Title: New York Fed proposal for the ability to short stocks when they think they are in a "bubble". Not good imo
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Biden's Nominee Omarova Has a Published Plan to Move All Bank Deposits to the Fed and Let the New York Fed Short Stocks

Pam Martens and Russ Martens: October 26, 2021

Saule Omarova

This month, the Vanderbilt Law Review published a 69-page paper by Saule Omarova, President Biden's nominee to head the Office of the Comptroller of the Currency (OCC), the Federal regulator of the largest banks in the country that operate across state lines. The paper is titled "The People's Ledger: How to Democratize Money and Finance the Economy."

The paper, in all seriousness, proposes the following:

(1) Moving *all* commercial bank deposits from commercial banks to so-called FedAccounts at the Federal Reserve;

(2) Allowing the Fed, in "extreme and rare circumstances, when the Fed is unable to control inflation by raising interest rates," to confiscate deposits from these FedAccounts in order to tighten monetary policy;

(3) Allowing the most Wall Street-conflicted regional Fed bank in the country, the New York Fed, when there are "rises in market value at rates suggestive of a

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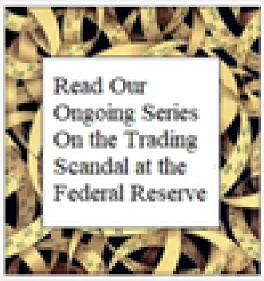

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The Fed's Emergency Loan Operations to Wall Street's Trading Firms Began on September 17, 2019 – Months Before the Coronavirus

The New York Fed Would Overtly Insert Itself into the Stock Market:

> "Under this proposal, the Federal Reserve Bank of New York ('FRBNY') would conduct regular purchases and sales of a broad range of securities and other tradable financial assets with an explicit view to modulating volatile swings in what has been defined elsewhere as 'systemically important prices.'
>
> "To this end, the FRBNY would establish a separate trading portfolio replicating, as closely as practicable, the market portfolio. In effect, this portfolio would be an index fund reflecting the proportional values of all financial asset classes constituting the financial market as a whole. Once the fund is established, the Fed would conduct its current daily tracking of the nation's financial markets.
>
> "If a particular asset class—such as mortgage-backed securities or technology stocks—rises in market value at rates suggestive of a bubble trend, the FRBNY trading desk will short these securities, thereby putting downward pressure on their prices. This type of action would tend to tighten the flow of speculative credit to the asset class in question, because (1) speculative profit prospects would be diminished by the price drop; and (2) the Fed's engineering the drop would signal to the market its determination that current prices of the asset in question are artificially inflated and accordingly best suppressed. Conversely, the FRBNY will go long on particular asset classes that appear to be artificially undervalued in order to avoid unnecessary market dislocation. It will follow the same process in targeting broader market-price fluctuations."

One can only imagine what a field day hedge funds are having with this idea. They could simply jump on board whatever the New York Fed is shorting and drive the share price to zero. The fact that Omarova specifically mentions technology stocks as potential shorts has likely caused Google and Microsoft to call an emergency session with their lobbyists.