

Ghost: ‘Swear!’

The Ghost on today’s Depression stage is Ferdinand Pecora, 1938 author of *Wall Street Under Oath*, which described how, in 1933, he exposed to the entire nation, who on Wall Street had run the country into the Great Depression, and how. Pecora skewered the “banksters” in front of the Senate Banking Committee for a full year. Everyone aware of this history, and what it meant for the huge public support of President Franklin Roosevelt’s New Deal, knows that new “Pecora hearings” are overdue from Congress now.

The first evocation came from economist and statesman Lyndon LaRouche, founding editor of this magazine, with his early December 2008 call for a “new Pecora Commission.” By early February, historian Ron Chernow (*The House of Morgan*) and others had followed with calls of their own. On Feb. 4, Sen. Richard Shelby of Alabama, senior Republican on the Senate Banking Committee, shook up a hearing of that Committee, with a long and detailed proposal for the “new Pecora hearings” it must hold.

Two months and 5 million layoffs later, with public anger waxing hot against both Wall Street and Capitol Hill, additional members of Congress are demanding a “Pecora Commission”—with subpoena power to make the financial CEOs, the regulators, and key government officials “swear to tell the truth.”

Sen. Byron Dorgan (D-N.D.), holding up Pecora’s picture on the Senate floor on April 8, made an attempt with Sen. John McCain (R-Ariz.) to form a Senate Select Committee to investigate the causes of the financial collapse. Sen. Bernie Sanders (I-Vt.) called for new Pecora hearings, while moving with Sen. James Webb (D-Va.) on April 7, to try to force the Federal Reserve to reveal the names and performance of banks to which it is lending trillions. “Pecora hearings” were also proposed on April 6 by Rep. John B. Larson (D-Conn.), chairman of the House Democratic Caucus.

Out in the country, the demands for powerful hearings to investigate the “banksters” have become

a drumbeat. Notable was St. Louis University Prof. William K. Black, formerly chief Federal regulator investigating the S&L bank scandals of the 1980s. Black teamed up with television journalist and former White House official Bill Moyers, in a full outline of “new Pecora hearings” on April 9; Black named specific Federal laws being broken by officials refusing to put the likes of AIG and Citibank into receivership.

Even the chairman of the congressionally created Oversight Panel for the so-called TARP \$700 billion bank bailout scheme, Harvard Law Prof. Elizabeth Warren, called for Pecora-style hearings while delivering its report April 9.

But the Nancy Pelosi-Barney Frank Democratic leadership in Congress—with Senate Banking Committee chairman Christopher Dodd playing the self-destroying Hamlet in this case—has still refused to investigate. Congress, which investigates the fall of any sparrow with at least two or three hearings, has still not managed to organize an investigation of what, and who, brought on the worst financial blow-out in this nation’s history!

The cause of this failure, in the face of the obvious need of a “Pecora investigation” outlined by LaRouche five months ago—even in the face of multiplying demands from both Houses of Congress—could only be that some Congressional leaders, such as Wall Street’s Senator Dodd, would quickly expect to join the *targets* of the investigation.

“Which brings us to Larry Summers,” as Bill Moyers wrote. President Obama’s chief economic advisor was key in the 1999-2000 wing-ding deregulations which ran us into this economic ditch.

So, whereas in 1933, Ferdinand Pecora’s hearings roused up the nation for real recovery actions, today, it is the very lack of them which is riling up populist rage. Congress had better junk Senator Dodd’s Hamlet-like inactivity, hire a “new Pecora,” and “Swear!”