

From the Desk of Karl Denninger

September 24, 2008

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



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.

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

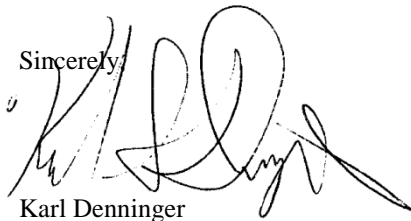
Ben wouldn't be trying to intentionally **cause** a bank failure or two to bolster your call for the \$700 billion "bailout" plan, or perhaps intentionally lock the short-term credit markets, would he?

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,

A handwritten signature in black ink, appearing to read 'Karl Denninger', written over a light blue horizontal line. The signature is stylized and cursive.

Karl Denninger