

Federal Reserve Threatens Economic Disaster If Forced to Reveal Secrets

By [Global Research](#)

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NEW YORK (Reuters) – The U.S. Federal Reserve asked a federal judge not to enforce her order that it reveal the names of the banks that have participated in its emergency lending programs and the sums they received, saying such disclosure would threaten the companies and the economy.

The central bank filed its request on Wednesday, two days after Chief Judge Loretta Preska of the U.S. District Court in Manhattan ruled in favor of Bloomberg News, which had sought information under the federal Freedom of Information Act. [...]

“Immediate release of these documents will cause irreparable harm to these institutions and to the board’s ability to effectively manage the current, and any future, financial crisis,” the central bank argued.

It added that the public interest favors a delay, citing a potential for “significant harms that could befall not only private companies, but the economy as a whole” if the information were disclosed. [...]

The Clearing House Association LLC, which represents banks, in a separate filing supported the Fed’s call for a delay. It said speculation that banks’ liquidity is drying up could cause runs on deposits, and trading partners to demand collateral.

“Survival can depend on the ephemeral nature of public confidence,” Clearing House general counsel Norman Nelson wrote. “Experience in the banking industry has shown that when customers and market participants hear negative rumors about a bank, negative consequences inevitably flow.”

The Clearing House said its members include ABN Amro Holding NV, Bank of America Corp (BAC.N), Bank of New York Mellon Corp (BK.N), Citigroup Inc (C.N), Deutsche Bank AG (DBKGn.DE), HSBC Holdings Plc (HSBA.L), JPMorgan Chase & Co (JPM.N), UBS AG (UBSN.VX), U.S. Bancorp (USB.N) and Wells Fargo & Co (WFC.N).

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