

Herd on the Street

by Les Swift

Deep in the Hole

Strange things, and stranger people, gather at Jackson Hole, Wyoming, for the annual assembly of central bankers.

Every year some of the most powerful people in the world of finance gather at Jackson Hole, Wyo., for an annual meeting sponsored by the Fed. It's a major stop on the tour, along with Davos, the Bilderberger meeting, Bohemian Grove, and Sun Valley, and right up there in importance with the annual trip to that secret clinic in Switzerland for the sheep fetus treatments, and the trip to Venice for Satan's birthday.

The celebrity poodles of the press have little trouble gaining entrance at Jackson Hole, having long proved their eagerness to serve as public relations stenographers for the elite. Guys like me, who occasionally dare to write something outside the pre-approved script, have a harder time getting in—and when we do, we're thrown out as soon as they catch us. The folks at the Hole take their propaganda seriously.

However, they don't always catch us, because the ordinary joes who do the menial work at these events generally hate the arrogant bastards who attend, and let us sneak in. Over the years, I've posed as a waiter, a bartender, a busboy, and other such attendants, allowing me to fly under the radar of men accustomed to being surrounded by sycophants and servants. To them, servants are beneath notice. It's amazing what these fools will say to each other in front of the staff.

At each year's meeting, there is a theme. Last year, it was the meltdown of the financial system, and the grand men—and the occasional woman—were running around like guillotined

chickens, screaming about the need to have the governments save them from the consequences of their own criminal stupidity. It was a level of hysteria I had never seen before.

Had the public got a glimpse of these clowns, they'd have pulled their money out of these hysterics' banks in a flash. Fortunately for them, the poodles were there, to paint phony pictures of serene and stately discussions among policymakers whose confidence was matched only by their expertise.

I had a ringside seat for that part of the show, having managed to finagle a job as the deputy gofer for the back-up teleprompter operator for one of the biggest names in network TV. This anchorman was adept at calming down the financial prima donnas, favoring a combination of flattery and powerful pharmaceuticals—the very techniques his entourage used so effectively on him. That method, combined with heavy makeup, clever lighting, and inspired editing, worked wonders. I'll never look at TV news the same way again.

This year, the theme was “mission accomplished,” as the great men patted themselves on the back for averting the feared disaster. The braggadocio was palpable, the halls reeking with smug arrogance. The poodles were overbooked with victory interviews—so much so, that some very large egos were left on the cutting-room floor.

Then, from my vantage-point as a bartender in one of the more popular alcohol dens, I sensed something different—a stench of fear underlying all the back-slapping and boasting. From

the slivers of conversations I overheard, it quickly became apparent that these men did not believe the lines they were feeding the public.

One of the sherpas, a man who enjoyed his booze, perhaps more than he should, told me that the panic had never really gone away.

“My guy,” he said, mentioning the name of a well-known banker, “is scared to death that this is just the lull before the storm. He knows what his books look like, and thinks everyone else is in the same condition. Accounting tricks will only get you so far—sooner or later, you have to pay the piper.”

Another guy, whose job at the Fed seemed to be adding zeroes on the end of the money supply, admitted that the Fed itself was bankrupt.

“More bad paper than a hedge fund,” he said. “But at least we can print money.”

Much of the talk was about whether or not Ben Bernanke would be reappointed. The general consensus was yes, though not always for the same reasons.

“The public line is that he'll be reappointed because he's done such a good job,” one banker told me. “But the real reason is that Obama is scared to death that Bernanke might ‘pull a Greenspan’ and start talking, if he isn't rehired.”

“You mean the way Greenspan said he'd made a mistake in creating the bubble, that he had been wrong?” I asked.

“Absolutely,” he said. “Imagine what would happen if Benny boy admitted that the bailout was a mistake; that it only made matters worse! Then the poop would really hit the fan.”

“But that's going to happen, anyway,” I said. “The system is about to blow sky-high.”

“Yes, but we can deal with that at next year's meeting,” he said. “This is the only chance we'll have to declare victory.”

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