



California Water and Infrastructure Report

For March 19, 2020

by Patrick Ruckert

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“We are now experiencing the worst international health crisis of the past hundred years. This crisis is so extremely dangerous, because the coronavirus pandemic now coincides with the systemic global financial crisis that was already near explosion before the medical crisis broke out. The pandemic was merely the trigger. A solution exists—but only if western societies are prepared to replace all the axioms of the neoliberal model with an economic policy, which is not guided by monetarist considerations, i.e., to speculators’ profits, but guided instead by the absolute value of human life, the principles of science, and solidarity with the entire family of mankind.”

Helga Zepp-LaRouche

A Note To Readers

A day late with the report this week, but I think you will find much of interest in it.

Superseding, once again this week the nominal topic of these reports, the focus is on COVID-19, not as something disconnected from something more fundamental that the Corona virus is just an element of.

That larger something is that the entire system that has dominated much of our planet for the past 50 years is in a breakdown crisis. A collapse of the entire system is what is underway. The driving three elements of that breakdown are the COVID-19 pandemic, potentially threatening millions of lives; secondly, what the Corona virus has triggered, but not caused is the collapse of the speculative system of Wall Street and London-- a collapse of so-called financial assets, which the trillions being poured into the banks and financial companies cannot stop, but only exacerbate; thirdly, the collapsed state of our infrastructure and health care system brings to the forefront just how insane the financial and

economic policies of the nation have been for decades.

In other words, the test of any system must be how does it respond to a crisis? While we can hope that the U.S. and other nations can do what China has done in containing the epidemic, what we must really do is restore the American System of economics on the principles it was established by our first Treasury Secretary Alexander Hamilton. President Franklin Roosevelt got close to doing that, but unfortunately died in April, 1945 before he could consolidate it after the War.

President Trump, both during his 2016 campaign for the presidency and in statements early in his presidency, called for restoring Glass Steagall and the American System policies of Alexander Hamilton. Facing multiple coup attempts from London's MI6, fully supported by the Democrat Party and the corrupt US media, Trump refrained from standing up to Wall Street to implement these policies. But now there is no choice but to act immediately, as Wall Street and the City of London have unleashed potentially unlimited printing of "helicopter money" to bail out the bankrupt financial system.

In this week's report

We begin with the policy statement issued by Helga Zepp-LaRouche on really what must be done. That is followed by her statement on the absolute necessary action of closing down the financial markets now, at least for a limited amount of time, during which we delete the garbage like derivatives, while protecting real economy assets and pensions.

Always radical action like she proposed should have a precedent, and we do have one, what FDR did in his first 100 days as President.

Next we look at the "Urgent Physical-Economic Requirements for Defeating COVID-19."

That is followed by some of the action being taken by President Trump and others. Specifically the president has invoked the Defense Production Act, giving him broad powers to commandeer if necessary the nation's productive capacity to produce especially the necessary medical equipment and protective items necessary in this epidemic.

There should be no surprise expressed as we see politics turned on its head in this crisis. The president is finding common ground and unprecedented cooperation from the Democratic governors across the country, especially those of California and New York.

Leading the next to final section of this report is this item, making the point that it is not the Corona virus that is collapsing the markets, but the virus is only a trigger of a system that was ready to go, "The Neoliberal Economic/Financial System is Near Death, It's Time to Bury it!" That is followed by a few more items on the same topic.

The report concludes with, "Xi Jinping Calls for Building a 'Health Silk Road' for the Whole World." So, as the late Lyndon LaRouche would say, "have fun."

COVID-19 Pandemic Forces Rethinking: International Cooperation Indispensable!

by Helga Zepp-LaRouche, zepp-larouche@eir.de

March 16, 2020

<https://schillerinstitute.com/blog/2020/03/16/covid-19-pandemic-forces-rethinking-international->

[cooperation-indispensable/](#)

We are now experiencing the worst international health crisis of the past hundred years. This crisis is so extremely dangerous, because the coronavirus pandemic now coincides with the systemic global financial crisis that was already near explosion before the medical crisis broke out. The pandemic was merely the trigger. A solution exists—but only if western societies are prepared to replace all the axioms of the neoliberal model with an economic policy, which is not guided by monetarist considerations, i.e., to speculators' profits, but guided instead by the absolute value of human life, the principles of science, and solidarity with the entire family of mankind.

Even President Macron of France has recently mentioned what can no longer be overlooked: The liberal democratic political system is ill-suited to react adequately to existential threats. The sooner Europe and the U.S.A. grasp the fact that we must take exactly the same public health measures that China took in January in the city of Wuhan and Hubei Province, the more human lives will be saved. Rather than making use of the time gained for the world by the Chinese government's decisive actions—correctly characterized by the WHO as absolutely exemplary—the western governments have wasted priceless weeks. As a result, Europe has now become the epicenter of the pandemic and the situation in the United States is quite unclear due to the lack of testing up to this point.

But the necessary reorganization can't be limited to the area of human health. We need a completely new paradigm in politics and economics if we are to prevent a collapse of civilization like that of the 14th Century. Many scientists in a number of nations are assuming that about 70% of the population will be infected within the next one to two years, at least until a vaccine can be developed and produced. Prof. Christian Drosten of the Berlin Charité Hospital cites a new study that says we can no longer count on a slower spread of the virus in the Spring and Summer. At the same time, it has to be assumed that the pandemic will spread further throughout the Southern Hemisphere during its Winter, and then come back to the Northern Hemisphere in the Autumn, strengthened and possibly in a mutated form.

This means that we not only have to correct the consequences of the takedown of our national public health system in the recent decades, and equip it in the shortest possible time to treat the expected number of patients. We also have to create the conditions for a global healthcare system in the short term.

Not Unexpected

The current crisis is in no way unexpected. In 1974, Lyndon LaRouche initiated what he called a “biological holocaust taskforce,” tasked to investigate the impact—above all, on the developing nations—of the austerity policy and conditionalities of the International Monetary Fund and World Bank. LaRouche and his colleagues presented the results of these studies in a series of reports that warned that the decline in living standards on several continents, which these institutions would be unleashing over the coming years, would lead to the resurgence of old plagues and the occurrence of new diseases and pandemics.

When one considers the conditions in many nations in Africa, Asia, Latin America, and even in the poorer regions of Europe and the United States today, it becomes very clear that only a global change of policy can remedy this. About two billion people currently have no clean drinking water and most so-called developing countries have nothing close to a modern healthcare system. Famine exists at the present time in several southern African countries. A locust plague, against which the international community did not act in a timely way, threatens to lay waste dozens of nations in Africa, Asia and Latin America. As a result of the so-called “wars of humanitarian intervention” and the underdevelopment already referred to, millions of refugees have fled toward Europe and America to escape danger to life and limb.

Therefore, if we want to prevent the coronavirus pandemic from spreading in waves and migrating from the Northern to the Southern Hemisphere and back—thus potentially creating the breeding grounds for additional similar and worse viruses—we must initiate radical changes.

Systemwide Changes Required

Hospitals with isolation wards must be built throughout the world, following the example of the city of Wuhan and Hubei Province, which built a total of 14 temporary hospitals, including the necessary intensive care beds. World Health Organization standards must be observed in doing so. China, for example, built facilities with 16,000 new hospital beds in just one month.

International scientific research centers must be established for research on the COVID-19 virus and other viral and bacterial pathogens. Vaccines must be developed and tested. The results of research in biophysics, nuclear biology and space medicine must be made available immediately to all nations. The point of reference for this is the conception of a Strategic Defense of Earth (SDE) developed by Lyndon LaRouche, in which the protection of human life from pandemics is one focal point.

These worldwide measures require investments that cannot be made under the conditions of the present, collapsing financial system.

The current actions of the central banks in injecting liquidity into this financial system by the trillions of dollars, and even the allocation of budget funds by governments, is due to a hyperinflationary monetary explosion, and is unsustainable.

If we are to fight the coronavirus pandemic successfully, and build and equip the necessary hospitals, we need the total package of actions proposed by Lyndon LaRouche a number of years ago:

1. A system of bank separation must be introduced immediately on a worldwide scale, based exactly on the model of the Glass-Steagall Act signed by President Franklin Roosevelt on June 16, 1933. Commercial banks must be put under Federal protection under this system and completely separated by a firewall from speculative investment banking firms and units, which will no longer have any access to the assets of the commercial banks, nor have the privilege of being saved by taxpayers' money. The toxic paper of these banks, including their outstanding financial derivatives contracts, must be written off. Legitimate receivables that are connected with the real economy or with pensions and other assets of working people should be classified as valid in the new system as well. Some types of claims for payment must be provisionally frozen and reviewed for validity by Federal institutions.
2. A national bank must be founded in each country, in the tradition of Alexander Hamilton or on the model of the German Kreditanstalt für Wiederaufbau (Reconstruction Finance Corporation) after World War II. Their purpose is to supply Federal credit for productive investments that will provide the physical economy with the necessary funds. The issuance of these credits must be guided by the principles of high energy-flux density and an optimal increase of the productivity of productive capacities and the powers of labor, through an emphasis on scientific and technological progress.
3. Among the participating countries, a system of fixed parities must be established, and cooperation treaties must be established among sovereign states for the purpose of well-defined infrastructure and development projects. These treaties together represent in fact a New Bretton Woods system as it was intended by Roosevelt, with the explicit intention of providing credit for the industrial development of the developing sector.
4. An urgent increase in the productivity of the world economy—to accommodate a world population of presently almost eight billion people—must be facilitated through an international crash program for the realization of thermonuclear fusion power and other advanced technologies, in such fields as optical biophysics and life sciences, in order to find

solutions for challenges such as the coronavirus. This increase in productivity must also be enabled through international cooperation in space technology and travel, which can establish the necessary next higher economic platform for the world economy, as this concept has been developed by the economist Lyndon LaRouche.

The only institutions which can carry out such a worldwide program are the leading governments of the planet, which must be representative of the entire world's population in their composition. Therefore it is in no way sufficient that the governments of the G7 should agree among themselves; these solutions can be implemented only with the involvement of Russia, China and India.

That also means that geopolitics must finally be overcome and replaced by the idea of the common future and goals of mankind. If we do not want to fall into a new dark age, we have to replace neo-Malthusian ideas, the anti-scientific "Green New Deal," monetarism and Eurocentrism with the ideas of physical economy, guided exclusively by the scientifically provable principles of the laws of the universe.

And finally, perhaps the most important change which we must make in our thinking: We need a new humanist Renaissance, a renaissance of classical culture. For the world has been brought to this point not least by the unbounded hedonism which went along with liberal and neoliberal democracy. The moment has arrived when the ideology of "anything goes" must be put aside. We will overcome this crisis only if we are inner-directed in accord with the love of humanity. But it is for that, after all, that we are human beings!

Urgent: Helga Zepp-LaRouche Calls for Immediate Banking Holiday

March 18, 2020

<https://larouchepac.com/20200318/urgent-helga-zepp-larouche-calls-immediate-banking-holiday>

Helga Zepp-LaRouche, founder of the International Schiller Institute, called for an immediate banking holiday to halt the inevitable collapse of the global casino economy and to reorganize it, shutting down the speculative financial operations which have preyed on the global economy.

Transcript:

This is Helga Zepp-LaRouche speaking. I am the founder and president of the Schiller Institute.

It is absolutely clear, that after the roller coaster and dramatic losses of the financial markets in the recent days, the systemic crisis is spinning out of control.

The only remedy to prevent a further devastation of the real economy, a dramatic increase of mass unemployment and the loss of lives of the poor and vulnerable segments of the population is to close down the financial markets.

This is the necessary first step, to then use this banking holiday, to implement the reorganization of the financial system, starting with a global Glass-Steagall separation of the banks, exactly as FDR did in 1933.

The measures which were taken by the European governments and the US such as credits for enterprises, delays in tax payments, and even possible direct handouts of money, the so-called "helicopter money", while intended to keep the functions of industry, institutions and the workforce going, will not be sufficient, because the system is hopelessly bankrupt.

Most of the enormous amounts of liquidity , which have been injected into this bankrupt monetary system after 2008 and than in an escalated way after September 17. 2019, has just increased the activity of the Casino economy and the frenzy of the speculators. The effort by the central banks to maintain that speculative sector can only lead to a hyper-inflationary blowout like in Germany in 1923.

The closing of the financial markets must be accompanied by an immediate emergency summit of the most important governments of the world, the US, China, Russia and India,- supported by others-, to decide the urgent reorganization of the financial system and the establishment of a New Bretton Woods System, as it was intended by Franklin D. Roosevelt and called for by Lyndon LaRouche, to restart the physical economy worldwide.

Such immediate steps are indispensable, since the Corona virus- pandemic can only be brought under control, if the spread of the virus is stopped and an adequate health system is established in every country.

This is a test, if humanity has the moral fitness to survive.

How it Was Done in 1933

Since it was President Franklin D. Roosevelt's policy that ended the Wall Street bankers using depositors money for speculation in stocks, thus creating the bubble that blew-out in October, 1929, here is a short list of what FDR did in his first 100 days as President:

- 1) Passed the 1933 Banking Act, that included [Glass-Steagall banking separation](#) (forcing Wall Street banks to break up their functions and preventing speculators from gambling with productive assets).
- 2) Created the *Federal Deposit Insurance Corporation* (FDIC) that protected citizens' savings from future crises.
- 3) Created the *Securities Exchange Commission* to provide oversight to Wall Street's activities and on whose body Pecora was appointed commissioner in 1934.
- 4) Unleashed broad credit through the *Reconstruction Finance Corporation* (RFC), which acted as a national bank bypassing the private Federal Reserve, channeling \$33 billion to the real economy by 1945 (more than all private commercial banks combined).
- 5) Impose protective tariffs on agriculture, metals and industrial goods to stop dumping of cheap products in America and rebuild America's physical economy
- 6) Created vast public works, like the Tennessee Valley Authority, the Grand Coulee dam, Hoover dam, the St Lawrence Seaway development project, and countless other projects, hospitals, schools, bridges, roads and rail under the New Deal.

What Are the Requirements Today?

Urgent Physical-Economic Requirements for Defeating COVID-19

https://larouche.com/pr/2020/200313_covid_19.html

March 13, 2020 (EIRNS)—Just as the outbreak of the global coronavirus pandemic is a direct consequence of a half-century of destruction of the global physical economy, which has reduced the planet's potential relative population-density in precisely the manner foreseen by Lyndon LaRouche, the war plan for defeating COVID-19 requires a global alliance of forces to immediately reverse those

suicidal policies, rebuild the economy, and launch a crash program to produce the necessary weapons to do battle against the disease. Every competent medical expert has stressed that the battles must be waged on a continuum of fronts, in order to win the war: from early detection kits; to quarantine and other protective measures and gear; to advanced hospital facilities with necessary equipment; to the qualified medical personnel with adequate training for these wartime conditions.

The United States, and almost every country on the planet, is woefully deficient and unprepared in all these areas—a deficiency that is not solved by lowering the standards of care, as has been demanded of the CDC, but by gearing up production massively to address the problem. It's what Franklin Roosevelt did to turn the U.S. into the arsenal of democracy to defeat fascism, along with the Allies; it is what must be done today.

President Donald Trump has to take action, and drag the Congress along with him if need be, to forge a New Bretton Woods credit system agreement with China, Russia, India and other nations. Such a working alliance would act as follows:

- The big Wall Street and City of London-centered banks must be put through bankruptcy reorganization, not bailed out. Bailouts to these banks and their holding companies would again, as in 2008, only be passed along to their thousands of speculative units, client hedge funds, investment banking units, and so on. The big banks' deposit base would also be looted to keep the speculative bubble—all \$2 quadrillion of it—afloat. Instead, restoring the Glass-Steagall Act will put these speculative units out in the cold, while protecting useful commercial banking activity. The large banks will have to sell off their speculative units quickly, stop lending to them, and let them fail. Retirement funds will have that short time to get out of these speculative investments.
- Create a capital budget for new infrastructure construction, including building new hospitals and other public health facilities, and the additional electricity capacity and clean water supplies they need. There is plenty of other new infrastructure needed as well. New Federal bonds, construction bonds, have to be issued for this capital budget, whether by an emergency nationalization of the Federal Reserve or simply by creating a Reconstruction Finance Corporation backed by the Treasury. This infrastructure credit corporation or national bank will cooperate with those of the other founding powers in the New Bretton Woods system, to fund critical projects worldwide and capital goods exports. The projects directly related to COVID-19 include:

Test kits must be produced on a massive scale, and advanced testing stations must be established—including using drive-through testing facilities such as those employed successfully in South Korea and elsewhere. There is also a grave shortage of RNA extraction kits needed for performing the tests, as the Centers for Disease Control and Prevention's Director Dr. Robert Redfield has warned.

There are insufficient N95 respirator masks for healthcare workers, let alone the public. Other components of the required PPE (personal protective equipment), such as gowns, goggles, boots, gloves, and other protection, are also not available in the necessary quantities. Production must be increased by orders of magnitude, with the government charting the course for the private sector.

New hospitals must be built, with isolation and intensive care capacity, both in the U.S. and all over the world. The COVID-19 virus is extremely contagious and has much worse mortality than influenza. Moreover, virology experts forecast its return over 2020-2021. Modern care ratios of beds per thousand residents must be observed to determine the total number of acute, intensive care and isolation (negative pressure) beds to be built. Similarly, advanced treatment capabilities, such as ventilator units,

must also be produced and provided. Consider: China has 60% more hospital beds per thousand inhabitants than the United States. (Most other countries are in much worse shape, and have only minimal capacities.) Yet China added 16,000 beds in the city of Wuhan in just one month. Remember that the United States Army Corps of Engineers did the same thing, just as fast, in Liberia in the Ebola epidemic in 2014. New hospitals with millions of beds can be built by 2020-2021 if a summit of the major industrial and scientific powers determines to do so.

Build sufficient electric power supply for the new hospitals. Based on electricity use in American hospitals, for 1 million new hospital beds about 6 GW of new electricity capacity would be needed around the world, in about 100 new electric generating units, each of the size of a gas turbine plant or, as soon as possible, a modular nuclear reactor.

Provide the scientific research needed in the coronavirus pandemic: Scientists have to know much more about COVID-19, even as vaccines are being tested. This demands a cooperative effort of many countries using frontier biophysics, nuclear biology, and space medicine from major spacefaring nations. CDC Director Dr. Robert Redfield proposes 12 research centers around the world.

Saving human life, and improving human life, is the most important economic mission.

The President Acts and Democratic Governors Join Him

Speaking as ‘Wartime President,’ Trump Invokes Defense Production Act To Accelerate COVID-19 Response

March 18 (EIRNS)—In today’s White House press conference of the coronavirus task force, President Donald Trump described himself as a “wartime President,” and announced that shortly after the press conference, he would be invoking the Defense Production Act (DPA), “just in case we need it,” which grants him the authority to take whatever action he deems necessary to defeat the “invisible enemy” of the novel coronavirus.

“If we need to use it [the DPA], we’ll use it at full speed ahead,” the President said. It will allow for the production of respirators, personal protection equipment (PPEs) and N95 masks, he said.

Enacted in September 1950 as part of the Korean War mobilization, the DPA grants the President broad powers that would certainly be appropriate in responding to the current COVID-19 emergency. These include mobilizing sectors of industry, revamping regulations to ensure allocation of materials, services and facilities, and control of the civilian economy to ensure availability of scarce or critical materials. Among other things, the DPA also grants the President the authority to requisition property, force industry to expand production and the supply of basic resources.

Trump told reporters at one point, “We are ordering thousands and thousands of ventilators.”

Significantly, Trump concluded his opening remarks to the press conference, by pointing to the example of Franklin Roosevelt’s war mobilization during World War II—he didn’t mention Roosevelt by name—to discuss actions he’s taking today. “In World War II, young people in their teenage years volunteered to fight. They wanted to fight so badly because they love our country. Workers refused to go home and slept on factory floors to keep assembly lines running. The numbers of ships that they built during World War II—to this day ... nothing like that has ever been equal. They were doing ships literally on a daily basis. Nobody has ever seen anything like it. To this day, nobody has seen anything like what they were able to do during World War II.

“And now it’s our time. We must sacrifice together because we are all in this together and we’ll come

through together. It's the invisible enemy. That's always the toughest enemy: the invisible enemy. But we're going to defeat the invisible enemy. I think we're going to do it even faster than we thought. And it will be a complete victory. It'll be a total victory."

'At War With No Ammo': Doctors Say Shortage of Protective Gear Is Dire

The lack of proper masks, gowns and eye gear is imperiling the ability of medical workers to fight the coronavirus — and putting their own lives at risk.

By [Andrew Jacobs](#), [Matt Richtel](#) and [Mike Baker](#)

March 19, 2020

https://www.nytimes.com/2020/03/19/health/coronavirus-masks-shortage.html?te=1&nl=morning-briefing&emc=edit_NN_p_20200320§ion=topNews&campaign_id=9&instance_id=16929&segment_id=22414&user_id=e0e41d185e8131faaa79fe41bcc74661®i_id=97972907tion=topNews

Texas Gov. Abbot: Re-Open Shut Hospitals, Use MASH Tents, Line Up COVID-19 Beds; Crime of Hospital Closures Exposed

March 19 (EIRNS)—A wave of hospital closures is sweeping the nation, at the very moment that the United States needs the opposite: expanding hospital bed capacity—both through re-opening recently closed hospitals, and through a large-scale program of building new hospitals, adding tens of thousands of hospital beds, to handle what is expected as an immense increase of COVID-19-infected patients, as well as to maintain the general health of the nation.

In Texas yesterday, Governor Greg Abbot held a video conference with hospital directors from around the state. In the last ten years, Texas leads the nation in rural hospital closures, with 20 shut down. Abbot said that recently closed hospitals will be re-opened, plus MASH-type tent hospitals will be set up and other measures taken.

Nationwide, 47 rural hospitals shut down in 2019, according to the Federal agency MedPAC, and the process carried over into 2020. A Jan. 6, 2020 *Bloomberg* news service article, entitled "Hospital Bankruptcies Leave Sick and Injured Nowhere To Go, reports that at least 30 hospitals entered bankruptcy in 2019," according to Bloomberg data. This ranges from Hahnemann University Hospital in downtown Philadelphia, to De Queen Medical Center in rural Sevier County, Arkansas, to Americore Health LLC, a company built to preserve local hospitals.

The closing of Hahnemann Hospital is particularly severe. Started in 1848, it was a 496-bed facility, with a medical staff of 570, that had been serving mostly the poor and under-served of Philadelphia, a city of over 1.5 million. It served 30 medical specialties. It was taken over by private equity investor Joel Freedman, who on June 26, 2019 put the hospital into bankruptcy reorganization, forcing the hospital to close. An entire section of Philadelphia has no hospital.

This problem is particularly acute for rural hospitals. From 2005 to 2019, a total of 168 rural hospitals closed in the nation. Over 57% (or 96) of those closed during the Obama years, and the largest number of them were closed in the South. Especially hard hit have been Texas and Tennessee. These rural closures are concentrated in East Texas and West Tennessee. For example, McKenzie Regional Hospital in Tennessee closed in September 2018, and now families face an hour-long commute to the nearest hospital—if they have a car. In Texas, of 22 communities impacted, eleven now have no hospital, emergency services, or clinic services.

In response to this crisis, there should be a re-opening of hospitals in all 50 states. *EIR*'s Task Force is working on determining how many hospitals and hospital beds could be gained from re-opening recently closed hospitals. It could add 2,500 to 5,000 additional beds, and perhaps significantly more. In the short term, that would be very valuable. But to reverse the 40-plus years take-down of the Hill-Burton hospital infrastructure, there has to be a complete mobilization to build new, fully equipped hospitals, using equipment based on advanced physical principles, to tackle the crisis of the COVID-19 virus (building infection isolation hospitals or stand-alone units) as well as the needs of the nations health as a whole.

Democrats Working with Trump

The Democrats who led the coup attempt against President Trump, screaming “Russia Russia Russia” for months on end, are coming to their senses. Democrat Congressional leaders Nancy Pelosi and Chuck Schumer, while calling for a “Marshall Plan” to restore the decayed public health system in America, are working with Trump and the Republicans on bills to get emergency aid to businesses and individuals suffering from the shut down which is now in place in all the major U.S. hot spots of the COVID-19 disease. When Schumer called on Trump to activate the Defense Production Act immediately, to use the powers of the presidency to direct industrial facilities to produce emergency medical and related goods, Trump agreed, and described his discussion with Schumer as “extremely good.” The leading Democrat Governors, led by New York’s Andrew Cuomo and California’s Gavin Newsom — traditionally no friends of Trump — have implemented forced closures of non-essential businesses and demanded “shelter in place” for all citizens, while offering thanks and praise to President Trump for the close cooperation between his administration and the state governments in confronting the crisis.

In yet another sign of the phase shift in the way people can become capable of thinking in a crisis, Rep. Ilhan Omar, one of “The Five” new Congresswomen who have ranted against Donald Trump since their midterm election victories, has praised the President for his leadership of the war against the coronavirus, and called on others to join in supporting him.

“Politics aside,” she wrote, “this is incredible and the right response in this critical time.” She reposted a tweet from Lee Fang (from The Intercept) saying: “Trump suspending mortgage foreclosures, demanding cash payments to Americans, now invoking the Defense Production Act to force private firms to produce needed supplies is incredible. Kind of a shell shock for anyone who reported on any economic policies in the Obama years.”

Omar also tweeted that Ayanna Pressley, a fellow member of “The Five,” “always says, unprecedented times require unprecedented leadership and we are seeing that in our country right now. I have faith that we will survive this as a nation and build together.”

She added: “Finally, we should never let politics get in the way of good policy. This is a great start and hope others will be part of a united front to push for good policies that will help us work through the economic anxiety the country is feeling right now.”

President Trump and Governor Cuomo Set Example for U.S. Leaders, That Nation Comes before Party

March 17 (EIRNS)—In the midday briefing by the White House Coronavirus Task Force today, President Donald Trump reported he had had a “very productive talk” with New York Gov. Andrew Cuomo again this morning. We are coordinating, he emphasized, and on the same track. New York State is the #1 hotspot of COVID-19 in the nation, “no fault of anybody, that’s the way it happens,” the

President said, so we are working closely together, getting FEMA more involved and dealing with the Army Corps of Engineers, should that be necessary.

In his own briefing Tuesday morning, Cuomo also spoke forcefully, and movingly, of his partnership with President Trump and his team in the fight to save the nation from this disease:

“This is an extraordinary time in this nation’s history. It will go down in the history books as one of those moments of true crisis and confusion and chaos. I lived through 9/11. I remember the fear and the panic that existed in 9/11 where a single moment, your whole concept of life and society can be shaken, where you need to see government perform at its best, you need to see people at their best. Everybody’s afraid. Everybody’s nervous. How you respond, how you act, this is character test for all of us individually.

“It’s a character test for us collectively as a society. What did you do at that moment when all around you have lost their head, right? ... What does government do in this moment? It steps up, it performs. It does what it’s supposed to do. It does it better than it’s ever done it before.

“What does government not do? It does not engage in politics or partisanship. Even if you are in the midst of an election season, even if you are at a moment in time in history where you have hyper-partisanship, which we now have. The President of the United States, Donald Trump—it is essential that the federal government works with this state, and that this state works with the federal government. We cannot do this on our own ... this [state] government cannot meet this crisis without the resources and capacity of the federal government.

“I spoke to the President this morning again. He is ready, willing, and able to help. I’ve been speaking with members of his staff late last night, early this morning. We need their help, especially on the hospital capacity issue. We need FEMA. FEMA has tremendous resources. When I was at HUD, I worked with FEMA. I know what they can do. I know what the Army Corps of Engineers can do. They have a capacity that we simply do not have. I said to the President, who is a New Yorker, who I’ve known for many, many years, I put my hand out in partnership. I want to work together 100%. I need your help.

“And New Yorkers will do everything they can to be good partners with the federal government. I think the President was 100% sincere in saying that he wanted to work together in partnership, in a spirit of cooperation. I can tell you the actions he has taken, evidence that his team has been on it. I know a team when they’re on it, and I know a team when they’re not on it. His team is on it. They’ve been responsive late at night, early in the morning, and they’ve thus far been doing everything that they can do, and I want to say thank you and I want to say that I appreciate it and they will have nothing but cooperation and partnership from the state of New York.

“And we’re not Democrats and we’re not Republicans, we are Americans, at the end of the day. That’s who we are and that’s who we are when we are at our best. So this hyper sensitivity about politics and reading every comment and wanting to pit one against the other. There’s no time for this. The President is doing the right thing in offering to step up with New York, and I appreciate it, and New York will do the right thing in return.”

The Necessity of Shutting Down the Neo-Liberal Financial System

The Neoliberal Economic/Financial System Is Near Death. It's Time To Bury It

By Harley Schlanger
17 March 2020

https://harley.larouchepac.com/the_neoliberal_economic_financial_system_is_near_death_it_s_time_to_bury_it?utm_campaign=20200317_weekly&utm_medium=email&utm_source=larouchepac

The neoliberal model of economy and finance, which has increasingly dominated the world since August 15, 1971, from its centers in the City of London and Wall Street, is heading toward a nasty implosion. This is the only conclusion one can reach from reviewing the recent actions of central bankers, particularly at the U.S. Federal Reserve, which reflect heightened panic and hysteria, especially among bankers and traders. In a rare Sunday announcement on March 15, the Fed said it will purchase \$500 billion in Treasury securities and \$200 billion in mortgage-backed securities, following the failure by traders and banks to sell an offering of 30-year Treasuries last week, as few buyers came forward.

THE PROBLEM IS SOLVENCY, NOT LIQUIDITY

What is lost in these astounding numbers is that the liquidity, which may be desperately needed in the short term, to stave off an immediate full-scale depression collapse, will not solve the problem it is supposedly addressing, of "restoring investor and consumer confidence", to cause an upturn in spending. This is because a.) consumers are over their heads in debt, and increasingly falling behind in credit card debt payments, as well as in auto, home and student loan repayments; and b.) most of the liquidity will flow into new, speculative gambles by shadow banking operations and strapped corporations, which will only increase the amount of debt due in the future, without generating the means to increase real wealth production to cover the new debt. This latest plunge into liquidity insanity by the Fed is a return to the approach taken after the 2008 crash, of bailing out the financial institutions which caused the crash—including the Too Big to Fail banks, insurance companies, and "shadow banking" operations—while withholding credit from the producers which are part of the real, physical economy.

The post-2008 explosion of liquidity has driven total corporate debt from \$48 trillion in 2009 to over \$75 trillion in 2019. A portion of that growth is in purchases of corporate bonds, including those rated at BBB, a notch above junk levels. In 2011, BBB-rated bonds accounted for 1/3 of the market; by 2020, it is now 1/2 the market. Private equity funds, hedge funds and other shadow banking institutions have been loading up on these riskier bonds and other high-risk instruments, as they are seeking higher returns than they can get from purchasing government bonds, which have low-interest rates. The huge volumes of overnight lending in repo markets are needed by borrowers, as they are not earning enough profit to cover the servicing costs of their debt.

The neoliberal model of globalization, with its just-in-time economy and other austerity measures, combined with banking deregulation and bank bailouts, outsourcing and deindustrialization, has failed miserably, just as Lyndon LaRouche forecast it would in his comments on Nixon's decision to end the Bretton Woods system on August 15, 1971. This decision was imposed on a panicked Nixon, who was advised by monetarists such as former Fed chair Arthur Burns, future Fed chair Paul Volcker, and free market/austerity fanatic George Shultz, who warned him that the dollar would collapse unless it was decoupled from the gold reserve standard, and that the fixed exchange rate system—which had allowed unprecedented levels of growth in the post-war advanced sector economies—must be replaced by a floating exchange rate system. It is the floating exchange rate system that opened the door for speculators to introduce increasingly wild forms of "financialization" and "securitization." By pushing through a series of banking deregulation measures, beginning during Volcker's time at the Fed, banks were able to use their client's deposits as a basis for increasing leverage, which produced one bubble after another, all of which collapsed, beginning with the stock market crash of 1987, and continuing

with the popping of the Asia bubble in 1997 (in which George Soros played a leading role), the Russian bond/LTCM bust of 1998, and the dot.com bubble, which blew up in 2000.

When the next bubble, that triggered by mortgage-backed securities, popped in 2008, LaRouche pushed for a return to Glass Steagall bank separation. Glass Steagall, passed as part of President Franklin Roosevelt's "100 Days" anti-Depression legislative package in 1933. It served the nation well, placing limits on what speculators could do with savings and deposits in the nation's banks and savings and loans, by establishing an iron wall of separation between commercial banks, savings and loans, and investment banks, until it was weakened by neoliberal ideologues in the 1980s and 1990s, and finally repealed in 1999, which set the stage for the speculative frenzy of the post-9/11 G.W. Bush years, ending with a bang in 2008. Instead of listening to LaRouche then, the neolib again had their way, as Obama, both parties in Congress, and the Fed rejected LaRouche's call for a return to the American system, with a Hamiltonian credit policy and directed credit to the real physical economy, with a special emphasis on infusions of funds for science driver projects. Instead, they chose to save the speculators, with a massive bailout—a choice made once again by panicked Fed officials on March 15, with the Ides of March bailout.

The attempt to save the system with ever-larger bailouts, is equivalent to trying to revive a corpse with massive blood transfusions. It were better to bury the corpse, and finally proceed with the reforms proposed by Lyndon LaRouche.

Your Future Depends on Shutting Down the Casino Economy!

A ten minute video by Harley Schlanger, author of the above article.

<https://larouchepac.com/20200319/your-future-depends-shutting-down-casino-economy>

March 19, 2020

How many breakthroughs in medicine have we missed because we allowed the casino economy to make short term profits at the expense of our medical industry? Where would we be today if we had a real, human economy? How do we get there? What can we learn from this pandemic?

Every weekday morning Harley will brief you on what you need to know to start your day. On Tuesdays, we broadcast his briefing live on the LaRouchePAC Facebook page at 12:00 pm eastern, where he fields questions about current events, history, economics, and culture. Join the discussion, and, if you haven't already, [sign up for Harley's weekly articles](#).

Subscribe to the [LaRouchePAC YouTube channel](#), and hit the notifications button to be notified when Harley's briefings are posted. And, [follow us on Soundcloud](#) for audio versions of these updates.

Fed Begins Bailout of the City of London-Wall Street Primary Dealer Banks

March 18 (EIRNS)—The Federal Reserve yesterday announced (again, under Section 13(3) Federal Reserve Act, “unusual and exigent circumstances...”) a Primary Dealer Credit Facility (PDCF)—continuing to repeat its steps in Wall Street’s huge bailout of late 2007 and 2008. This is, for the first time in this crisis, a direct bailout of the bank holding companies. “The facility will allow primary dealers to support smooth market functioning and facilitate the availability of credit to businesses and households,” the Fed said in a Tuesday afternoon, March 17, statement transparently unrelated to its actual bailout purpose.

The facility allows the New York Fed to offer 90-day loans directly to the primary dealer banks, which provide liquidity to the interbank market—or did until lately, when the Fed has had to do that. Under

the PDCF, banks and broker-dealers access loans by offering collateral; and again, the real purpose is to provide a fixed computed value to these securities on the banks' books, which securities are actually plunging in market value.

The Federal Reserve statement said: "Collateral eligible for pledge under the PDCF includes all collateral eligible for pledge in open market operations (OMO); plus, investment grade [as low as BBB] corporate debt securities, international agency securities, commercial paper, municipal securities, mortgage-backed securities, and asset-backed securities; plus equity securities [common stocks]. The pledged collateral will be valued by Bank of New York Mellon according to a schedule designed to be similar to the margin schedule for lending by the Discount Window, to the extent possible."

This PDCF was the biggest direct Fed bailout of Wall Street in 2008, and invites all sorts of toxic securities to be given whatever value their owners want by handshakes with Bank of New York Mellon personnel, and turned into new cash to buy more toxic securities, etc. "Primary Dealer banks" does *not* mean the commercial banking units of the Big Six and London/German banks; it means their holding companies, and therefore all their investment banking, brokerage and trading units.

The claim that Section 13(3) Federal Reserve Act permits this, is absurd; it allows only that the Fed go beyond its usual limitation—lending against Treasuries and Treasury-guaranteed securities only—and include AAA or similarly highly rated corporate securities. Nonetheless this was done in 2008 to prevent the necessary massive writedowns of Wall Street assets, and is being done again.

Western World Shutting Down, but Necessary New Paradigm Eludes Leaders

<https://larouhepac.com/20200316/western-world-shutting-down-necessary-new-paradigm-eludes-leaders>

March 16, 2020

With Europe now officially the epicenter of the expanding coronavirus pandemic, most Western nations—with some notable exceptions—are taking drastic actions. France, Spain and Israel, like Italy, have ordered the closing of all non-essential stores, and for the entire population to stay at home other than for work or medical visits, or for necessary shopping for food and medical supplies. The peripatetic Dr. Fauci, perhaps the most trusted adviser to President Donald Trump on these matters, appeared on all five major Sunday talk shows today, saying that a similar shutdown across the U.S. may be necessary.

Yet, the necessary revolutionary transformation required to reverse not only the spread of the pandemic, but, more importantly, the fifty-year-long self-destruction of the productive capacities of the Western nations—which is the root cause of the crisis—has eluded our political leaders.

There are hints in that direction. President Trump brought CEOs from the private sector together to address certain urgent needs under government direction, and has used the Defense Production Act from 1950 to impose production requirements of certain medical equipment companies. French President Emmanuel Macron on March 12 said: "We will have to draw the lessons in the future regarding the model of development our world has become involved with over decades, and which today has revealed its great failures." He said a public health system "is not a cost, but a precious good, which is indispensable when destiny strikes." He correctly generalizes that point: "There are goods and services which must be put outside the laws of the marketplace."

Indeed, this captures the crucial difference between the British System and the American System. Alexander Hamilton created the American System based on the revolutionary premise that a sovereign government must be responsible for assuring the "general welfare" of the population, not by owning the means of production, but by assuring that the people and the entrepreneurs have access to water,

power, transportation, education and health care. The 1946 Hill-Burton policy was a classic example of such an American System approach, setting a required standard for the number of beds and trained health professionals per capita in every district of the nation, be they public or private facilities. When this was taken down in the 1970s, while the Glass-Steagall bank separation and fixed-exchange-rate policy was also taken down, the U.S. was rapidly taken over by British “free market” policies which put short-term corporate profit—“stockholder value”—ahead of standards of labor productivity and standards of living. The world is now paying the price, with pandemics, locusts, and financial panic.

Consider that the urgent effort to counter the locust plague now ravaging wide regions of Africa and Asia, threatening millions of lives, has been unable to raise the mere \$138 million needed to eradicate the deadly threat, while the U.S. Federal Reserve pumps hundreds of billions of dollars into the bankrupt Western banking system every week, and is now preparing \$1.5 trillion in QE! Not only does this express a quality of fascist callousness toward the human race, it is economic insanity. Restoring Glass-Steagall, establishing an American System credit structure, and unleashing the creative capacities of the world’s scientific community to address the health crisis, the necessity of nuclear and fusion power development, and a crash space program—these are not nice ideas, they are the only path for the human race to stop the descent into a new Dark Age, and to be able to bring about a New Paradigm, a new global Renaissance. This is the core of [Helga Zepp-LaRouche’s recent call for the leaders of Russia, China, India and the U.S., and others who will agree.](#) to meet, urgently, to address the pandemic, the war danger, and the collapsing global financial system, with a New Bretton Woods agreement to end the British System of speculative insanity.

'World Healthcare Mobilization' Can Be Based on FDR, and LaRouche’s New Bretton Woods



Airmen assist one another in donning their protective equipment. Engineered & implemented after the Ebola virus in 2014, the C-17 Globemaster III transportation isolation system is an enclosure the DoD can use to safely transport patients with COVID-19.

<https://larouhepac.com/20200317/world-healthcare-mobilization-can-be-based-fdr-and-larouche-s-new-bretton-woods>

March 17, 2020

German Doctors’ Association Head Insists ‘Just-In-Time Healthcare’ Cannot Provide Care

March 14 (EIRNS)—Dr. Susanne Johna, who chairs Germany’s medical association, Marburger Bund, criticized the budget-cutting approach to healthcare delivery: “Just-in-time service does not work in healthcare. After all, fire brigades are not paid according to the number of fires and purchase firetrucks after the fires have broken out, but we need them and pay for them in advance.” She said that a sufficient supply of hospital beds is necessary to enable the special clinics to do their job.

A Deutsche Bank Research survey comes to the conclusion that if the present dynamic of COVID-19 pandemic continues, Germany will have no more free ICU beds by May 14. Of the 28,000 ICU beds that German hospitals have now, 78% are already occupied by patients who do not have novel coronavirus. It is high time for a crash program to make more beds and the trained care staff available.

From China

Xi Jinping Calls for Building a ‘Health Silk Road’ for the Whole World

March 17 (EIRNS)—In a phone conversation yesterday with Italian Prime Minister Giuseppe Conte, China’s President Xi Jinping called for increased cooperation with Italy, and all nations, “to contribute to international cooperation in combatting the epidemic and to the construction of a Health Silk Road,” according to a detailed report in Xinhua.

Now that it has its own COVID-19 epidemic more under control, China has been providing help—both equipment and personnel—to a number of countries, including Italy, Spain, Panama and others. In their phone conversation, Xi promised Italy additional help in its battle against COVID-19. According to Xinhua, Xi said that “China will act prudently from beginning to end and strive for an early and complete victory over the epidemic, so as to provide other countries with confidence in their prevention and control efforts. Noting that the Italian government has taken a series of resolute prevention and control measures in response to the epidemic, Xi said that China firmly supports Italy and has full confidence in Italy’s victory over the epidemic.

Chinese Share their Expertise on Coronavirus Control with African Healthcare Officials from 24 countries

March 20 (EIRNS)—As the Chinese Foreign Ministry spokesman Geng Shuang reported in yesterday’s daily press briefing, on March 18 Chinese medical experts held a three-and-a-half hour video-conference with 300 healthcare officials from Africa’s Centers for Disease Control and Prevention (CDC) and from 24 African nations. The Chinese experts shared their experiences in analyzing and containing the COVID-19 coronavirus and answered more than 50 questions from the African participants.

As Geng Shuang pointed out, China is prepared to help African countries and regional organizations in combatting the coronavirus and collaborate with them in protecting global health security. According to Xinhua, the African participants praised the progress that China has made in containing the coronavirus and said they seek to establish the same high standards that China has set to achieve this goal. All participants also expressed their intention to collaborate closely with China to win the battle against the pandemic.

China Unleashes the Health Silk Road against Corona Pandemic

[By brixsweden](#)

March 21, 2020

Hussein Askary, Board member of the [Belt and Road Institute in Sweden](#)

What the Corona virus should have already taught the leaders of the world is, that it does not care if the victims are Asian, European, American or African. It attacks them because they are human. Their response should be likewise, as humans! Every nation is called upon now to join the Health Silk Road to save lives and build a secure and healthy future for all mankind.