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Fed Refuses to Trade Secrets

by The Mogambo Guru

"Unfortunately, while I am exactly like the Federal Reserve in that we are both total, complete failures at our jobs, mostly through sheer stupidity, the repercussions are quite different."

Jim Willie of the Hat Trick Letter notes that Bloomberg has filed a lawsuit against the Federal Reserve to force the Fed to give some details about where in the hell \$700 billion went after disbursement from the TARP funds, a request and a lawsuit that the Fed is steadfastly fighting, tooth and nail.

Bloomberg.com reports it as "The Federal Reserve refused a request by Bloomberg News to disclose the recipients of more than \$2 trillion of emergency loans from U.S. taxpayers and the assets the central bank is accepting as collateral", which they think they are entitled to "under the U.S. Freedom of Information Act."

The reason the Fed gives is that trade secrets are in there somehow! Mr. Willie says, "The USFed will continue to withhold internal memos as well as information about trade secrets and commercial information. Are you kidding me? TRADE SECRETS BY AN AGENCY HIRED TO MANAGE THE DOLLAR AND TREASURYS???"

It was with a degree of shock and alarm that I noted that the punctuation was 3 punctuation marks, which immediately puts me on High Alert Status (HAS) and identifies it as something more than simple puzzlement, like when people casually ask my wife, "Why in the hell don't you kill your husband and make it look like an accident, or divorce him, or at least just get away from him and maybe have a chance at a happy life?"

But I am too busy right now to think about that, or even come up with some snotty answer that includes telling them all to "Kiss my butt!" because I am on my way to work. Believe it or not!

Normally, I would not be caught dead around here in the late afternoon like this, having neglected to come back to work after lunch, but a memo from my boss keeps preying on my mind as it is telling me to prepare a presentation to explain why my people lost so much money this year, why all my employees hate me, why all my customers are suing me, and to clear up certain "accounting irregularities" where it looks like I was charging greens fees to the employee pension fund.

Now, I find that I have a bulletproof defense, and I can't wait to get back to the office to work on it; I don't have to tell them anything! In fact, I laugh at them all, "Hahahaha!" because what they want to know are my personal Mogambo Management Trade Secrets (MMTS), and so I don't have to tell them!

Unfortunately, while I am exactly like the Federal Reserve in that we are both total, complete failures at our jobs, mostly through sheer stupidity, the repercussions are quite different.

So why do Bernanke and the Fed get away with stonewalling, while I have to barricade my office door with office furniture to keep some foul-tempered security guards (Carl and Bullet Head) from getting inside?

Mr. Willie says, "The USFed is scared and on the defensive", which describes my situation exactly, but the Fed seems to be predicating its actions on the notion, according to the law firm Levine Sullivan Koch & Schulz quoted by Mr. Willie, that "This is uncharted territory. The Freedom of Information Act was not built to anticipate this situation. That is evident from the way the Fed tried to shoehorn their argument into the trade secrets exemption." Wow!

Another difference between the Fed's situation and mine is that around here, the building is being evacuated and there are policemen with bullhorns telling me to come out with my hands up, and go with the nice men in the white coats who want to take me out for tacos and beer, while, Mr. Willie goes on, over at the Fed, "This case is worth watching, but strangely receives very little attention."

"Strangely" is right! But a lot of strange things have happened recently, like how interest rates have recently been, literally, zero! And the 30-year US Treasury bond is yielding less than 3%, which implies mental illness, stupidity or corruption, or some of all three! This is insane!

And if history proves one thing, it is that insanity in things economic means buy gold, stupidity in things economic means buy gold, and corruption in things economic means buy gold.

Hey! This investing stuff is easy! Wheel!