

LaRouche: Bailout Illegal; Bankers Should Be Jailed

Lyndon LaRouche insisted on March 20 that Congress should conduct an investigation into the *criminality* of the Federal Reserve and Treasury's bailout of the vaporized speculative "investment" bank Bear Stearns on March 16.

The Emergency Banking Act, passed by Congress on March 9, 1933, provides for government assistance to protect vital banking functions. That assistance is restricted to commercial banks.

Chartered commercial banks make up a vital part of our overall economy, but brokerage houses and investment banks such as Bear Stearns are strictly part of the speculative apparatus that has looted the economy and the population blind. That the Fed stepped in to provide tens of bil-

lions of dollars, or more, to save Bear Stearns, is *prima facie* criminal.

LaRouche charged on March 18 that the bailout represented a case of money laundering that should be prosecuted.

"It smells like another filthy Goldman Sachs scheme," LaRouche said. "I think it is time to increase the social status of our Federal prison population—by sending all those responsible for this abomination to jail... These guys are cheating."

LaRouche added that the bailout scam "is an obstruction of our plan—the Homeowners and Bank Protection act and the three steps needed to survive," that he had identified in his March 12 webcast.

So far, the House Oversight and Government Reform Committee and the Senate Finance Committee are planning to investigate the actions of the Federal Reserve in providing the bailout of Bear Stearns, MarketWatch and the *Wall Street Journal* reported on March 19.

the fascist roots of Lerner's outlook, and forced Lerner to admit his self-damning belief that had Germany capitulated to the demands of banker Hjalmar Schacht, "Hitler would not have been necessary."

The response from the parasites was immediate and predictable: Never again, they informed LaRouche, would he be allowed to challenge them publicly. Keep your mouth shut and follow the rules, or we will destroy you.

It was a big mistake. Rather than cowering in fear as so many had done, LaRouche decided to fight back, drawing upon his studies of the great ideas of history and his commitment to truth above all else.

Since then, LaRouche and his movement have been attacked by virtually every means in the Venetian tool-kit, from physical assaults to press slanders to prosecutorial frame-ups and even jail; hard blows were landed, but LaRouche persisted, knowing that despite its demonstrated power, the Anglo-Dutch Liberal system was crumbling from within, that it would inevitably collapse as a result of its own cannibalistic policies.

That day has arrived. The events of the past year, from the turmoil in the mortgage-related financial markets to the blow-out of the banking system, have proven LaRouche's analysis of the Anglo-Dutch Liberal system to be correct. What LaRouche saw as the inevitable result of Nixon's action in 1971, has now exploded upon the world.

Bretton Woods

During July 1944, a United Nations Monetary and Financial Conference was held at the Mount Washington Hotel in

Bretton Woods, New Hampshire. The 44-nation conference established what became known as the Bretton Woods monetary system, a key component of which was the establishment of a fixed system of currency exchange rates among nations. Under Bretton Woods, a gold reserve standard was established, with the U.S. dollar pegged to gold at \$35 an ounce. This arrangement was the economic bedrock upon which the post-World War II world was rebuilt, led by the industrial might of the United States.

Bretton Woods was a victory for President Franklin Roosevelt, and his view that the post-war world should be free of empires and their colonies. FDR intended to use the power of the United States and other nations to elevate the status of the common man worldwide, and end the domination of the economic royalists. It was a grand vision, and had he lived to implement it, the world would be in far better shape than it is today.

The British were apoplectic at the prospect of a Rooseveltian/American System world, and pulled out all the stops to defeat it. With the death of Roosevelt in 1945, and the ascension of Harry Truman, the empire struck back. The fear of a Soviet attack and the spread of communism was used to create a Cold War environment, under which the British empire became the top strategic ally of the United States, and FDR's grand vision was swept away. In the name of fighting communism, Truman and his Anglophile controllers sold FDR and America down the river. (The parallels to today's "war on terror" should not be missed.)

The British set out to systematically dismantle the American economy, as a way of restoring their own dominance in