

## 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.