

Century Europe into a prolonged, genocidal “new dark age.”

Many citizens, including elected officials, on the level of state and local government, supported my proposed emergency action on the housing and banking crisis. Therefore, if those among you on the Federal level, who acted to sabotage my proposed emergency actions, such as Dodd and Frank, among others, must now repudiate your actions in sabotaging my proposals. Otherwise, if you are moral individuals, you will resign your present offices.

We must also take note of the fact, that both Senators Barack Obama and John McCain have reacted as consenting adults to the national perversions launched by Christopher Dodd, Barney Frank, Secretary Paulson, and President George W. Bush, Jr. Clearly, as an immediate first step, some of those named persons should begin the chain-reaction of simply resigning (ritual suicide is not recommended). The editors of the shameful *New York Times*, by the way, should also utter their own mea culpas (on the way out of their present positions) for their part in the related virtual crimes against humanity which they have perpetrated in their shameless corruption of attempting, fraudulently, to bully Rep. Charles Rangel, the Chairman of the Ways and Means Committee, into caving in to what is in fact the treasonous actions of Dodd, Frank, Paulson, Bush, et al.

Senators Obama and McCain, should reconsider their toleration of an implicitly treasonous action, or prepare to enjoy the rising public wrath of those who come to recognize the nature of the swindle, against them, which you have condoned. Obama, by the way, is likely to suffer much more than McCain, from associating himself with the actions of Dodd, Frank, Paulson, and Bush. (Senator Obama need merely address relevant experts who can explain this to him, blow by blow.)

Meanwhile, those who care will join me in the urgently needed actions to save civilization from the monstrous, virtually treasonous action which Dodd, Frank, Paulson, President Bush, and others have perpetrated in promoting this betrayal of our republic to a foreign financier power, the enemy of, in fact, all present and future humanity.

To ordinary concerned citizens who have just been looted beyond belief by the swindlers I have pointed out here, I say: “You know whose doorbell to ring on this matter.”

Tantamount to Treason

LaRouche Denounces ‘Unlimited’ Bailout

Lyndon LaRouche denounced U.S. Treasury Secretary Hank Paulson’s “unlimited” bank bailout announcement Sept. 7, as “tantamount to treason” against the United States and its Constitution. Paulson’s action completely confirms LaRouche’s warning—ever since authorization of this Federal bailout action was demanded by Paulson in July—that the Treasury is *not* assisting Fannie Mae or Freddie Mac; It is using them to *pass through* a huge new taxpayer bailout to international banks holding Fannie and Freddie and other mortgage securities. These banks are being aided by the Treasury in postponing the inevitable write-off of trillions in worthless securities, which would expose their bankruptcy. The bailout will not work, except to worsen the ongoing financial crash.

Paulson announced, at 11:00 a.m., the government takeover of Fannie Mae and Freddie Mac, until the end of 2009, and the “unlimited” bailout by the Treasury of Fannie and Freddie securities held by banks.

Both Republican John McCain and Democrat Barack Obama announced they backed the bailout.

Paulson refused to name a figure for the bailout over any time period: Both the new capital being put into Fannie and Freddie by the Treasury, and the Treasury “Secured Credit Lending Facility” opened up to them, are open ended and unlimited (except by the current U.S. Federal debt ceiling). Worse, Paulson announced that the Treasury is mandating the two government-sponsored enterprises (GSEs) to use this Federal credit line to buy *more and riskier* toxic mortgage-backed securities (MBS), and more subprime and undocumented mortgages, through the end of 2009, than they have been buying in 2008.

Worse still, Paulson announced the Treasury *itself* will start buying MBS directly from Fannie and Freddie, whether issued by them or bought by them from investment banks.

A more transparent bailout of \$2 trillion of Fannie

and Freddie MBS held by banks and financial funds, and of lenders of mortgages guaranteed by Fannie and Freddie, could not have been proclaimed. Paulson's announcement even extends the "secured lending credit facility" to the Federal Home Loan Banks as well, although no one had reported them to be "in crisis" like Fannie and Freddie; some of the Home Loan Banks have been throwing huge bailout loans at bankrupt subprime mortgage lenders like Countrywide Financial.

Here is the evidence of Paulson's announcement:

"The second step Treasury is taking today is the establishment of a new secured lending credit facility which will be available to Fannie Mae, Freddie Mac, and the Federal Home Loan Banks. Given the combination of actions we are taking, including the Preferred Share Purchase Agreements, we expect the GSEs to be in a stronger position to fund their regular business activities in the capital markets. This facility is intended to serve as an ultimate liquidity backstop, in essence, implementing the temporary liquidity backstop authority granted by Congress in July, and will be available until those authorities expire in December 2009.

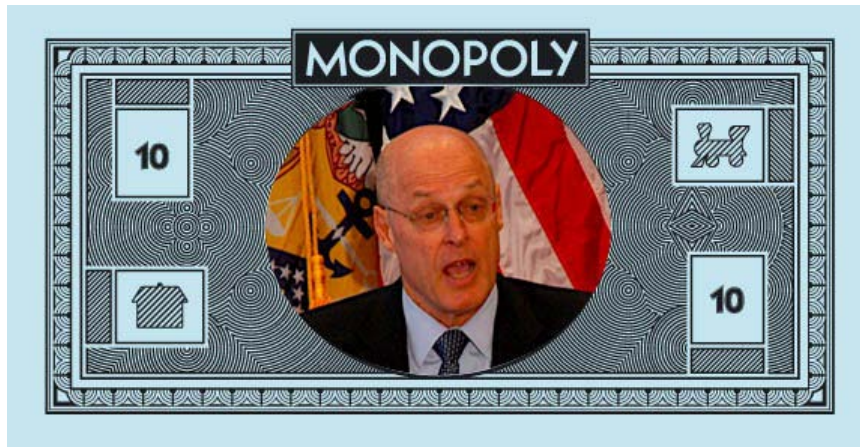
"Finally, to further support the availability of mortgage financing for millions of Americans, Treasury is initiating a temporary program to purchase GSE MBS. During this ongoing housing correction, the GSE portfolios have been constrained, both by their own capital situation and by regulatory efforts to address systemic risk. As the GSEs have grappled with their difficulties, we've seen mortgage rate spreads to Treasuries widen, making mortgages less affordable for homebuyers. While the GSEs are expected to moderately increase the size of their portfolios over the next 15 months through prudent mortgage purchases, complementary government efforts can aid mortgage affordability. Treasury will begin this new program later this month, investing in new GSE MBS."

Who Sold You Out?

Hank Paulson's Taxpayer Bailout of Speculators

1. What Is It?

What Hank Paulson announced over the Sept. 6-7 weekend is an unlimited, Federal Treasury, taxpayer-funded credit line, to guarantee banks and financial funds all over the world 100% of the value of their



EIRNS/Will Mederski

m o r t g a g e -
backed securi-
ties. It is a Fed-
eral bailout
promise which
will completely
dwarf the \$30
billion Federal
Reserve bailout
of the mortgage-
backed securi-
ties of Bear
Stearns in May.
It will steal from
American citi-

zens and taxpayers on a scale they have never seen before, to the benefit of financial firms. This makes the bailout unconstitutional, a direct violation of the leading "General Welfare" clause of the U.S. Constitution.

This taxpayer bailout of banks and hedge funds, is called by Paulson's Treasury, the "Secured Credit Lending Facility." It has been publicly presented as a takeover and rescue of Fannie Mae and Freddie Mac, the huge government-sponsored mortgage companies. But the bailout credit will *pass through* Fannie and Freddie to the holders of the mortgage-backed securities (MBS) they've issued—that is, to international banks, investment banks, hedge funds, foreign central banks, etc.

A clear tipoff that this bailout is not actually a rescue of Fannie and Freddie? The Treasury's "Secured Credit Lending Facility" will also go through the 12 Federal Home Loan Banks. Nobody's claiming the Home Loan Banks are being "rescued"; but they've been doling out