From the Desk of Karl Denninger

September 24, 2008

Attn: House and Senate Members
Web published and faxed to All House and Senate Members

Date	Total Submitted	Total Accepted	Total Maturing	Net Add	Total Sloshing	Average Sloshing	Treasury Held	Agency Held	MBS Held	TIO Sloshing	T S
9/18/2008	243.650	105.000	13.000	92.000	190.000	129.475	2.862	23.534	163.604	0.000	(
9/19/2008	55.150	20.000	100.000	-80.000	110.000	129.875	0.000	3.600	106.400	0.000	(
9/22/2008	45.600	20.000	20.000	0.000	110.000	129.625	0.000	4.000	106.000	0.000	(
9/23/2008	0.000	0.000	20.000	-20.000	90.000	127.625	0.000	0.000	90.000	0.000	(
9/24/2008	19.550	-5.000	20.000	-25.000	65.000	121.450	-25.000	0.000	90.000	0.000	(
9/25/2008	0.000	0.000	-20.000	20.000	85.000	118.300	0.000	0.000	85.000	0.000	(

The table above is the “Slosh Report” and shows how much liquidity is in the banking system, which is under Ben Bernanke and The Fed’s sole control.

Note that there has been an intentional drain of "slosh", or liquidity, from the banking system. $125 billion in the last four days drained?

Ben wouldn't be trying to intentionally **cause** a bank failure or two to bolster your call for the $700 billion "bailout" plan, or perhaps intentionally lock the short-term credit markets, would he?

If the market has a liquidity crisis, as he has maintained in hearings the last two days, why would he be intentionally draining reserves from the banking system and further constricting liquidity?

Don't you think he ought to explain that to Congress – and the American people?

If the market (stock or credit) blows up as a consequence of The Fed trying to force you into passing his bill, what will you fine folks in Congress do about it?

Sincerely,

Karl Denninger