

Put in a New Pitcher: Time to Fire Tiny Tim Geithner

As Unemployment Festers, A New Economic Strategy Team Is Needed

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When a pitcher gets tired, starts throwing walks or being hit, most attentive managers take him out of the game. When policies fail, as in the case of the security system that didn't work to spot the alleged Christmas bomber, the President starts acting tough with bluster about the buck stopping here and orders to straighten out a failed system.

But when tens of thousands of workers, once again, lose their jobs, the people responsible get winked at, not wanked. The President is contrite, his rhetoric subdued, even as the recovery he keeps talking about goes south.

Yes, there needs to be a cabinet shake-up. It's time to yank tiny Tim Geithner from the game along with advisor Larry Summers. Their pro-bank, pro-Wall Street policies are failing. Isn't it obvious?

The Establishment will lean towards a Republican to replace him like FDIC Chairman Sheila Bear who has proven to be far more competent and outspoken than her counterparts.

Geithner is a Trilateralist toadie, a servant and stalking horse for the people responsible for the meltdown. It's time to say "sayonara," and appoint someone with the people's interest at heart. There is no shortage of capable and committed Democratic economists that can replace him. How about Elizabeth Warren or Joe Stiglitz or Brooksley Born or Simon Johnson or even, for op-ed's sake, Paul Krugman?

Even Wall Streeters know Geithner is a dead man walking. Bruce Krasting, a foreign exchange and derivatives veteran writes on Naked Capitalism: "Tim Geithner has outlived his usefulness. He is too connected to the bailouts of 08. Bear, Lehman, AIG, TARP and even QE are all part of his legacy. That makes Tim a lightning rod. Too many Americans hate that part of our history.

"I don't think the current flap relating to the deliberate 'non-disclosure' of information relating to AIG is that big a deal. When the full history of this period is finally told (it will take awhile yet) this particular transgression of Mr. Geithner will look small by comparison. The things that we do not yet know about the that 'agreed to' during the 'crisis period' are going to cause us to roll our eyes and bow our heads when all is said and done."

Now, there will be hearings to see what Tim knew and when he forgot he knew it. Market Watch says he is "ankle deep in the AIG quicksand." A deceptive defense is being crafted, as Bloomberg reports.

["Timothy Geithner](#), the former Federal Reserve Bank of New York president, wasn't aware of efforts to limit [American International Group Inc.](#)'s bailout disclosures because the regulator's top lawyer didn't think the issue merited his attention, according to a letter sent to lawmakers.

"Matters relating to AIG securities law disclosures were not brought to the attention of Mr. Geithner," [Thomas Baxter](#), general counsel of the New York Fed, said today in a letter to Representative [Darrell Issa](#), a California Republican. "In my judgment as the New York Fed's chief legal officer, disclosure matters of this nature did not warrant the attention of the president."

Why is the media so quiet on the Geithner front? Cenk Uygur wrote about the way rightwing channels are giving him a pass:

"if it was anyone else that had screwed up one tenth of what Geithner has, it would be running on a 24/7 loop on Fox News. Geithner [gave away over \\$62 billion to the top banks in the country in secret](#), tried to cover it up and at the very least overpaid these banks by \$13 billion. And that's just the latest in a [series of scandals](#), with all the same theme - Geithner [gives away taxpayer money](#) to the richest (and most culpable) guys in the country. Ah, there it is.

If the right-wing goes after Geithner, then they're going after the banks and the billions in taxpayer money they received. The right-wing media in this country have no interest in attacking big money, big corporations or big banks. So, while they'll talk about how Janet Napolitano should be fired for misspeaking for ten straight days, Geithner is remarkably bullet-proof. Why? Because they actually love what he's doing."

And now the White House has joined the cover-up. Read this exchange between CNN's Ed Henry and Obama news flack Robert Gibbs, and weep:

"Q: Robert, Does the White House believe that Secretary Geithner should testify on the Hill, turn over any documents he has, to sort of clear this up?

MR. GIBBS: Ed, I'd point you to the Treasury Department. I'm sure you've already talked to them. Secretary Geithner was not involved in any of these emails. These decisions did not rise to his level at the Fed. These are emails and decisions made by officials at an independent regulatory agency —

Q: But how do you know that he wasn't involved? He was the leader of the New York Fed.

MR. GIBBS: Right, but he wasn't on the emails that have been talked about and wasn't party to the decision that was being made.

Q: Well, Republican Congressman Issa says there are probably thousands of more emails and he may not be on some that some people have looked at. In the interest of transparency would the White House want more — I mean, you run AIG now, essentially -

MR. GIBBS: I would point you to the Department of Treasury, which I think will tell you that -

Q: But what does the White House believe?

MR. GIBBS: I just gave you what the White House believes.

What should we believe? Perhaps another investigation that gets underway this week may offer some answers. It lacks the power and zeal of the independent Pecora Commission appointed by FDR to probe the causes of the Crash of '29, but it will at least raise some questions. It is, unfortunately, modeled on the 911 Commission that was subverted by the Bush Administration and ended up raising more questions than it answered.

Reports the New York Times:

"The commission, comprising six Democrats and four Republicans, has summoned four heads of big banks to testify on Wednesday at the panel's first substantive hearing: [Lloyd C. Blankfein](#) of [Goldman Sachs](#), [Jamie Dimon](#) of [JPMorgan Chase](#), [John J. Mack](#) of [Morgan Stanley](#) and [Brian T. Moynihan](#) of [Bank of America](#).

"There is a deep hunger out there, on behalf of the American people, to understand what happened," the commission's chairman, Phil Angelides, said in an interview on Friday. "It arises out of anger, confusion and anxiety about their own future. This will be, in a real sense, the only public forum for examination of this crisis." Writes columnist Frank Rich, "Americans must be told the full story of how Wall Street gamed and inflated the housing bubble, made out like bandits, and then left millions of households in ruin."

But the Times also reports that the banks and their lobbying arms have been working overtime to prepare testimony that will deflect all the blame away from them. Will the commission and the media challenge this disinformation?

"Bank employees worked through the holidays preparing testimony and drawing up potential questions that will be asked of their chiefs. The hearings will occur in the middle of the 2009 bonus season, and executives are bracing for questions about the paychecks that many firms will dispense."

They are also excitedly awaiting their latest round of bonuses, an announcement likely to stir public anger given that CEOs now make, on average, 245 times the annual wage of most workers. Bill Moyers reports they have set aside \$200 billion to reward themselves.

And so it goes. Will the truth ever come out? Will the folks who screwed up our economy—in government and Wall Street—ever be held accountable? We seem to be in the 9th inning.

Danny Schechter, Mediachannel's News Dissector, has made a new film and written a book on the financial crisis as a crime story. See plunderthecrimeofourtime.com. Comments to: dissector@mediachannel.org

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