

EIR Daily Alert Service

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

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EDITORIAL

No Party Will Touch the City and Wall Street: The LaRouche Movement Will

May 31 (EIRNS)—No political leader or force in the United States or Europe is any longer challenging the biggest banks in the world, which have been unbelievably enriched during this pandemic by the central banks, while millions have died and hundreds of millions have lost their work and

their subsistence. President Trump called their CEOs “Wall Street geniuses.” The European Union has the likes of Morgan and BlackRock plan its alleged “recovery programs.” The World Economic Forum club of finance billionaires, who gather with the British royals at Davos, have put themselves in charge of the supposedly all-important global “Green New Deal” and have been seizing control of government spending policies from governments. In the U.S. Congress, the erstwhile anti-megabank champions like Sen. Elizabeth Warren no longer dare to mention the Glass-Steagall principle of bank separation when the biggest banksters sit in hearings before them.

“At our upcoming conference it is very, very urgent that we resume the fight for Glass-Steagall Act. There are clear signs of a hyperinflationary blowout,” declared Schiller Institute President Helga Zepp-LaRouche today in discussion with activists all over the United States and Canada. It is those banks, bulked up to incredible size by the Federal Reserve during this economic and human crisis, who are driving that hyperinflation now threatening us. The four largest U.S. banks—JPMorgan Chase, Bank of America, Wells Fargo, Citigroup—now have half of all deposits in the banking system: \$7.5 trillion of \$15 trillion—but have made only \$4 trillion in loans! The seven biggest have three-quarters of all the assets, \$13 trillion out of \$17.5 trillion. These are giant engines of speculation. Since 1999 when Glass-Steagall was eliminated they can speculate on anything from oil tankers to stock and bond indices; and their speculation with the Fed’s flood of money printing—while no productive employment or investments are created—is driving the rising tide of inflation.

The worst danger is the power these banks now wield, above all in imposing the global technological great leap backward of the Green New Deal. It will send advanced economies into chaos and subject developing countries to genocidal population reduction by denying electric power, mechanized agriculture, modern medical delivery. But it promises a huge new bubble of “green finance” to those banks by the looting power of high energy prices and carbon taxes. We already have seen BlackRock and associated Wall Street and City of London investment firms forcing the

shutdown of coal and oil power, from the United States to South Africa to the Philippines, by cutting off investment. Only today another consortium of six of the biggest global banks combined to force “decarbonization” on the steel industry. The OECD’s think-tank on “green transformations” projects world steel production to drop by more than half over this century.

Helga Zepp-LaRouche has named the only sane response. These giant banks must be thoroughly broken up, both to choke off the fuel for the engines of speculation and to break their immense political power. How can we allow new classes of deca-billionaires to accumulate hundreds of thousands of times more wealth than working homeowners, and millions of times more than the couple of billion people in the world who have no regular work or healthcare after a year of pandemic?

Glass-Steagall must be brought back, only one of what Lyndon LaRouche called the “Four new Laws To Save the Nation” when he laid them down on June 8, 2014. National banks for productive credit are necessary in every country; and the productivity investments of that credit should be paced by science-driver programs of space exploration and fusion power/plasma technology development. The Schiller Institute’s June 26-27 international conference, featuring experts on both economic and physical sciences, will be a turning point in getting the world back to economic development.

- Watch [Harley’s Updates](#) with Harley Schlanger on Tuesday, June 1, 2021: Every weekday morning on [The LaRouche Organization](#) website, Harley will give you the strategic briefing on what you need to know to start your day.

INTERNATIONAL STATECRAFT

China Officially Allows Couples To Have Three Children

May 31 (EIRNS)—China has officially allowed married couples to have three children, a step up from the two-child policy which has been in place

since 2016. Incrementally, China is moving away from its disastrous “one-child policy” which it had adopted in the 1970s, partially from a thorough misunderstanding of the true source of wealth, and confusion with regard to economic policy, but also under intense pressure and persuasion from the international genocide mafia, that were feeding China with scare-story, frightening computer projections (computers were scarce in China at the time) about the growth of its population, which finally succeeded in tipping the scales toward the selection of the one-child policy.

The People’s Bank and demographers working there have already said that China should eliminate all restrictions on how many children couples have. China is working in that direction, especially given the fact that many couples nowadays are not inclined to have many children for economic reasons. But Beijing is probably wary of moving too quickly, so as not to place too much opprobrium on those who were responsible for the previous policies.

Population growth in the 2010s was the lowest since the 1950s, and China’s fertility rate was a low 1.3. The Census released one week ago confirmed that China’s population fell in 2020, there were 18% fewer births (12 million) than in 2019, and the working-age population shrank relative to the retired population.

Surprise Effort Underway To Install Israeli Government without Netanyahu

May 31 (EIRNS)—The Chairman of the right-wing Israeli Yamina Party announced yesterday he is ready to create a new coalition government after Prime Minister Benjamin Netanyahu failed, due to discontent with his rule, reported the *Jerusalem Post* on May 30. Egypt held a series of simultaneous but separate conversations with Israelis and Palestinians, and plans to speak with Hamas in Gaza this week, the *Post* also reported yesterday.

Naftali Bennett, chairman of the Yamina Party, announced he is ready to create a new coalition government with Yair Lapid, chairman of the centrist Yesh Atid party. Israeli President Reuven Rivlin said it could be a coalition

government that Lapid would lead as the Prime Minister, or a government headed by some other Knesset member. In order to form a government the party-winner of the Knesset parliamentary elections must have the support of 61 out of 120 MKs. Bennett previously served as a senior aide to Netanyahu and supported hardline policies.

The paper says that Netanyahu hoped to get the arrangement he had with Trump, with Biden, creating a demilitarized Palestinian state with Israel retaining control over the West Bank and keeping Jerusalem as its “undivided capital.” But, the deal triggered a backlash from the Palestinian leadership and the international community, with the United Nations denouncing the “dangerous plan” as a violation of international law.

President Rivlin gave Lapid a mandate to form a coalition following the results of the Knesset elections. Bennett said yesterday, “It’s my intention to do my utmost in order to form a national unity government along with my friend Yair Lapid, so that, God willing, together we can save the country from a tailspin and return Israel to its course.” The failure to create a government has led to four elections in just two years in Israel. Bennett told the *Jerusalem Post* that he made the decision in order to prevent a fifth consecutive election, and that there was “no feasible way” for the hardline wing to form a government majority.

Wang Yi Has Busy Weekend Meeting Four European Foreign Ministers

May 31 (EIRNS)—China’s Chinese Foreign Minister and State Councillor Wang Yi had a busy weekend at the expense of the anti-China forces in the European Union. He held separate meetings with the foreign ministers of EU countries, Poland, Ireland, Hungary, and with the foreign minister of Serbia. Although in the shadow of the European Parliament’s decision to break off negotiations with China over the EU-China Comprehensive Agreement on Investment (CAI), the meetings, which all took place in Guiyang, were held in a very warm and friendly atmosphere. All four foreign ministers praised China’s development and thanked the country for its assistance dealing with the current COVID-19 pandemic. Wang

identified trade, logistics, health care, technological innovation, energy and digital economy, the innovation-driven economy and creating new growth points in bilateral ties as areas of cooperation. All welcomed an expansion of Chinese investments.

Significantly all the three EU countries underlined the importance of the CAI and for negotiations to resume in an atmosphere of dialogue. The three members of the China and Central and Eastern European Countries (CEEC)—Serbia, Poland and Hungary—called for continuing to develop the organization of a platform for economic cooperation between China and its 16 members. Some other points of note include:

Wang in his meeting with the Polish Foreign Minister Zbigniew Rau May 29 proposed that the two countries explore the alignment of China's 14th Five-Year Plan (2021-2025) with Poland's pandemic recovery program New Polish Order. The latter is designed to facilitate the use of Brussels' structural funds. For his part Rau said Poland hopes to expand the export of agricultural products to China as well as the above-mentioned areas.

In his meeting with Irish Minister for Foreign Affairs and Defense Simon Coveney on May 31 Wang emphasized that Ireland has enjoyed a trade surplus with China for the last decade while Coveney called for deepening cooperation with China in internet security, aviation, as well as on climate change and peacekeeping. In the same week, on May 28 and 29, the 7th China-Ireland Business Summit was held virtually in Ireland's second largest city of Cork, drawing a number of officials, business leaders, experts and scholars from both sides. Speaking to that event, Martin Heydon, minister of state at the Irish Department of Agriculture, Food and the Marine, said, "My ambition is to cement and further develop that positive trade relation (with China) in the coming years ahead."

Serbian Foreign Minister Nikola Selakovic especially thanked China for delivering Chinese-made vaccines and investment in infrastructure and both emphasized cooperation in enhancing the Belt and Road cooperation.

Hungarian Foreign Minister Péter Szijjártó at his meeting with Wang on May 31 presented him with the Order of Merit of Hungary, Medium Cross with Star. Szijjártó said that Wang had proved his friendship with Hungary during the coronavirus pandemic. By offering Hungary the opportunity to purchase the Sinopharm vaccine, Wang “helped secure the safety of 1 million Hungarian people,” he said.

After their meeting Szijjártó said Hungary’s planned vaccine plant will be fitted out for production of Chinese vaccines against COVID-19 as well as other vaccines, and further stated that the agreement would mean a “great strategic advantage” for Hungary.

STRATEGIC WAR DANGER

Russia’s State Duma Chairman Volodin Denounces EU Attempt To Sabotage Biden-Putin Summit

May 31 (EIRNS)—Chairman of the Russian State Duma Vyacheslav Volodin on May 30 denounced the European Parliament and its President David Sassoli for attempting to sabotage the summit between U.S. President Joe Biden and Russian President Vladimir Putin. “The European Parliament and its President David Sassoli have tried to gain political weight using the upcoming meeting between the Russian and U.S. Presidents as a pretext,” Duma Speaker Volodin wrote on his Telegram channel. He recalled Sassoli et al. inviting Washington to sign on to a draft joint statement to be made public ahead of the summit, that would call for toughening sanctions against Russia and China. “As a matter of fact, the European Parliament is imposing a confrontational agenda on Joe Biden ahead of his meeting with Vladimir Putin. It is obviously meant to exert pressure, to create a negative backdrop for the summit—in a bid to gain political points on the topics that might be discussed by the two Presidents.” Volodin said, in a reckless attempt “to wreck possible Russian-U.S. agreements, the Europeans are cutting their own throats” and ignore the role of the Russian-U.S. relations for peace and well-being in Europe, calling it a “miserable attempt to butt into the dialogue.”

RIA Novosti reported that Deputy Foreign Minister Sergei Ryabkov also stated yesterday: “The Americans must assume that a number of signals from Moscow ... will be uncomfortable for them, including in the coming days,” which Reuters tied to Biden’s fresh announcement he will ask Putin to respond about “human rights” at the summit. Ryabkov said Russia would be prepared to respond to Biden’s queries about human rights in Russia and said that Moscow was being more flexible than Washington when it came to drawing up an agenda for the summit, RIA reported, according to Reuters.

Today, came one signal, detailed by the Defense Ministry website: Russian Defense Minister Sergei Shoigu told the Defense Ministry Board Session today that the situation in the Western strategic direction is characterized by an increase in military threats. Over the past 7 years, the intensity of flights of the U.S. Air Force’s strategic bomber aviation in Europe has grown 14 times. NATO ships with guided missile weapons systematically enter the Baltic Sea. Only last year, ships of this class performed missions near the Kaliningrad region three times.

“The actions of our Western counterparts are destroying the security system in the world and forcing us to take adequate countermeasures,” General of the Army Sergei Shoigu said. “We are constantly improving the combat composition of the troops. By the end of the year, about 20 formations and military units will be formed in the Western Military District....

“In addition, the training of personnel and military command and control bodies is constantly being improved. The intensity of practicing combat training tasks by the ships of the Baltic Fleet increased by 30%. More than 200 exercises have been completed using various types of weapons,” Shoigu explained.

Finally, he said, a set of tasks will begin in June within the framework of joint exercises of special forces. “I want to emphasize that the Zapad-2021 exercise is planned. It is carried out by decision of the Presidents of Russia and Belarus and is exclusively defensive in nature. ... Our partners

will be informed about the parameters of the exercise, and the event itself will be able to be visited by international observers and journalists,” said Shoigu.

SCIENCE AND INFRASTRUCTURE

In Hefei, Experimental Advanced Superconducting Tokamak Holds Latest Record Toward Fusion Power

May 31 (EIRNS)—A record combination of high temperature and long duration of confinement of a fusion plasma was achieved by China’s primary fusion power experiment, known as the [Experimental Advanced Superconducting Tokamak](#), or EAST, the facility announced on May 28.

Daily Pakistan wrote on May 29, “As the world advances with fast-paced technological discoveries, China has successfully made a new record which is a league of its own. China’s artificial sun sets a new world record as it achieved a plasma temperature of 120 million degrees Celsius for a period of 101 seconds.

“ ‘The huge accomplishment is a key step toward the test running of a fusion reactor,’ announced by Gong Xianzu who is a researcher at the Institute of Plasma Physics of the Chinese Academy of Sciences (ASIPP), [and] was in charge of the experiment conducted in Hefei, capital of east China’s Anhui Province.”

The EAST experiment took a full year to prepare; and in another run, this Chinese prototype of an “artificial sun,” reached an even higher plasma temperature, 160 million degrees Celsius, and sustained it for 20 seconds. These temperatures are high enough and sustained long enough for deuterium-tritium ions in the plasma to fuse and produce energy, if the superhot plasma can be stably confined with less energy input than the output from the fusion reactions. This requires the third parameter—sustained, much higher plasma density than has thus far been reached in tokamaks.

“It’s a huge achievement in China’s physics and engineering fields,” the paper quoted ASIPP Director Song Yuntao. “The experiment’s success lays the foundation for China to build its own nuclear fusion energy station.”

China Off to a Rocket Start on Space Station

May 31 (EIRNS)—China successfully launched its Tianzhou-2 cargo spacecraft on May 30 for its first Tianhe space station core cabin supply mission. In doing so it tested and performed an extremely fast, yet smooth automatic docking of the cargo ship with the Tianhe module, reported the *Global Times* yesterday.

In the past month China has achieved “yet another spectacular milestone”, *Global Times* reported, placing it in the context of the launch of China’s first section of its space station; the Tianhe core cabin on April 9; China’s first interplanetary mission Tianwen-1’s soft landing on Mars of May 16, and Zhurong Mars rover commencing its first trip on the Mars surface on May 22 after its landing with Tianwen-1.

The Tianzhou-2, a cargo craft, dubbed “the delivery guy,” is tasked with refueling the Tianhe space station core cabin for its maintenance in orbit and conducting science experiments in space. Ground logistics technology has been adapted for space on Tianzhou-2; e.g., astronauts can see the location and other information on specific goods by scanning a QR code.

More important, it demonstrated a substantial improvement in docking technology: In 2017 it took Tianzhou-1 docking with Tiangong-2 about two days; the docking this weekend took only eight hours, as Tianzhou-2 adopted a new long-distance guiding technology, and used location information provided by China’s BeiDou Navigation System. Moreover the weight ratio of cargo load to total weight of the spacecraft was over 50% (6.8 tons out of 13.5 tons), a first in space.

The three astronauts who will fly the Shenzhou-12 manned spacecraft to the Tianhe space station core cabin in June are now under Level-2 quarantine, with all related work now in a “final sprint stage,” said Yang Liwei, China’s first astronaut and current Director of the China Manned

Space Engineering Office. The three astronauts will stay in space for three months, during which they will conduct tasks including repair and maintenance, appliance switch and scientific operation of payloads, and all three can also work outside the cabin.

With the successful launch of the Tianzhou-2 cargo ship on May 29, China has completed its first two launch missions out of the total of 11 of the intensive space station construction phase, scheduled from April 29, 2021 to 2022. Three will be for modules; four for cargo spaceships, and four for manned spacecraft.

COLLAPSING WESTERN FINANCIAL SYSTEM

China Is Trying To Deflate the Big Central Banks' Inflation

May 31 (EIRNS)—China has become the global countervailing force of deflation, aiming to reverse the “commodity boom” and simultaneously strengthen the dollar against the yuan. First, as already reported, on May 22 the National Development and Reform Commission (NDRC) cracked down on commodity speculation by metals producers and their banks, threatening serious fines and penalties. Second, the China Banking and Insurance Regulatory Commission (CBIRC) requested banks to unwind existing books of commodity-linked products, meaning their loans to and futures trades with retail investors. CBIRC is cracking down on commodity speculation among retail investors and exchanges have been told to implement price-control measures for commodities.

Third, credit impulse in the Chinese banking system is currently negative; that is, new bank credit as a percent of GDP is falling. The People's Bank of China central bank today increased the required reserve ratio for the banks, after using reductions in that ratio as a tool to put more credit into the economy after the COVID epidemic had receded. These measures have stopped the rise of some commodity prices (metals) and also caused long-term government bond rates in the U.S. and Europe to fall. That does not mean it has stopped inflation.

GREEN NEW DEAL

Six Global Banks Unite To Destroy Steel Industry

May 31 (EIRNS)—Under the leadership of Dutch financial speculator ING and with the help of French Société Générale, six global financial institutions have “come together to define common standards of action for steel sector decarbonization” under the umbrella of the Steel Climate-Aligned Finance Working Group. Together, these “liquidity-challenged” global institutions—Citi, Goldman Sachs, ING, Société Générale, Standard Chartered, and UniCredit—will be working through the Rocky Mountain Institute’s Center for Climate-Aligned Finance, “with the goal of crafting an industry-backed agreement before the United Nations Climate Change Conference in November 2021 (COP26, in Glasgow, U.K.).”

Lost in all the verbiage about “degrees centigrade” and the like which follows their announcement, is the fact that the steel industry essentially cannot be decarbonized, leaving two realistic possibilities for this venture: Either it will serve to create a huge financial flow by extorting purchases of “carbon offsets” from those industries which can afford them, or it will oversee the financial strangulation of one of the founding bedrocks of modern, industrial society. No surprise then, to find that this “Working Group” is a direct offshoot of the Davos Forum’s “Mission Possible,” which has set its sights on all global carbon-intense industries—steel, aluminum, concrete, air and ship travel—for elimination.

In fact, the Rocky Mountain Institute group says outright that it will work with the (newly created) Net-Zero Steel Initiative, which itself is a direct project of the World Economic Forum (which hosts its website). The agreement, they say, will be modeled on the Poseidon Principles, which is the model for decarbonizing the global shipping industry (and also the subject of a Hollywood movie “The Poseidon Adventure,” about a luxury liner which capsizes and sinks). The Poseidon website shows four banker-endorsed “Principles” for compliance: Assessment, Accountability, Enforcement and Transparency.

OTHER**More About the Danish Military Intelligence-NSA Allied Spying Cooperation**

COPENHAGEN, May 31 (EIRNS)—The new round of disclosures about Danish Military Intelligence (FE) giving the U.S. National Security Agency (NSA) access to massive amounts of data from the submarine Danish electronic information cable nexus, is occurring because whistleblowers inside FE want it to be known that the NSA-FE spying cooperation is not being directed only against “enemies” like terrorists, and Russia and China, but also against “friends” including Germany, France, Sweden and Norway, and other Danes, and that this is not in the interest of Denmark.

Tom Gillesberg, chairman of the Schiller Institute in Denmark, gave a video briefing today with the title, “What Is in the Danish Interest— To Be a Spy for the NSA against Our Allies, or Something Else?” The same question is also being raised by other commentators. After Edward Snowden’s 2013 revelations, a discussion ensued inside FE about the question, and an internal investigation started in 2014 under the name Operation Dunhammer, which was kept secret from the NSA, and was completed in 2015. It showed that the “selector” search words that the NSA was using to pluck out useful information from the data mass through the NSA’s XKeyscore system, also included the telephone numbers of leading politicians and bureaucrats in countries which are among Denmark’s best allies. This report remained secret from the public and the Danish Parliament. We don’t know if the prime minister was informed. This report has now been leaked to the investigative journalist alliance, that was working on the story since 2012.

Though the FE leadership was informed about the NSA allied spying, they did nothing to stop it, according to the sources. Another very important question is whether this kind of spying is still going on. In 2018, a member of the Operation Dunhammer team went to the Danish Intelligence Oversight institution with accusations that the NSA-FE cooperation included spying against Danish citizens, which is illegal. A

year ago, that oversight institution came out with an unprecedented press release which included a strong attack against FE, which resulted in the Danish defense minister suspending the FE leadership; the government established an investigative commission, but without the allied spying being part of the commission's mandate.

Edward Snowden posted a tweet on the subject last night: "Biden is well-prepared to answer for this when he soon visits Europe since, of course, he was deeply involved in this scandal the first time around.

"There should be an explicit requirement for full public disclosure not only from Denmark, but their senior partner as well." Biden was Obama's Vice President when the Snowden leaks came out.

RT reports that Norway's Defense Minister Frank Bakke-Jensen said they were "taking the allegations seriously," while Sweden's Defense Minister Peter Hultqvist said he "demanded full information on these things."