

LaRouche: Fed Crimes Cannot Be Buried

Sept. 3—Lyndon LaRouche today forcefully warned that any effort to cover up the crimes committed by the Federal Reserve Bank, during the Bush and Obama administrations, will be “tantamount to treason.”

LaRouche was responding to reports from reliable sources close to the Obama White House, that the top leadership of the Democratic Party is “desperate” to block any disclosures of the Fed’s role in the preferential bailout of certain key American banks, during the period since the August 2007 blowout of the financial system. As reported in the *Washington Post* on Aug. 28, as the result of the actions of the Fed and the U.S. Treasury Department, under the Bush and Obama presidencies, four big U.S. banks—JP Morgan Chase, Citibank, Bank of America, and Wells Fargo—along with Goldman Sachs, have consolidated almost total control over the entire U.S. banking system, managing one-third of all deposits, one-half of all mortgages, and two-thirds of all credit card debt.

In Senate testimony in July, the Special Inspector General of the Troubled Asset Relief Program (TARP), Neil Barofsky, had warned that the total cost of the bailout, to date, was a staggering \$23.7 trillion—counting funds already spent and funds already allocated. Yet, a record number of regional banks have been allowed to go bankrupt, and the most recent report by the Federal Deposit Insurance Corporation (FDIC) cited more than 400 additional banks on the verge of collapse.

Who Will Audit the Fed?

In particular, the top Wall Street-allied Democrats are reportedly frantic to sabotage Congressional passage of H.R. 1207, the Federal Reserve Transparency Act of 2009, which would mandate a Government Accountability Office (GAO) audit of the Fed’s lending practices, and its relations with foreign central banks and other foreign financial institutions. H.R. 1207, introduced by Rep. Ron Paul (R-Tex.), has been co-sponsored by more than 300 members of the House of Representatives, thus assuring its passage, and mandating

that it be brought to a floor vote. A parallel Senate bill, the Federal Reserve Sunshine Act of 2009, has been introduced by Sen. Bernie Sanders (I-Vt.) and has 23 co-sponsors, so far.

Given the overwhelming support, the Fed Audit bill is currently unstoppable in the House. Enter Rep. Barney Frank (D-Mass.), who chairs the Financial Service Committee, where the bill sits. Frank has professed to support the Paul measure, but there are indications that he will try to fold it into a broader bank reregulation bill, rather than leave it free-standing. This would in-

crease the likelihood that the bill will be weakened or defeated.

There is also panic at the White House, the Fed, and on Wall Street, over the Aug. 24 ruling by Chief Judge Loretta Preska, of the Federal District Court for the Southern District of New York, ordering the Fed to disclose documentation of its expanded lending and other interventions in 2007 and 2008, particularly around the sale of Bear



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Rep. Ron Paul (R-Tex.)

Stearns to JP Morgan Chase. The order came in a Freedom of Information Act lawsuit, brought by Bloomberg LP against the board of governors of the Federal Reserve System, after two Bloomberg News reporters were denied access to Fed documents on the government-subsidized takeover.

LaRouche minced no words in warning about the consequences of a successful coverup, including the sabotage of the Fed audit bills now before Congress. “The issue is: The system will be blown out if this information is concealed. You cannot sweep this under the rug. The American people have both the right, and the urgent need, to know what has been done with their tax dollars. Only by un-burying the evidence can you save the U.S.A.”

LaRouche continued, “You cannot conceal the truth. Whatever the price, the full disclosure must be brought to the public. The American people must know the full extent of the folly of the Bush and Obama presidencies. If they kill the Paul and Sanders bills behind closed doors, such suppression of the information will be tantamount to treason.”