

# California Water and Infrastructure Report

# For March 12, 2020 by Patrick Ruckert

Published weekly since July, 2014

An archive of all these weekly reports can be found at both links below:

http://www.californiadroughtupdate.org

https://www.facebook.com/CaliforniaDroughtUpdate

patruckert@hotmail.com

"I just wonder what it would be like to be reincarnated in an animal whose species had been so reduced in numbers than it was in danger of extinction. What would be its feelings toward the human species whose population explosion had denied it somewhere to exist.. I must confess that I am tempted to ask for reincarnation as a particularly deadly virus." — <u>Prince Philip, Duke of Edinburgh</u> (in his Forward to: If I Were an Animal; United Kingdom, Robin Clark Ltd., 1986.)

## A Note To Readers

Prince Philip has not died yet, but I am sure he is happy today.

This week we shall focus on the Corona Virus pandemic (COVID-19), as it was declared to be such by the World Health Organization yesterday. Also yesterday, President Trump addressed the nation on the crisis. But it is not just a crisis of a spreading deadly disease. It is a generalized breakdown crisis of an entire system: A pandemic, a crash of the financial system, and the realization that our real physical economy has been gutted by 50 years of free trade, deregulation and outsourcing of production.

What you will find below is my introduction that sets the stage for a series of articles that take us to what must be done, and done now.

As the stock market crashes and the Federal Reserve announces today that it will bail out the collapsing largest banks in the country with \$1.5 trillion over the next few days, we are seeing a couple of the elements of the general breakdown crisis that the entire system is undergoing now.

So, the first item below is the call by Helga Zepp-LaRouche to the leaders of the largest nations of the

world (the U.S., Russia, China, India, and other nations) to immediately meet to for the emergency implementation of the Four Laws of Lyndon LaRouche. For it is only that comprehensive policy of returning the U.S., and other nations, to the American System of physical economy, first established by the first U.S. Treasury Secretary Alexander Hamilton that will work.

I urge you all to study that document carefully, for your future, and that of the nation and the world, depends on you acting to ensure that President Trump goes with it.

Next, will be a few words about President Trump's address to the nation last night, and then I contrast his speech to that of President Franklin Roosevelt's inaugural speech of March 4, 1933.

Under the title, "Wall Street Explodes; Time to Listen to the Wise Words of Lyndon LaRouche," are a series of reports and links on the solution.

That is followed by a section with the title: "The Pandemic: Some Reports and Some Failings." This section includes the reports on Dr. Robert Redfield of the Centers from Disease Control discussing the "Urgency of Rebuilding Entire U.S. Public Health System," and the "Nurses Unions Protest Weakened CDC COVID-19 Guidelines."

That section also includes a brief report on Dr. Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases testimony before Congress on the coronavirus testing system failing.

The final section covers the blow-out of the financial system and the announcement by the Federal Reserve today that it is pumping \$1.5 trillion into the banking system over the next few days. No financial crisis? Well, the action of the Fed belies that.

# Emergency Appeal to the Presidents of the United States, China, and Russia, And the Prime Minister of India

by Helga Zepp-LaRouche, President of the Schiller Institute March 8, 2020

https://larouchepub.com/eiw/public/2020/2020\_10-19/2020-11/03-04\_4711-hzl.pdf

This appeal to President Trump, President Xi, President Putin, Prime Minister Modi, and leaders of other countries, for the emergency implementation of the Four Laws of Lyndon LaRouche, is being circulated internationally. Readers may add their signatures to this appeal.

March 8—Most health experts are now calling the coronavirus officially a pandemic, and only a few are avoiding this term in order not to rattle the markets and the investments in the "Pandemic Bonds."

It is apparent that this pandemic will be the deathblow for the otherwise already bankrupt financial system, of which the largest stock market collapse since 2008—the unprecedented plunge in the yield on 10-year U.S. Treasury notes, and the announcement of Boston Federal Reserve President Eric Rosengren to go for "helicopter money"—are alarming and undeniable signals.

Instead of learning from China which, according to the World Health Organization (WHO) has set a new standard for dealing with such a crisis, most governments did not use the three months' warning time they gained due to the efficient intervention by China, to go into a crisis mode. It is shocking, but not surprising, how completely incapable the liberal establishment has shown itself to be of reflecting on the fact that it is their policies which are the cause of an unprecedented threat to the entire human civilization, and of drawing the conclusions to change their ways.

As early as 1974, Lyndon LaRouche set up an Ecological-Biological Holocaust Taskforce, to investigate the effects of the IMF and the World Bank policies to slash food and energy consumption, as well as health expenditures in the developing countries—which showed that this would lead to biological catastrophes, the emergence of old and new diseases, and pandemics. In the following decades, LaRouche and his movement published many more warnings, and offered concrete development programs for all continents, the implementation of which would have prevented the present, out-of-control crisis.

Sure, the so-called industrialized countries may somehow cope with the crisis, but at what price? Due to the privatization—i.e., profit-orientation—of the health sector, there are now far too few intensive-care beds available for the treatment required. The Belgian critical care doctor and head of the national trade union of doctors, Dr. Philippe Devos, has just warned that this shortage will lead to the triage of old people for the sake of young ones, when the number of cases overwhelms the available ICU (intensive care unit) beds, which he expects will happen. Are we getting back to the slippery slope of ending "unworthy lives," as condemned at the Nuremberg trials?

And what about the poor countries, which have not even the capacities for tests, let alone treatment? What about countries like Haiti, Nigeria, and Bangladesh? What about Iran, where the denial of medical supplies by the sanctions is clearly already causing the loss of many lives, unnecessarily?

What about the locust infestations in African and Asian countries, a danger which has been known for many months, and where the ridiculously small required financial help of \$76 million has not been given, so that now the danger is that the locust swarms develop into a full-fledged plague, threatening millions of people's lives in a short period of time?

What about the barbaric scenes at the Turkish-Greek border, where police from both sides are using tear gas against refugees, where one side may "instrumentalize" these people who have absolutely nothing, but the other side is no less barbaric, trying to keep the "outer borders of the EU" protected? Does the EU establishment really think it can build a new Limes Line around Europe, while Southwest Asia and Africa implode with a coronavirus pandemic, a locust plague, starvation, and desperation?

This establishment turned a blind eye to the interventionist wars by the Bush and Obama administrations, which were, after all, the main cause for the refugee crisis. They have had no interest in building infrastructure in Africa over the last decades, mainly because of their neo-Malthusian ideology. Have they, in reality, accepted the idea to let this pandemic and this locust plague run their "natural course?" Is this not a good fit with the Green ideology, which preaches that having fewer people is good for the environment?

There is a solution for this existential crisis, but when the so-called "elites" are morally unfit to introduce the necessary reforms, we need a broad mobilization of the population, who must act as real citizens. There has to be a broad, popular demand that the leading countries of the world—starting with the U.S., China, Russia, and India, supported by others—implement the following steps in the reorganization of the present financial system. The best way to accomplish that is to conduct an immediate emergency summit of President Trump, President Xi, President Putin and Prime Minister Modi to initiate these steps:

1. There must be an immediate implementation of a global system of bank separation, modelled exactly on Roosevelt's Glass-Steagall law of June 16, 1933. Under this system, the commercial banks must be put under state protection, and must be completely separated by a firewall from the speculative investment banks, which can no longer be allowed access to either the assets of the commercial banks, or the privilege of bail-outs through taxpayer money. The toxic paper of these banks, including outstanding derivatives contracts, have to be written off. Legitimate claims, which have to do with the real economy or the pensions and other assets of working people, are to be marked as valid in the new

system. Some categories of demand for payments have to be frozen for the time being, to be evaluated in terms of their validity by state institutions.

- 2. There must be the creation of a national bank in every country, in the tradition of Alexander Hamilton's Bank of the United States or the Kreditanstalt für Wiederaufbau in Germany after World War II, so that state credit for productive investments can supply 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 the 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 will represent, in fact, a New Bretton Woods System as was intended by President Franklin Roosevelt, with the explicit intention to provide credit for the industrial development of the developing sector.
- **4.** The urgent increase in the productivity of the world economy—to accommodate a world population of presently almost 8 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. Likewise, a crash program of international cooperation in space technology and travel can establish the necessary next higher economic platform for the world economy, as this has been developed by the economist Lyndon LaRouche.

The Belt and Road Initiative initiated by President Xi Jinping, which already has been joined by 157 countries, offers a concrete perspective to bring the urgently required industrial development to Southwest Asia and Africa. China has offered to work with all countries on this planet in a win-win cooperation to extend the New Silk Road to Southwest Asia and Africa, and in this way to provide a concrete development perspective, which is the only human way to solve the refugee crisis. The United States and all European nations must cooperate with this plan.

We, the signers, are making this urgent appeal to the governments mentioned, to act in this moment of an extraordinary challenge to the safety and existence of all of mankind, to correct the mistakes of the present system that led to this present crisis, and return to the principles of the common good, of sovereignty of the nation-state, and food and energy security, while we adopt a vision for the common aims of mankind and a community of the shared future of humanity.

hz.zepp@schiller-institute.de

# Leadership in a Moment of National Crisis

Our Presidential system is unique in the world, and as defined by our Constitution, the President has tremendous power, especially in an emergency.

The President's speech last night on the Corona virus pandemic began well, and somewhat echoed the inaugural address of President Franklin D. Roosevelt on March 4, 1933.

But, Trump's speech fell short of what is needed for this crisis. For it is not merely a crisis of a dangerous disease, but it is a breakdown of the entire system put in place beginning in 1971. That system is the neo-liberal order that has turned our economy from being a great industrial, scientific and infrastructure based productive one into a gambling casino that has outsourced production, significantly shut down our public health system and thrown most of the population into poverty or near poverty.

So below a few excerpts from his speech, which begins well, but then at one point goes off the rails, claiming that there is no crisis of the financial system.

That is followed by the excerpts from President Franklin D. Roosevelt's inaugural address of March 4, 1933. Note that FDR had no hesitation in going after the bankers who created the crash of 1929, four years before, throwing most Americans into poverty and misery. And he faced on the day the almost complete shut down of the nation's banking system in the greatest run on the banks in our history. The next day, a Sunday, he announced with his first Fireside Chat the "bank holiday."

### President Trump's Oval Office speech on the Corona virus outbreak

March 11, 2020

"My fellow Americans: Tonight, I want to speak with you about our nation's unprecedented response to the coronavirus outbreak that started in China and is now spreading throughout the world. Today, the World Health Organization officially announced that this is a global pandemic.

"We have been in frequent contact with our allies, and we are marshalling the full power of the federal government and the private sector to protect the American people.

"This is the most aggressive and comprehensive effort to confront a foreign virus in modern history. I am confident that by counting and continuing to take these tough measures, we will significantly reduce the threat to our citizens, and we will ultimately and expeditiously defeat this virus. From the beginning of time, nations and people have faced unforeseen challenges, including large-scale and very dangerous health threats. This is the way it always was and always will be. It only matters how you respond, and we are responding with great speed and professionalism.

"Our banks and financial institutions are fully capitalized and incredibly strong. Our unemployment is at a historic low. This vast economic prosperity gives us flexibility, reserves, and resources to handle any threat that comes our way.

"This is not a financial crisis, this is just a temporary moment of time that we will overcome together as a nation and as a world."

## First Inaugural Address of Franklin D. Roosevelt

March 4, 1933

"I am certain that my fellow Americans expect that on my induction into the Presidency I will address them with a candor and a decision which the present situation of our Nation impels. This is preeminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shrink from honestly facing conditions in our country today. This great Nation will endure as it has endured, will revive and will prosper. So, first of all, let me assert my firm belief that the only thing we have to fear is fear itself--nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance. In every dark hour of our national life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory. I am convinced that you will again give that support to leadership in these critical days.

"...Primarily this is because the rulers of the exchange of mankind's goods have failed, through their own stubbornness and their own incompetence, have admitted their failure, and abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.

"The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit.

"Restoration calls, however, not for changes in ethics alone. This Nation asks for action, and action now.

"If I read the temper of our people correctly, we now realize as we have never realized before our interdependence on each other; that we can not merely take but we must give as well; that if we are to go forward, we must move as a trained and loyal army willing to sacrifice for the good of a common discipline, because without such discipline no progress is made, no leadership becomes effective.

"I am prepared under my constitutional duty to recommend the measures that a stricken nation in the midst of a stricken world may require. These measures, or such other measures as the Congress may build out of its experience and wisdom, I shall seek, within my constitutional authority, to bring to speedy adoption.

"But in the event that the Congress shall fail to take one of these two courses, and in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask the Congress for the one remaining instrument to meet the crisis--broad Executive power to wage a war against the emergency, as great as the power that would be given to me if we were in fact invaded by a foreign foe."

# Wall Street Explodes; Time to Listen to the Wise Words of Lyndon LaRouche

Bank of England Panics, Wall Street Explodes: Will Trump Listen to the Wise Words of Lyndon LaRouche?



President Trump addresses the nation Wednesday night on the status of the COVID-19 pandemic.

 $\underline{https://larouchepac.com/20200312/bank-england-panics-wall-street-explodes-will-trump-listen-wise-words-lyndon-larouche}$ 

March 12, 2020

UPDATE: The following paragraph was added after the original story was written.

President Donald Trump spoke for ten minutes Wednesday night. All travel from Europe (other than the

U.K.) is restricted as of Friday, March 13, 11:59 EDT, for 30 days. The European Union failed to take the immediate measures we did in closing travel with China, and they are paying the consequences. As China and South Korea recover, there will be consideration of lifting restrictions. Nursing homes are encouraged to suspend all non-medically necessary visits. Emergency actions are in the works to provide relief to those who must stay home when ill, or forced off the job. The Small Business Administration will be given \$50 billion (pending Congressional approval) for SMEs affected. SBE taxpayment deferrals and payroll tax relief will be proposed to Congress. "This is not a financial crisis," he said. Our banking system "incredibly strong."

President Donald Trump addressed the nation Wednesday night, after this report was closed out (see update above). Whether or not he chose to use the power of the Presidency, as designed by America's Founding Fathers, and as embedded in the post-World War II Defense Production Act, to bypass the corrupt and impotent Congress to declare a national emergency, to unleash a massive infrastructure and industrial expansion policy, may determine the fate of the nation and the world. The takedown of the public health system over the past 50 years, both in the U.S. and in Europe, is now standing naked before world, as the West's leading nations, including Germany, Italy, France, and the United States, have no capacity to meet the extraordinary health requirements of what has, finally, been declared a pandemic by the World Health Organization.

And it is also now abundantly clear to all but the blind, that the entire industrial capacity—especially the basic infrastructure which sustains that capacity—is so decrepit, that even rebuilding the industrial capacity will take mammoth government interventions, on the scale with which Franklin Roosevelt intervened in 1933. To start, the panicked collapse of the "market"—the Dow was down over 5% yesterday, 20% for the week—can only be resolved in one way—the immediate restoration of Glass-Steagall, ending the speculative hysteria. Then, the President must assert his powers as President to exonerate Lyndon LaRouche, so that the full power of his "Four Laws" can be fully implemented.

With that, the leaders of the great nations of the world—necessarily including Russia, China, India, and the United States—must come together to implement a new Bretton Woods system based upon these Four Laws, freeing the entire world from the bankrupt British imperial system of monetarism governed by Wall Street and the City of London.

Helga Zepp-LaRouche yesterday called on President Trump and NATO to end the insanity of the Europe-Defender 2020 exercises—the largest NATO exercises since the Cold War, openly moving huge numbers of NATO troops and military equipment to the Russian border. Besides the insanity from a strategic standpoint—threatening war between the world's two largest nuclear-armed powers—it is equally insane to have huge numbers of soldiers moving across Europe as the coronavirus threatens mass death if not contained.

It is a moment of historic consequence. To our advantage as human beings, the population increasingly recognizes that the "rules that be" no longer hold. Many are looking back, asking, "Who has been telling the truth all these years, while the governments and the media and Wall Street lied?" If the institutional leaders continue to be blind to the need for revolutionary change, for a return to "American System" measures of directed credit, and of allowing President Trump to carry out his intention to restore friendly relations with Russia and China, then we must mobilize the citizenry to demand precisely that policy.

#### Globalization and Free Trade Created COVID-19 - LaRouchePAC Fireside Chat

 $\underline{https://larouchepac.com/20200312/globalization-and-free-trade-created-covid-19-larouchepac-fireside-chat}$ 

March 12, 2020

Tonight's Fireside Chat will discuss the economic measures now necessary to both mitigate the effects of COVID-19 and to attack its creator: the globalization and free trade policies which have stripped our healthcare infrastructure and surge capacity and otherwise decimated the U.S. and other advanced sector economies.

This epidemic was predicted, both in the works of Lyndon LaRouche beginning in 1971 and more recently in the work of various epidemiologists, including Dr. Mark Osterholm. The killers are in free trade supply lines and the "just in time" economics of financialization. We need a national infrastructure and national re-industrialization policy to change the economy in depth and a Manhattan project in the biological sciences and public health now, the policy impetus in <u>LaRouche's Four Laws</u>. One of the main threats on the horizon is a Biden presidency by Wall Street banker committee which is one aspect of the exploitation of this crisis.

### No More Cover-Up — To Fight the Virus, Change the System

https://larouchepac.com/20200311/no-more-cover-fight-virus-change-system March 11, 2020

Consider the speed at which the view of COVID-19 has changed in the trans-Atlantic sector, from being the subject for all kinds of opinionating, scapegoating—for the failed financial system or blaming China—to now being undeniably a challenge as a global pandemic. Never mind that World Health Organization Director Dr. Tedros Adhanom Ghebreyesus said again March 9, that it is "near pandemic." The novel coronavirus has shown up in some 100 countries, including all the nations of Europe. All of Italy is now under a "stay home decree" (nationwide partial lockdown) until April 3, in an attempt to slow the contagion among its 60 million people.

In the United States, COVID-19 is in 35 states as of today, with official emergency declarations in ten of them, and more pending. There are four hot-spot states of community transmission: New York, Washington, California, Florida; and Massachusetts may soon join that list. This afternoon, New York Gov. Andrew Cuomo deployed the National Guard to cordon off a square mile of the town of New Rochelle, a suburb of New York City, for all except food deliveries. From March 6-10, the number of COVID-19 cases in the tri-state area of New Jersey, New York, and Connecticut, tripled. In Washington, D.C. today, for the first time, the Federal government ordered a unit of workers, in the Securities and Exchange Commission, to stay home, because of a COVID-19 case found in their ranks.

In Africa, the spread of the virus comes atop such mass underlying conditions as, for example, Lassa fever in Nigeria.

Today, Zepp-LaRouche stressed that what is required is a shift to a new paradigm in the world economic system. Speaking with associates, she said that what must come first in the economic system is "not money and profits, but the condition of people comes first"—the health delivery sector, food security and all the rest, which means each nation must have a sovereign economy. We need maximum outreach to get this across to people: that the whole failing monetary system is the problem. It must be replaced.

Acting in this direction is the high road for President Donald Trump. Otherwise, he is seen alongside such as Treasury Secretary Steven Mnuchin, who recited wild cover-up talk at the White House yesterday extolling the "resilience" of the U.S. economy thanks to "tax cuts, regulatory relief, and trade." Then, within hours, the overnight demand for emergency liquidity by financial entities, from the Federal Reserve, hit a whopping \$216 billion.

Instead of this downward spiral to catastrophe, President Trump can use his executive initiative. Call his good friend President Xi Jinping and arrange to get some Chinese experts here to confer on the COVID-19 response. Initiate other great power deliberation, to confer on a new world credit system, and real security.

Lyndon LaRouche forewarned of today's crises decades ago, spelling-out the policies to be implemented to avert what we now see. This stands as an "impeccable record," Zepp-LaRouche said today, which is the authority to now go outward and enlist the actions to change the system, defeat the virus, and end the cover-up.

#### How to Defeat the Coronavirus: Quarantine Wall Street

https://larouchepac.com/20200310/how-defeat-coronavirus-quarantine-wall-street

**Excerpt from the Saturday, March 7 meeting in Manhattan.** Dennis Small delivers Lyndon LaRouche's clear and comprehensive battle plan to solve the conjunction of the coronavirus and financial crises hitting the world today. No piece-meal approach will save you and your community. Only a summit between Trump, Putin and Xi can possibly bring into existence the necessary mobilization to mobilize the resources world-wide to protect the population of every nation.

# What the Spread of the Corona Virus Tells Us about Our Collapsing Western Economy

 $\underline{https://larouchepac.com/20200311/what-spread-corona-virus-tells-us-about-our-collapsing-western-economy}$ 

There is so much we can learn about our economy looking at the spread of this virus. CDC head says this crisis is due to years of austerity. Will we learn the lesson? Also, let's clear some things up about China. Will the drop in their cases hold? What can we learn about how they stopped the transmission?

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 <u>LaRouchePAC YouTube channel</u>, and hit the notifications button to be notified when Harley's briefings are posted. And, <u>follow us on Soundcloud</u> for audio versions of these updates.

# The Pandemic: Some Reports and Some Failings

# **COVID-19 International Spread: Ten U.S. States Declare Emergency, Virus Recedes in China**

March 10 (EIRNS)—Officially confirmed cases of COVID-19 are now reported in nearly 100 countries. All nations of Europe have cases.

In the United States, COVID-19 is present now in 35 states. The top four hotspot areas for community transmission are New York, Washington, California and Florida. Massachusetts may be next in line. Ten states have made emergency declarations: New York, Washington, California, Florida, Oregon,

Utah, Missouri, Kentucky, New Jersey, and the latest, Massachusetts, whose Gov. Charlie Baker made the designation today. In New York Gov. Andrew Cuomo deployed the National Guard today to a health department facility in New Rochelle, a suburb of New York City, where 108 cases have been reported.

In China, with the number of new cases in decline, the amazing temporary logistics can now be scaled back. Today, the last of the 14 temporary hospitals in Wuhan was closed. President Xi Jinping personally visited various sites in the city this morning. The view of Zhou Jing, cardiologist at Tongji Hospital, is that this outbreak of the epidemic in China will have abated within a month, according to his remarks on CGTN today. His institution is part of the Huazhong University of Science and Technology.

### CDC's Redfield Details Urgency of Rebuilding Entire U.S. Public Health System

March 10 (EIRNS)—Centers for Disease Control and Prevention (CDC) Director Dr. Robert Redfield told the House Appropriations Committee today that the entire U.S. public health system, encompassing not just the CDC but the healthcare capabilities of states and localities, needs to be rebuilt, to overcome the effects of years of underinvestment, if not just the novel coronavirus, but the others diseases that follow are to be fought.

The hearing discussed the budget drawn up by monetarist bean counters within the administration, which proposes to cut the CDC budget, on the grounds that the recent Congressional supplemental covers the current emergency. There was bipartisan agreement from the committee that Congress will not cut the CDC budget.

Dr. Redfield's arguments made clear the urgency of full funding towards the future. He emphasized that when it comes to public health, "we have to be overprepared to respond to these outbreaks. Not try to catch up. Time matters in infectious disease ... if you are a week late, as some of you have criticized about the testing or whatever, it matters."

That requires building up core capabilities of modern laboratories, real-time data capabilities, a larger public health workforce, rapid response capabilities, and a global network, Dr. Redfield insisted. We need "redundancy" in our laboratories and workforce, so that we have the surge capacity we currently lack. Not just in some states, but in every community and all states, because if any state us unprepared, we are all unprepared.

Because of underinvestment, there is "not enough equipment, not enough people, not enough internal capacity," he bluntly told the committee. The CDC, which allocates 70% of its budget to state, local and tribal health departments, provides the funding for the backbone of public health across the nation. He pointed out that Seattle, Washington "is probably one of the best, if not the best, public health [department] in the nation, and they're struggling right now. That's not what we need. We need to be prepared." The report from an Illinois congresswoman that in a rural county she represents, there is 1 doctor for every 7,000 people. What happens if even one of those doctors is exposed?

Redfield reported that CDC laboratory equipment needs to be modernized so the CDC can run tests through the high-throughput platforms used by such companies as Labcore and Quest, which can produce thousands of results a day; today, public labs can only process around 300 a day!

One of greatest vulnerabilities in this nation is infectious disease control, he also warned. He referenced the 600 health professionals in California now in self-isolation after exposure, and his shock that King County, Washington's fire department is almost dysfunctional, because so many firefighters are in isolation. He emphasized, that in his view, the number-one vulnerability in the U.S. right now are the nursing homes, including assisted living homes.

Dr. Redfield stressed several times, as well, that the CDC should be taking the point in creating a global health monitoring network of 8-12 regional monitoring centers, so that the world can move quickly, as a whole, against emerging diseases.

#### **Nurses Unions Protest Weakened CDC COVID-19 Guidelines**

March 11, 2020 (EIRNS)—Today, the California Nurses Association (CNA), the National Nurses Organizing Committee (NNOC), and National Nurses United (NNU) are holding a day of action to protest their anger over weakening of guidelines for response to the COVID-19 epidemic, announced the Centers for Disease Control and Prevention (CDC) yesterday.

According to a press release issued by the three nursing organizations, the CDC's weakened guidelines include rolling back personal protective equipment (PPE) standards from N95 masks to allow simple surgical masks; not requiring suspected or confirmed COVID-19 patients to be placed in negative-pressure isolation rooms at all times; and weakening protections for healthcare workers collecting diagnostic respiratory specimens.

"These are moves that National Nurses United nurses say will gravely endanger nurses, healthcare workers, patients, and our communities," an NNU press release warns. The day of action will protest the "ineffective employer and government response to COVID-19 and demand protections now," and include a warning from Bonnie Castillo, RN and CNA/NNOC and NNU executive director, that "if nurses and healthcare workers aren't protected, that means patients and the public are not protected."

The American Federation of Teachers, the Transport Workers Union of America, and about a dozen other unions are also up in arms over the CDC's revamped guidelines, particularly that which replaces the specialized N95 masks with ordinary surgical masks.

"We are strongly opposed to any measures that fail to provide optimal protection and infection control standards," union representatives had written in a March 6 letter to CDC officials. The unions are opposed to these changes, they said, because emerging disease like COVID-19 "pose an occupational hazard for workers on the front lines, especially healthcare workers."

The Washington Post reported that the CDC's new guidance is due to a shortage of the N95 masks, and the fact that "the supply chain of respirators cannot meet demand and that looser fitting surgical face masks are an acceptable alternative."

The more commonly worn surgical masks will limit—but not eliminate—the chance of inhaling large, infectious particles circulating near the face. Until March 10, the CDC had recommended that healthcare workers interacting with coronavirus patients or suspected cases wear N95 respirators, along with gowns, gloves, and eye protectors. The N95 filters must be custom-fitted and are more expensive than surgical masks. The bean counters at work.

## Coronavirus: US is failing on testing, says Fauci

March 12, 2020

https://www.bbc.com/news/world-us-canada-51860529

The testing system for coronavirus in the US is currently failing, a top health official has admitted.

"The system is not really geared to what we need right now... let's admit it," said Dr Anthony Fauci from the National Institute of Allergy and Infectious Diseases.

Authorities in the US have come under fire for carrying out far fewer tests than many other affected countries.

There are currently more than 1,300 confirmed cases of the virus in the US.

#### How many tests are being done in the US?

According to the Centers for Disease Control and Prevention (CDC), a total of at least 11,079 specimens have been tested since January. However, the number of people tested is likely to be lower, as patients typically provide at least two specimens for testing.

Furthermore, government officials say they do not know the number of people being tested, because some tests are being conducted by private hospitals and laboratories that have not been reporting in to the CDC.

The Atlantic, which is running a project to track the number of tests being conducted, estimates about 8,000 people have been tested. Meanwhile, <u>lawmakers who went to a briefing</u> with health officials told Politico that fewer than 10,000 Americans had been tested.

By contrast, South Korea has tested more than 210,000 people and is testing nearly 20,000 people every day, while in the UK, more than 29,700 people have been tested, and more than 1,000 tests are being carried out per day.

# The Financial Markets Explode as Banks Are Bailed Out With \$1.5 Trillion

Remember the \$700 billion bailout in 2008 as the banking system crashed? That has paled in comparison to the \$6 trillion in "repo" loans since September, and today the Fed announced another trillion will be given to the banks today and tomorrow, with another \$500 billion next week.

While the articles below claim the crisis is due to the Corona virus pandemic, the truth is that this financial system has been ready to blow for some time, and all it required was a trigger. The trigger has been pulled.

It is time for Glass-Steagall.

## Nothing Works without Glass-Steagall

March 10 (EIRNS)—The extraordinary Tuesday morning demand upon the Federal Reserve for \$216 billion in emergency liquidity loans, coming from primary dealer banks and more so from hedge funds and other shadow banks, showed that masses of bets in the bond markets and in interest rate derivatives have gone wrong and reverse leverage is now taking charge in the financial system.

A Washington Post column this morning by the experienced economic journalist Steven Pearlstein demonstrates that the "no alternative but to bail out Wall Street again" line has already resurfaced. Pearlstein starts out angrily blaming the central banks themselves for the huge masses of debt which are now turning up unpayable and choking the system. That is correct. He says they should not be feeding still more toxic debt into the system—don't buy stocks or similar securities from the banks. In fact, the Federal Reserve should, he says, be selling from its vast mass of Treasuries to withdraw liquidity.

Only one catch in Pearlstein's detailed prescription. First, just this once again, he says, the Fed will have to bail out Wall Street: "And you can bet that in the coming days, the Fed will follow up by making even more credit available to financial market participants—lowering short-term interest rates, widening the circle of institutions that are able to borrow from its 'discount' window, and accepting as

collateral those loans stocks and bonds and other securities that nobody is willing to buy." Then, he says, it must completely reverse policy over the long term.

This is the exact justification offered, along with threats of street riots and martial law, by the Treasury and Fed to Congress in the October 2008 crash to demand the bailout of Wall Street—which they were already carrying out in other ways. It leaves out the only action which would, at this point, prevent a disorderly meltdown: That is restoring the Glass-Steagall Act and making its rules effective within a very short period. The Wall Street banks are, even now, lending from their deposit base and using their capital reserves to save their speculative investment units, their captive or client hedge funds, etc. which are demanding the masses of additional liquidity from the New York Federal Reserve. The holding companies are thereby spreading the contagion into their commercial bank divisions, and exposing them to the corporate debt and derivatives collapse.

There is no action which prevents this, except Glass-Steagall.

### Fed ramps up repo operations to address disruptions in Treasury market

March 12, 2020 By Sunny Oh

The New York Fed increased the size of its repurchasing operations on Thursday in order to address the "highly unusual" disruptions in Treasurys markets. It said it would offer \$500 billion in a three-month repo operation on both Thursday and Friday. It also said it would offer \$500 billion in a one-month repo operation tomorrow. The New York Fed added it would conduct one-month and three-month operations for \$500 billion every week for the remainder of the month. This is on top of at least \$175 billion in daily overnight repo operations. As part of the repo operations, the Fed will temporarily lend out funds to broker-dealers in return for collateral such as Treasurys and mortgage-backed securities. The Fed's interventions comes as market participants have worried about the difficult of trading Treasurys in the last few days.

## Fed Injects \$1.5 Trillion To Prop Up Crashing Markets

Sarah Hansen Forbes Staff March 12, 2020

**Topline:** As stocks headed for their <u>worst day since 1987's Black Monday Crash</u>, the Federal Reserve announced further measures to prop up liquidity including a potential injection of more than \$1.5 trillion into the market; stocks responded immediately, cutting losses in half on the announcement, before dropping back down 8%.

- The Fed said it will ramp up its overnight funding operations—buying "repos," or repurchase agreements—by \$1.5 trillion over the next two days.
- "These changes are being made to address highly unusual disruptions in Treasury financing markets associated with the coronavirus outbreak," the New York Fed said in a <u>statement</u> on Thursday afternoon.
- The Fed also widened the range for its reserve management purchases—which had previously been restricted to short-term treasury bills—to include other types of financial instruments.
- The moves are designed to preserve liquidity in the market; in other words, the Fed wants to prevent "freezes" and make sure buyers and sellers still have the ability to trade.
- It's the third time in four days the New York Fed has announced that it will bulk up lending in the repo market: on Tuesday, it announced an injection of \$50 billion into the repo markets, and

- it added another \$25 billion on Wednesday.
- Stocks initially pared back nearly half their losses on the announcement, but within the hour had dropped back close to their previous daily lows; at 2:00 p.m. EST on Thursday, the Dow Jones Industrial Average was down 8%.

# Bazooka Fired: Fed Unleashes \$1.5 Trillion Repo Bailout, Expands "Not QE" To OE5

by Tyler Durden

Thu, 03/12/2020

https://www.zerohedge.com/markets/ny-fed-conduct-1-trillion-repo-over-two-days-stabilize-treasury-financing-market?

fbclid=IwAR2ehBohQTCNI00k IGE5FHHH5se0C6ySyDEjj4PiY6IQZ7Mvvy1SaNgWmk

After increases in its repo facility twice already this week, from \$100 billion to \$150 billion to \$175 billion per day, and adding a new 1-month term repo facility, the New York Fed just stunned the market and fired its biggest bazooka since Lehman (not coincidentally, just moments before today's 30Y Treasury auction, as a failed auction would mean, well, game over), by announcing a total of \$1 trillion in 3-month repos over two days (\$500BN today, \$500BN tomorrow), as well as an additional \$500BN in one-month repos offered weekly, which means up to \$3 trillion in cumulative repos (if fully allotted) may be online by the end of the month.

But wait, there's more, because the fed also finally threw in the towel on the semantics bullshit it was pulling since Sept 2019 by pretending that "QE" is "NOT QE", when it **officially expanded not-QE/QE4 to Q5**, when it announced it would start purchasing coupon Treasuries as part of its POMO operations, which as a reminder, was the official trigger transforming **Not QE** into **QE**.

For some context of how that compares to what they have been doing, assuming full allotment on the 2 \$500BN repos...

