

GEITHNER AND BERNANKE DEMAND NEW MEGA-BAILOUT OF EUROPE

Capitol Hill sources have confirmed that Treasury Secretary Timothy Geithner and Federal Reserve Chairman Ben Bernanke are demanding that Congress prepare emergency legislation for yet another hyperinflationary bailout of the hopelessly bankrupt Trans-Atlantic financial system. For the past week, the two men have been meeting secretly with leading Congressional Democrats and Republicans, demanding that they draft new legislation to bail out the banks on an even larger scale than after the 2008 collapse.

According to several congressional sources, Geithner and Bernanke have pledged that they will do everything in their power to flood European banks with bailout funds through the Federal Reserve, but they candidly admit that that may be impossible, and that congressional action may be required. If the crisis hits, they warn, there must be legislation already prepared, because the speed and magnitude of the crisis may require extraordinary intervention to “save the system.”

Lyndon LaRouche today denounced the Bernanke-Geithner efforts as “tantamount to treason.” “The current Trans-Atlantic system cannot be saved,” LaRouche warned. “The only option is the immediate reinstatement of the original Franklin Roosevelt Glass-Steagall Act. It must happen now!” LaRouche warned that, as of Thursday or Friday of this week, the entire European financial system will explode. “Either Germany will hold firm and refuse to surrender the last vestiges of national sovereignty, or Europe will go into a hyperinflationary breakdown.

It all hangs on Germany.” German Chancellor Angela Merkel is under pressure from a swarm of British and Wall Street agents - from Geithner and Bernanke to George Soros - to agree to a German bailout of the entire euro system. “The reality is that the gambling debts of the European and Wall Street banks can never be paid. The only option is an orderly cancellation of all those trillions of dollars of gambling debts by reinstating Glass Steagall.”

Rep. Marcy Kaptur (D-OH) has introduced H.R. 1489 to reinstate Glass-Steagall and the bill now has 69 co-sponsors from both parties. Last week, LaRouchePAC exposed the fact that former Federal Reserve Chairman Paul Volcker has been mobilized, on behalf of Geithner and Bernanke, to sabotage the passage of Glass-Steagall. Now, Geithner and Bernanke are pushing for another even bigger taxpayer bailout of Wall Street and London’s gambling debts. According to Capitol Hill sources, even Rep. Barney Frank (D-MA) rejected the Bernanke and Geithner demands!

Lyndon LaRouche reiterated that the only option is Glass-Steagall. “Anyone who is not fighting for Glass-Steagall now is going to be judged a traitor to humanity. The only way to save the viable commercial banks is to end the bailouts and go back to Glass-Steagall. If Glass-Steagall is not passed into law now, we face the danger of total chaos, when the system comes crashing down. It could happen as early as the end of this week, as the European crisis reaches a break point.”

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VOLCKER CONFESSES TO \$2 TRILLION SWINDLE AGAINST THE AMERICAN PEOPLE

The LaRouche Political Action Committee has learned that former Federal Reserve Board Chairman Paul Volcker is conducting a call-up campaign against the reinstatement of Glass-Steagall, arguing that the so-called Volcker Rules are sufficient because they do not “punish” bankers by demanding that they take responsibility for the more than \$2 trillion in still-outstanding gambling losses. Under a full return to the Franklin Roosevelt Glass-Steagall Act, taxpayers would be freed from responsibility for covering the gambling debts of Wall Street, which amount to trillions of dollars that Volcker wants the American people to cover.

Lyndon LaRouche, who has led the campaign to reinstate Glass Steagall ever since the collapse of the trans-Atlantic financial and monetary system beginning in the summer of 2007, sharply denounced the “Volcker attempt to swindle the American people out of \$2 trillion plus,” recalling that as Chairman of the Fed in the late 1970s and 80s, Volcker presided over the take down of the real U.S. economy by driving interest rates up over 20 percent, bankrupting countless farms and businesses.

Volcker’s efforts to kill Glass-Steagall, which has been reintroduced into the House of Representatives by Rep. Marcy Kaptur (D-OH) as H.R. 1489, with over 65 co-sponsors, were first made public by Rep. Michael Burgess (R-TX), during a recent district town hall meeting, at which he told constituents that he would not support Glass-Steagall and H.R. 1489 because he had spoken with Volcker and had been told that it was unnecessary because the Volcker Rule was sufficient. It has been further confirmed by top Democratic Party sources that the Volcker calls to pro-Glass-Steagall economists and politicians is part of a larger push by the Obama White House to push back against

Glass-Steagall. For months, the Obama White House and Treasury Department had held back from making any comments on Glass-Steagall, due to the broad and growing public support for a return to the FDR-era separation of commercial banks from the speculators. But, following the recent admissions by JPMorgan Chase CEO Jamie Dimon that the bank had lost billions of dollars on bad speculative bets on the survival of the euro, support among members of Congress, state legislators and other elected officials for an immediate return to Glass-Steagall has skyrocketed. Now, the Obama White House, along with Treasury Secretary Timothy Geithner, is on an all-out desperate drive to kill the Glass-Steagall initiative. The Volcker Rule, from the outset, LaRouche has warned, has been nothing but an Obama and City of London weapon to blunt support for the only viable option for dealing with the Trans-Atlantic bankruptcy: Immediate reinstatement of Glass-Steagall in the United States, and full bank separation in Europe.

“Volcker has made a big mistake,” LaRouche commented today. “He has accused me and all of those supporting the reinstatement of Glass-Steagall of trying to ‘punish Wall Street.’ In reality, Volcker is telling the American people that they once again have to cover Wall Street’s gambling losses with their hard-earned tax dollars. This is a swindle that no sane American is going to tolerate. Furthermore, the entire trans-Atlantic financial system is hopelessly bankrupt and cannot be saved under any circumstances. Volcker’s renewed efforts to kill the only viable alternative to more bailouts, is going to lead to a global hyperinflationary blow-out worse than what happened in Weimar Germany in late 1923. This time it will happen on a global scale, starting in the United States and Europe.”

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