemployment. National credit institutions have many advantages.

SCIENCE AND INFRASTRUCTURE

Trump Energy Department Keeps Steadily Promoting Advanced Nuclear Power

May 15 (EIRNS)—The Trump Administration Department of Energy has made another step in its gradual but sustained effort to recover nuclear energy on a platform higher than the one that has been largely shut down, effectively, everywhere except in Asia. The administration asked Congress, which complied, for \$230 million in the Fiscal 2020 budget for advanced reactors, and “will provide \$160 million initial funding, cost-shared with industry, for the construction of two demonstration advanced reactors that can be operational within the next five to seven years,” according to *World Nuclear News*.

The DOE Office of Nuclear Energy is focusing the funding on reaching actual construction of advanced reactor prototypes. “What we’re hoping for is that we’re going to have, not a singular company, but a team of entities—developer, end-user, supply chain companies as well—involved in these proposals,” said Deputy Secretary for Nuclear Rita Baranwal on May 14. This is exactly what has been achieved in the case of NuScale’s small modular reactor, which is in the final stage of Nuclear Regulatory Commission approval with a developer (NuScale), end-user (Idaho public and cooperative utilities) and supply-chain base in the Idaho Nuclear Laboratories, a national lab.

The DOE is allocating another \$27 million for the application of advanced production control systems to nuclear—“artificial intelligence, advanced control systems, predictive maintenance and model-based fault detection,” according to *WNN*.

Trump’s ‘Operation Warp Speed’ Seeks To Accelerate Development COVID-19 Vaccine

May 15 (EIRNS)—President Donald Trump announced, today, “Operation Warp Speed,” a plan to develop and distribute vaccines against COVID-19 as rapidly as possible. This will be at a scientific-industrial scale, he said, that hasn’t been seen in the United States since the Manhattan Project. The objective, Trump said, is to finish developing, manufacturing and delivering a proven vaccine using the full resources of the U.S. government, including Department of Health and Human Services and the U.S. military, as well as “the best of industry and innovation.”

Trump said that the goal will be to have a vaccine ready for distribution by the end of 2020. Heading this effort as chief scientist will be Dr. Moncef Slaoui, the former head of pharmaceutical giant GlaxoSmithKline’s vaccines division, who was a professor of immunology at the University of Mons, in Belgium, and Army Gen. Gustave F. Perna, the commander of U.S. Army Matériel Command, to lead the logistics side of the effort.

Dr. Slaoui called the objectives of Operation Warp Speed achievable but challenging. He vowed, however, that all of the partners in the project, from the private sector to the military, will do everything possible to meet the President’s objectives. “I have very recently seen early data from a clinical trial with a coronavirus vaccine and these data made me feel even more confident that we will be able to deliver a few hundred million doses of a vaccine by the end of 2020,” Slaoui said.

General Perna said that it would be a herculean task but “the combination of the two main partners, Health and Human Services and the Department of Defense, their combined strengths, partnered with the other teammates, will ensure our success.”

- **Watch the [Morning Briefing with Harley Schlanger](#) on Monday, May 18:** 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](#).