

Our financial system is quickly become a Rube Goldberg contraption of quick fixes. We have yet to see any fundamental changes to how the business of business is done. There has been one theme to the financial engineering of Wall Street: Print money and give it away

Like any Rube Goldberg contraption, it seems great when you are desperate for a solution. The problem is that in hindsight its always a mess.

If the Fed is going to give money to corporations unsecured, what happens if they cant pay it back ? Yep, I dont know either. Does the Fed ?

How much are they going to loan ? Yep, I dont know either. Does the Fed ?

Which companies will get the money ? I don't know, but I own a bunch of corporations, can I borrow some ?

Does the Fed remember that it was leverage and the ensuing deleverage that got Investment Banks into trouble. Will there be leverage limits on corporations that can borrow money ? Just because the loans are just 3 months doesnt mean they wont be a problem./ How many times will they let a company roll over the debt ?

How will the Fed's Special Purpose Entity (which will actually lend the money) pick which companies to lend to ? Will they be Obama or McCain supported companies ? Defense contractors who need money to supply bullets for our troops ?

If the loans are unsecured, what will the Vig be ? Cash ? Stock ? Preferred ?

Where is the transparency behind all of this ?

Call me a cynic, but I dont trust anything that doesnt offer me a realtime data stream