

Neel Kashkari, the U.S. Treasury official overseeing the \$700 billion rescue of the financial system, said government equity injections will be aimed at "healthy" firms.

"We are designing a standardized program to purchase equity in a broad array of financial institutions," Kashkari, who heads the department's Troubled Asset Relief Program, said in a speech in Washington. "The equity purchase program will be voluntary and designed with attractive terms to encourage participation from healthy institutions."

U.S. officials are hurrying to address frozen credit markets that led France, Germany, Spain, the Netherlands and Austria to agree to commit \$1.8 trillion to guarantee interbank loans and take equity stakes in banks. Buying shares of financial institutions has become the latest focus of Treasury Secretary Henry Paulson's rescue plan.

"While the U.S. tends to shy away from **nationalizing** or even partially nationalizing its financial institutions, it would appear that it has no choice but to follow suit," Win Thin, a senior currency analyst with Brown Brothers Harriman & Co. in New York, said in a research note today.

TVNL Comment: As predicted...this is a takeover, not a rescue. This is a wealth undistribution.

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