

Treasury Secretary Geithner's new plan: Wiping out the shareholders?

By [Global Research](#)

Global Research, February 12, 2009

georgewashington2.blogspot.com 12

February 2009

Region: [USA](#)

Theme: [Global Economy](#)

PhD economist Dean Baker [has](#) the best quote of the day regarding Treasury Secretary Geithner's new plan for the banks:

We don't have to follow the individual trades to know whether the taxpayers are being ripped off. We just need to ask some more basic questions like "How much will this thing cost?" If the answer is anywhere much more than zero — as Geithner suggested it will be — and we still see that bank stocks carry significant value and bank executives continue to hold on to their high-paying jobs, then we will know that we have been had.

The basic point is extremely simple. We have a large number of bankrupt banks. We have a public interest in keeping the banks functioning, but we have zero public interest in giving taxpayer dollars to bank shareholders or to the executives that wrecked the banks they ran.

Geithner can design as complex a dog and pony show as he wants, but if his plan takes up hundreds of billions of taxpayer dollars and does not involve wiping out the shareholders and sending the bank executives packing, then he has ripped us off.

Source:

<http://georgewashington2.blogspot.com/2009/02/economist-on-geithner-plan-if-it-does.html>

The original source of this article is georgewashington2.blogspot.com

Copyright © [Global Research](#), georgewashington2.blogspot.com, 2009

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Global Research](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca