



## Transparency and The Fed: Transcripts Belie Rhetoric

Not all of the recently released transcript pages are completely blank; some of the pages of particular FROMC meetings list the names of attendees and include brief opening and closing remarks by Chairman Bernanke, as well as bantering and joking by Bernanke and other attendees. Although the meager transcripts provide virtually none of the substantive information Fed watchers were hoping to find, the newly released pages do show the word “Laughter,” in brackets, 79 times, and, undoubtedly, there were many more laugh lines in the redacted material. However, for the millions of Americans who have lost their homes, their businesses, their jobs, or their life savings — or who face imminent loss of the same — it’s no laughing matter.

In an April 16, 2012 commentary entitled, [“Fed Release Is Absurdly Redacted,”](#) John Carney, senior editor of CNBC’s “NetNet,” notes that Bernanke and company have censored all the relevant information about the most critical events in our recent economic history. “Take the entry from March 10, 2008,” Carney comments. “It begins with these words. ‘CHAIRMAN BERNANKE: Good evening, everybody. I am sorry, once again, to have to call you together on short notice. We live in a very special time.’”

“That sounds like the start to a very interesting meeting,” says Carney. “Unfortunately, the remainder of that page is redacted.”

Why was that meeting important? Because of the imminent collapse of the Bear Stearns brokerage, one of the critical precipitating events of the financial crisis. “The following day,” notes Carney, “the Fed announced the creation of the Term Securities Lending Facility (TSLF), one of the first of many bailout facilities the Fed would launch to prop up the financial system. It also increased its swap lines with the ECB [European Central Bank] and the Swiss National Bank.”

But we won’t learn about any of the Fed decisions relative to these moves from the redacted transcripts. Mr. Carney then looks at another important date: “Let’s fast-forward to the meeting of Sept. 16, 2008, when Lehman Brothers was collapsing. Surely this would make for interesting reading—if it weren’t redacted to the point of being almost a blank slate.”

Carney notes that this is all we get from the newly released data: “CHAIRMAN BERNANKE. Good morning, everybody. Sorry for the late beginning.”

“What follows is 15 pages of redacted material,” notes Carney. “Finally, when we are allowed to peek back into the meeting, Bernanke says: ‘Anything else? All right. Do you want to call the roll on this one?’”

Incredibly, the speeches and testimony of Federal Reserve Board Chairman Ben Bernanke and other Federal Reserve officers are replete with pious references to the Fed’s alleged commitment to openness and transparency. Chairman Bernanke, for example, delivered an address entitled [“Central Bank Independence, Transparency, and Accountability”](#) to the Institute for Monetary and Economic Studies International Conference, in Tokyo, Japan, on May 25, 2010. Among his statements, which are typical Fed boilerplate assertions about transparency and accountability, are these:

- “Demonstrating its fidelity to its mandate in turn requires that the central bank be transparent about its economic outlook and policy strategy, as I will discuss further in a moment.”
- “Democratic principles demand that, as an agent of the government, a central bank must be accountable in the pursuit of its mandated goals, responsive to the public and its elected representatives, and transparent in its policies.”



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- “Transparency regarding monetary policy in particular not only helps make central banks more accountable, it also increases the effectiveness of policy.”
- “The improved policy practices prominently include a broad strengthening of central bank independence, increased transparency on the part of monetary policy committees, and the affirmation of price stability as a mandated goal for monetary policy.”
- “Over the years, the Federal Reserve-like many central banks around the world-has taken significant steps to improve its transparency and accountability.”
- “And we are committed to exploring new ways to enhance the Federal Reserve's transparency without compromising our mandated monetary policy and financial stability objectives.”

Yes, this is the same Chairman Bernanke and the same Fed that have steadfastly refused to subject their institution to a genuine audit and have repeatedly refused to provide information to Congressional committees concerning the trillions of dollars the Fed has conjured out of thin air and disposed of according to its own whims.

A real audit of the Federal Reserve would reveal theft and corruption on such a shocking scale that the thunderous clamor to “Abolish the Fed” would be so overwhelming as to be politically unstoppable. That’s why Bernanke and the banksters he serves have used every trick imaginable to [sabotage](#) the efforts by Rep. Ron Paul to audit the Federal Reserve. Yes, fiscal reform is essential; Congress must be made to drastically cut its ruinous spending. But without monetary reform that abolishes the Fed, or at least removes the Fed’s ability to “create” money, we will continue marching toward the abyss of economic collapse.

*Photo of Ben Bernanke: AP images*

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