

EIR Daily Alert Service

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

- Abandoning the Suicide Club To Create a Real Future
- Chas Freeman Hits Sanctions ‘Both Hypocritical and Counterproductive as Well as Cruel’
- Bush-Leaguers Warn U.S. Would Lose a War with China over Taiwan
- Pompeo Champions House Bill To Keep Iranian Sanctions in Place Forever
- Montana Legislature Becomes First State To Pass Bipartisan Resolution To End Endless Wars
- Does Legacy Media Reporting Create a Future?
- Local Media’s New Role: Regime Enforcers Against Common People?
- Biden Seeks To Double Capital Gains Tax Rate for Wealthy, but Will Revenues Increase Productivity?
- Ingenuity’s Pilot Hails Second Flight, ‘That’s Why We’re Here—To Make These Unknowns Known’
- Suicide Watch: Day One of Biden’s Leaders’ Summit on Climate
- Greta Thunberg Reprises Her ‘How Dare You’ Screech Before U.S. Congress
- COVID-19 Variants vs. Vaccines This Week
- ‘Magic’ of Leverage Shoots U.S. Stock Market ‘Value’ to Nearly \$50 Trillion

EDITORIAL

Abandoning the Suicide Club To Create a Real Future

April 22 (EIRNS)—The Biden White House celebrated “Dearth Day” by dragging together world leaders for a shared discussion about committing suicide by forcing the world to engage in a carbon-dioxide hunger strike. As the EU, U.K., and U.S. tried to outdo each other by cheerily announcing yet earlier dates to achieve various goals of reducing carbon dioxide emissions, John Kerry insisted that even carbon neutrality was too limited a goal. We’ll have to “suck carbon dioxide out of the atmosphere,” he gravely informed his bored audience.

While general statements about loving nature and living in harmony with it came from all attendees, some of whom represent countries with true pollution problems that have very real health impacts, when it came time to drink the Kool-Aid, many demurred. Xi Jinping pointed out that the responsibilities of the world’s nations are “common but differentiated,” continuing a theme of nations from the BRICS and the Global South insisting that their growth would not be sacrificed to meet climate goals set by the trans-Atlantic nations.

But the real threat to the future of the people of this planet is not climate change. It is nuclear war.

Ukrainian President Volodymyr Zelensky, who met for hours with MI6 Chief Richard Moore last year, insists his nation is ready to stand up to Russia and should become a member of NATO. American think-tank lunatics insist on sending additional troops to Ukraine to counter the purported Russian threat. A thwarted coup attempt in Belarus is followed by the U.S. Ambassador to that nation meeting with the opposition leader, in a third country. A Greek diplomat implores President Biden to prevent a new war by participating in a summit of the five permanent members of the UN Security Council.

The situation with Taiwan remains intense, with numerous hawks pushing for additional support for Taiwanese independence, an impossible course and far worse for Taiwan than to move towards negotiations on resolving the cross-Strait relations to create a single China with great autonomy afforded to Taiwan.

Driving the urgency of these military provocations, suicidal climate arrangements, and domestic U.S. fascism imposed by controlled-mob rule, is the exploding trans-Atlantic financial system, whose eruption backed by endless money-pumping is being treated euphorically as a period of immense growth. But as the upper part of the explosion propels finance upward, the detonation destroys the physical economy on which actual life depends.

To reverse it, the reins of power must be seized from Wall Street, which must be put under strict control and allowed a salubrious visit to bankruptcy court. National credit towards productive (read “anti-green”) investment in science, infrastructure, and manufacturing can carry the United States—and the world—towards the kind of economic paradigm largely being implemented presently by China, informed both by the previous success of the American System and the ongoing organizing of Lyndon LaRouche, Helga Zepp-LaRouche, and the LaRouche movement.

The [Schiller Institute Conference](#) of May 8 will bring together a thoughtful and active discussion on charting a course towards a Renaissance, to escape the war, banality, and ugliness of a culture which, though having abandoned the outlook that drove its past glories, insists on maintaining a now-unearned supremacy through crushing the rise of others.

We must work to collectively outgrow this infantile identity.

- Watch [Harley's Updates](#) with Harley Schlanger on Friday, April 23, 2021: Every weekday morning on [The LaRouche Organization](#) website, Harley will give you the strategic briefing on what you need to know to start your day.

THE NEW GLOBAL ECONOMIC ORDER

Chas Freeman Hits Sanctions ‘Both Hypocritical and Counterproductive as Well as Cruel’

April 22 (EIRNS)—Chas Freeman, a former defense official and a career diplomat, serving as Ambassador to Saudi Arabia and Deputy Chief of Mission in both China and Thailand, responded to the call by Helga Zepp-LaRouche to stop the genocide in Syria and Yemen with the following statement on the role of sanctions in foreign policy:

“I disagree with our abuse and overuse of sanctions on the grounds that they are ‘feel-good’ rather than results-oriented diplomacy, are ineffective unless they are part of a negotiation with a ‘yes-able’ proposal from those imposing them, create market distortions that rapidly establish vested interests in their perpetuation, injure innocent people but allow those in authority to maximize political power through control of patronage involving humanitarian exceptions, facilitate the scapegoating of those who impose them for entirely unconnected suffering of the populations they are supposed to aid, are an excuse for failing to address the ills they purport to punish effectively, and allow politicians to posture without doing anything effective about the problems they are condemning. In short, they are both hypocritical and counterproductive as well as cruel. Since their real objective is to satisfy domestic constituencies rather than accomplish anything in the countries they target, they always succeed. But they cause immense, needless, and inhumane deprivation where they are imposed.

“I will look for an opportunity to make these points whenever I can. I am appalled by our complicity in the immiseration of Syrians and Yemenis and say so, when asked.”

STRATEGIC WAR DANGER

Bush-Leaguers Warn U.S. Would Lose a War with China over Taiwan

April 22 (EIRNS)—Two leading members of the Council on Foreign Relations from the Bush administrations, Robert Blackwill and Philip

Zelikow, have released a document under the title “The United States, China, and Taiwan: A Strategy to Prevent War,” calling for the U.S. to stand firmly behind Taiwan against “Chinese aggression,” but also warning that the U.S. can not win a war with China. The CFR blurb promoting the report quotes from the 65-page Council Special Report No. 90: “We do not think it is politically or militarily realistic to count on a U.S. military defeat of various kinds of Chinese assaults on Taiwan, uncoordinated with allies. Nor is it realistic to presume that, after such a frustrating clash, the United States would or should simply escalate to some sort of wide-scale war against China with comprehensive blockades or strikes against targets on the Chinese mainland.”

They state that Taiwan “is becoming the most dangerous flash point in the world for a possible war that involves the United States, China, and probably other major powers.” They express a level of panic that the U.S. can no longer dictate global policy, and their proposals for U.S. actions show significant desperation. The U.S., they say, should: “affirm that it is not trying to change Taiwan’s status; work with its allies, especially Japan, to prepare new plans that could challenge Chinese military moves against Taiwan and help Taiwan defend itself, yet put the burden of widening a war on China; and visibly plan, beforehand, for the disruption and mobilization that could follow a wider war, but without assuming that such a war would or should escalate to the Chinese, Japanese, or American homelands.”

They conclude: “The horrendous global consequences of a war between the United States and China, most likely over Taiwan, should preoccupy the Biden team, beginning with the President.”

Pompeo Champions House Bill To Keep Iranian Sanctions in Place Forever

April 22 (EIRNS)—On April 21, former U.S. Secretary of State Mike Pompeo joined members of the House Republican Study Group of 146 Republican conservatives on Capitol Hill to support the Maximum Pressure Act, legislation that would guarantee that sanctions against Iran would

continue almost indefinitely. The new legislation was introduced by Rep. Jim Banks (R-IN).

The act states that sanctions on Iran can be lifted only if Iran meets 12 demands that Pompeo specified in May 2018. They include allowing full international access to observe and inspect Tehran’s nuclear activity; Iran would have to end production of a considerable amount of its ballistic missiles; release all American and international prisoners “detained on spurious charges”; Iran must end its support for groups declared as terrorist and proxy fighting forces in Iraq and Syria; accountability for human rights abuses; and so forth.

At an outdoor press conference for the legislation, Pompeo, flanked by Congressmen, bragged that he had imposed 1,500 sanctions on Iran. Pompeo asserted, “I remember some of you saying, well, [sanctions] won’t work, if it’s just America alone. But, of course, it did—\$123 billion of foreign exchange reserves [drawn down]; \$4 billion left for Iran. We took away 95% of the Iranian exchange reserves in just two and a half years.”

Pompeo also “took away” thousands of Iranian lives.

UNITED STATES POLITICAL AND ECONOMIC

Montana Legislature Becomes First State To Pass Bipartisan Resolution To End Endless Wars

April 22 (EIRNS)—The Montana state legislature overwhelmingly passed an unprecedented resolution April 20 calling on the federal government to end endless wars. The resolution passed 95-3 in the House and 47-2 in the Senate, a fully bipartisan accord.

Rep. Ron Marshall (R-Hamilton) co-introduced [House Joint Resolution 9](#), which is the first of its kind introduced in the United States.

The resolution urges President Joe Biden and the United States Congress to “end the endless war in Afghanistan,” repeal the 2001 Authorization for Use of Military Force, resist sending U.S. troops into

combat without a declaration of war from Congress or specific authorization to deploy forces, and to “execute a prudent foreign policy.”

Concerned Veterans for America, a veteran-run organization, endorsed the resolution. Ross Duerstine, the organization’s deputy director, said in a statement that “the passing of the Endless War resolution is a firm statement—a strong message on behalf of Montanans that there is a better way than continuing to fight endless wars.”

According to *USA Today*, Montana has the third-highest percentage of veterans of all states in the country.

Concerned Veterans for America’s Duerstine emphasized, “Our troops have served valiantly in Afghanistan and elsewhere, but perpetual war and fruitless nation building is not in America’s best interests. Worse, endless conflicts marginalize the service of those who have sacrificed for our freedom. We owe our military community better.”

Chris Egert, Montana’s grassroots engagement director for Concerned Veterans for America, who helped write the legislation, affirmed that the organization is using the legislation as a model to introduce in other states and to also pressure their Congressional delegations by passing similar resolutions.

Much would be gained from discussing the deeper processes driving these wars.

Does Legacy Media Reporting Create a Future?

April 22 (EIRNS)—“Columbus Police Shoot and Kill Black Teenage Girl” ran the NPR headline. “Ohio Police Fatally Shoot Black Teenage Girl Just Before the Chauvin Verdict,” said the *Washington Post*. Although not entirely untrue, these headlines—and the opening paragraphs of the stories—omit what any honest person would consider a remarkably important fact: that Ma’Khia Bryant, who was shot, was attempting to use the knife she was wielding to stab someone. This significant component of the story appears several paragraphs in, and briefly.

People take actions in furtherance of goals. For what purpose is this inflammatory reporting, which deliberately omits such an important factor, conducted?

Following the initial reporting, hundreds of students at Ohio State University engaged in a sit-in and then a rally to call on the university to break ties with the Columbus Police, whose officer had shot Bryant.

Polls of Americans show that numerical estimates of unarmed people shot dead by the police are usually off by one or two orders of magnitude. But there simply is not a growing epidemic of deadly police shootings of unarmed black people in the United States. According to *Washington Post* data, of the 1,000 people shot and killed by police in 2019, some 600 were armed with a gun, 54 were identified as entirely unarmed, and 20 were of “undetermined” status regarding whether they had a weapon. Among the 54 identified as “unarmed” and for whom a race was indicated, 12 were “black” and 26 were “white.”

If we count those considered unarmed, those with an undetermined status, and those whose “weapon” was a car, there were 135 such people shot and killed by police in 2019, among whom 31 were identified as “black” and 62 as “white.”

The number of unarmed black people shot and killed by police in 2019 was down about 60% from the level in 2015, when the *Washington Post* database began.

(Note that this database would not include deaths due to causes other than shooting, such as those of George Floyd, Eric Garner, or Tony Timpa. It also runs the risk of including contaminated crime scenes, planted guns, etc., and should not be taken as exact.)

This is not to say that policing cannot be improved. The elimination (or reform) of “qualified immunity” for civil cases would be a step in the right direction, as will overcoming the extreme resistance to bringing charges against police officers even when their deadly actions are clearly seen, as in the case of Derek Chauvin.

Addressing the overall level of violence in American culture and on American streets is impossible without a commitment to a program for an economic renaissance guided by fostering a culture that looks to space, to science, and to beauty for guidance.

Local Media's New Role: Regime Enforcers Against Common People?

April 22 (EIRNS)—While control over national media has become increasingly concentrated and manipulated, some have looked to local media as a place where the truth can slip through the cracks of the universe of spin generated by the leading legacy media. A national news anchor might report on “peaceful protests” whereas a local report would cover property damage.

But a new role for local media is coming into being—as enforcers of favored policies, exposing and ruining the lives of common people taking unfavored positions.

Consider the example of Kyle Rittenhouse, accused of killing two people during a protest in Kenosha, Wisconsin. Rittenhouse, who was armed, shot and killed two people who were attacking him, and maintains his innocence on the grounds of self-defense.

A legal defense fund for Rittenhouse was set up on GiveSendGo (after GoFundMe shut down the account established there). But information from GiveSendGo was leaked to reporters, one of whom wasted no time in targeting a local paramedic who had committed the unspeakable offense of contributing \$10 to Rittenhouse's defense.

Salt Lake City reporter Jason Nguyen showed up at the paramedic's front door to “get his side of the story,” comparing it to his coverage of a crime: “I do the same thing to those who have crimes alleged against them.” It should not need to be noted that mounting a legal defense is not a crime.

The outcome? There is now an “investigation” into the paramedic. Will he lose his job over this?

How about Norfolk, Virginia Police Lt. William K Kelly III, who anonymously donated \$25 to the Rittenhouse fund, adding a comment that said, “Keep your head up. You’ve done nothing wrong.” The *Virginian-Pilot* reported on the donation and on the subsequent firing of Lt. Kelly by the Norfolk Police Department. (Although his contribution was anonymous, the receipt was sent to his work email address.) The president of the local police union said he had never seen an administrative investigation conducted “so hastily.” Is supporting a person’s defense in a criminal trial—in which he is presumed innocent until proven guilty—a crime?

Will local media continue to overlook corruption and criminality at the highest levels of power, while acting to ruin the lives of ordinary people? What effect does this have on people’s willingness to speak up on controversial issues, to engage in political activity?

Biden Seeks To Double Capital Gains Tax Rate for Wealthy, but Will Revenues Increase Productivity?

April 22 (EIRNS)—Income made through the sale of assets held for over a year are generally considered long-term capital gains, and are taxed at a different rate than ordinary income. (Short-term capital gains, such as buying a stock and selling it in less than a year, are taxed as ordinary income.) Presently, the highest rate for capital gains tax—applied to couples making at least half a million dollars—is 20%.

Sources close to the Biden administration report that he is considering announcing a new long-term capital gain tax bracket of 39.6% for those earning \$1 million or more, as well as keeping a 3.8% tax on investment income designed to fund Obamacare.

The new tax is projected to bring in \$370 billion over a decade.

While this would move towards the goal of taxing all income equally (rather than taxing wages and salaries of those with moderate incomes at a higher rate than the capital gains of millionaires), it would have a surprisingly small impact on the world’s richest individuals.

This is because only a small portion of the annual increase of wealth of people like Jeff Bezos appears as “income” in any form. A wealth tax on billionaires (like a property tax, but for financial property) could tax a percentage of an extremely wealthy person’s total holdings, not just his or her income.

But the most important thing is where the tax money goes. What is it spent on? Taxing the rich does not in itself create wealth, if the taxes are wasted on military adventures, worse-than-useless investments into ineffective power sources such as windmills and solar cells, or moderators for Great Proletarian Cultural Revolution-style struggle sessions.

While the soaring fortunes of the super-rich shock the conscience, those financial gains go hand-in-hand with the *declining* physical economic potential of most trans-Atlantic economies. Invest in growth! Nuclear power, high-speed rail, water-treatment systems, fusion research, hospitals, parks, education, and urban transit provide a positive return on investment—as opposed to taxing the rich to pay for windmills.

SCIENCE AND INFRASTRUCTURE

Ingenuity’s Pilot Hails Second Flight, ‘That’s Why We’re Here—To Make These Unknowns Known’

April 22 (EIRNS)—At the Mars “Wright Brothers Field,” the Ingenuity helicopter flew 51.9 seconds, going up higher and employing sideways movement. Håvard Grip, Ingenuity’s chief pilot at NASA’s Jet Propulsion Laboratory, explained: “The helicopter came to a stop, hovered in place, and made turns to point its camera in different directions. Then it headed back to the center of the airfield to land. It sounds simple, but there are many unknowns regarding how to fly a helicopter on Mars. That’s why we’re here—to make these unknowns known.” Mars has about 1% of the Earth’s atmospheric density, which makes flying is a completely new experience. The [video](#) of the experiment is available from NASA.

GREEN NEW DEAL

Suicide Watch: Day One of Biden's Leaders' Summit on Climate

April 22 (EIRNS)—Forty heads of state and government and dozens of other leaders of institutions gathered (virtually) today to sing the praises of Joe Biden (“Joe” to many of them) for “bringing America back,” as most of them said—perhaps best expressed by the Britain’s Alok Sharma, appointed full-time President of the COP26 UN Climate Change Conference planned for Nov. 1-12 in Glasgow: “We welcome America back into the fold,” clearly meaning the Malthusian death cult known as the British Empire and its Paris Agreement. The meeting was chaired by climate fanatics Joe Biden, Antony Blinken and John Kerry.

There was a sharp distinction between the presentations of the leaders of the Western world, and those of Russia, China, Mexico, South Africa, and some (but only some) other leaders from the Global South. While Biden, Macron, Merkel, Trudeau, Draghi, et al. described the so-called “climate crisis” as the greatest existential crisis facing mankind today, they emphasized that *all countries* must join in the suicide pact of eliminating fossil fuels and shutting down major portions of industry and agriculture to save Mother Earth from the non-existent danger of carbon dioxide.

But the West no longer can dictate to the nations still guided by reason, rather than by Chicken Little’s screaming that the sky is falling.

Xi Jinping spoke poetically about the harmony and balance between man and nature, but added that it must follow a “people-centered approach,” focusing on those “longing for a better life.” We must follow the UN-centered multi-nationalism (i.e., not the artificial “rules-based order” made up by the imperialist powers). Most importantly, he and many others emphasized the “common but differentiated responsibilities” between the advanced sector and the developing sector, insisting that the concerns of the developing countries must be accommodated. It is of note that climate czar John Kerry, speaking today, called on China to give up its intention to allow coal-fired energy production to “peak” only in the 2030s. Xi did not obey, stating that they would continue producing coal-fired

plants, as presented in the 14th Five Year Plan. That plan made clear that moving beyond coal depends on expanding nuclear and fusion power.

Vladimir Putin also insisted on UN-centered policies. He explained that Russia had reduced

carbon emissions by half since the 1990s (like China, Russia has a serious real pollution problem, which they are resolving, with the side-effect of reducing carbon emissions). He said Russia is restructuring its energy and industrial sectors, focusing on nuclear power (he reminded the world that there are no carbon emissions from nuclear), as well as petro-gas and hydrogen. He observed that Russia's ecosystem absorbs 2.5 billion tons of CO₂ per year. He closed by insisting that global development must "not only be green, but also sustainable," by fighting poverty and closing the gap between rich and poor. Nary a word about solar or wind.

President Andrés Manuel López Obrador (AMLO) began by stating that Mexico had recently discovered three hydrocarbon deposits, all of which, he said, would be used to meet domestic demand. No longer, he said, would Mexico sell crude oil and import gasoline. Hydro plant turbines were being modernized to produce more electricity at less cost. Vast reforestation was taking place—700 million trees, heading for a billion, and Mexico would help reforestation in the triangle countries to the south. He offered to advise the U.S. on this successful program. He also called on the U.S. to treat migrants as "exceptional people" who are willing to work hard, and who should have a path to citizenship if they desire. The State Department had warned AMLO in advance that the issue of migration should not be raised in the context of the environment—they are two totally different matters—but he did anyway.

Antigua and Barbuda Prime Minister Gaston Browne, interestingly, barely mentioned climate, but focused on the financial disaster which, due to the pandemic, is striking countries like his that depend on tourism, and demanded that the nation's debt must be forgiven or reorganized—it simply cannot be paid. He praised the fact that not only the U.S., but also China, were setting the pace on the climate issue.

The session was ended by 19-year-old Xiye Bastida, a Mexican version of Greta Thunberg (who was busy testifying at the U.S. Congress), ranting and lecturing the evil white folk in the Global North who caused all the problems, and must now take direction from the brainwashed children. Blinken spent several minutes praising her as one of the “leaders of the future” who are dedicated to saving us from our folly. Bastida had been scheduled to speak in the session following AMLO’s, but she was moved up to provide a direct rejoinder to AMLO, and build her up as an international figure. One pro-AMLO YouTube program, Antonio Villegas’s Guacamole News, reported on the incident: “Biden Ambushes AMLO at the Summit! They Create a Mexican Greta. She Already Attacked Him. From the Soros Group.” According to Villegas, Bastida insisted that the world has to recognize that we are at the end of the era of fossil fuels.

The rest of the day included a session on Green Finance genocide with the normal suspects (Yellen, Georgieva, etc.), and another on Green Defense genocide (Lloyd Austin, DNI Avril Haines, Britain’s Defense Secretary Ben Wallace, NATO’s Jens Stoltenberg). Climate is the center of all things, they agreed, and the world must bow down or die, or both. April 23 is more of the same, ending with Michael Bloomberg and Bill Gates.

Greta Thunberg Reprises Her ‘How Dare You’ Screech Before U.S. Congress

April 22 (EIRNS)—Testifying today before the House Oversight and Reform Subcommittee on Environment, the very emotionally disturbed, tight-lipped Greta Thunberg reprised her famous, enraged “how dare you!” hysteria at the September 2019 UN Global Climate Action Summit, excoriating committee members for “surrendering” on the need to defend the climate target of 1.5° Celsius. How will you explain to your children, she asked. “Giving up without even trying?” How long, she threatened, “can you continue to ignore the global climate crisis without being held accountable?” Warning that their legacies are in danger, she concluded with this attack: “We, the young people, ... are the ones who get to decide how

you will be remembered. My advice to you is to choose wisely.” ([Thunberg testimony](#) at minute 33.56.)

COVID-19

COVID-19 Variants vs. Vaccines This Week

April 22 (EIRNS)—While official new cases of COVID-19 may have peaked in the United States, Brazil, and possibly Turkey and India continue as massive hotbeds of the coronavirus and its variants. India today reported yet another new record, now about 315,000 new cases—the greatest number for new cases, by far, for any country during the pandemic. The California-India “double mutation” variant that first ripped through the populous state of Maharashtra is a key factor in the spread. Meanwhile, Brazil seems to have peaked about a month ago, but has only had a slow, modest decline in daily new cases. The United States may have peaked about two weeks ago, and there’s evidence that the Covid explosion in Turkey may have paused in the last few days, although the number of cases per million is still extremely high, at over 700. Greater numbers of cases present a “Petri dish” environment for breeding new strains.

In the United States, much credit is due to the extensive vaccine availability. The *Washington Examiner* looked through some of the data from mid-December to early April, finding that the largest drop in new infections (86%) is indeed among those who are 65 and older, with the highest percentage of vaccinations. Other studies show that infections among the residents and staff of nursing homes from December to March went down by 96%.

However, in Chile, which has vaccinated on a par with the United States (both are in the range of 60-70 doses per 100 people), new cases have continued upward, significantly from the “Manaus” variant, P.1. It is possible that this is because the Chinese Coronavac vaccine, which has constituted 93% of Chile’s vaccine doses, may confer most of its protection only after the second shot, and may not be as effective against P.1.

COLLAPSING WESTERN FINANCIAL SYSTEM

'Magic' of Leverage Shoots U.S. Stock Market 'Value' to Nearly \$50 Trillion

April 22 (EIRNS)—The value of the U.S. stock market has reached \$49 trillion, a speculative level unimaginable three years ago. The City of London and Wall Street have built this bubble using the largest pile of leverage in history, consisting of margin loans, and a new synthetic instrument called “total return swaps.”

Simultaneously, by Jan. 1, the total outstanding U.S. debt—combined household, business, and government debt—soared to \$78.7 trillion. The U.S. debt and stock market bubble alone totals \$127.7 trillion. Moreover, the value of American banks' derivatives holdings—the derivatives notional amounts—reached \$197.5 trillion by the end of the first quarter of 2020. At most, one-twentieth of this mass of paper is connected to the U.S. economy's physical production that advances scientific-technological progress and the improvement of the labor force's cognitive powers.

The current state is wholly unsustainable, with the explosive growth of these instruments. On Jan. 1, 2019, the U.S. stock market was worth \$30.1 trillion; by March 31 of this year, it had leapt to \$49.1 trillion. One means to power this process is margins loans, that banks and financial institutions make to investors to buy stocks. Let's say an investor buys a stock, paying for 90% of the stock's purchase price with a margin loan, and paying just 10% of the price with his own money, a 9:1 ratio of leverage. Just in the past year, financial institutions' outstanding margin-debt lending has risen from \$546 billion to \$814 billion, a 49% increase.

The April 1 *Financial Times* discloses in an article, “[Archegos Debacle Reveals Hidden Risk of Banks' Lucrative Swaps Business](#),” that banks are using a synthetic instrument called a “total return swap” that can be made to function just like a margin loan, but is disguised on the banks' books. *FT* covers the consultancy Finadium which reports that the volume of total return swaps exceeds the volume of what are officially called margin loans.

Thus, the combined volume of such loans exceeds \$1.6 trillion, a level of margin lending never seen in the history of the United States.

The end of March failure of Archegos Capital, which purchased stocks using large amounts of total return swaps, triggered large losses for Credit Suisse, Nomura Securities, and Morgan Stanley, at least.

The deleveraging of the entire speculative system will punch a huge hole in the U.S. financial system, which will bring down the world financial system, in which other nations have similar leverage and exposure. Uniquely, implementation of LaRouche's Glass-Steagall Act and national banking, within the context of a Four Power New Bretton Woods system as LaRouche spelled out can address the situation.