

Geithner: “It’s Going to Feel Very Hard, Harder than Anything They’ve Experienced in Their Lifetime, For a Long Time to Come”

By [Washington's Blog](#)

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AP [notes](#):

Many Americans will face hard times for a long time to come.

Geithner says will be some time before many people feel like the country is recovering.

Geithner tells NBC’s “Meet the Press” that it’s a very tough economy. He says that for a lot of people “it’s going to feel very hard, harder than anything they’ve experienced in their lifetime now, for a long time to come.”

Of course, Geithner is a large part of the reason that it will be so hard.

As I [pointed out](#) in May:

Geithner has been a big part of the problem.

He’s previously said that his job as head of the New York Fed wasn’t as a regulator, even though one of the Fed’s core jobs is to regulate. As Dylan Ratigan [writes](#):

In Geithner’s own words during confirmation hearings in March: “First of all, I’ve never been a regulator...I’m not a regulator.” According to the New York fed bank’s Web site, that was your job!!

Quoting from the Fed’s website: “As part of our core mission, we supervise and regulate financial institutions in the Second District.” That district of course is the epicenter for bailed out banks and billion dollar bonuses.

Indeed, as I’ve previously [noted](#):

Tim Geithner [told](#) the Today Show that:

It’s “deeply unfair” that some financial institutions that got taxpayer-paid bailouts are emerging in better shape from the recession than millions of ordinary Americans.

Geithner also argued that President Barack Obama had no choice when confronted with a financial crisis.

“As the president has said, we had to do some very unpopular things,” Geithner said. “People looked at what had happened.”

“It’s not fair. It’s deeply unfair,” he said. “He (Obama) had to decide whether he was going to act to fix it or stand back ... and that would have been calamitous for the American economy.”

There are only a couple of minor inaccuracies in Geithner’s statements:

The government [hasn’t done anything](#) to fix the economy

Geithner’s entire approach is wrong, because the economy can’t recover until many of the “financial institutions that got taxpayer-paid bailouts [and] are emerging in better shape” are [broken up](#)

The government has been [anemic](#) in addressing unemployment

Moreover, it is not like their approach fell on them and they couldn’t do anything about it. Geithner ... and the boys made a conscious decision to side with the oligarchy at the expense of the people.

As Simon Johnson and James Kwak [write](#):

[There was a] point at which the government had to decide if it would defend the financial oligarchy from populist outrage, or whether it would reform the financial system that brought us the financial crisis and severe recession. We do not think it was an easy choice. But ultimately Obama and his advisers chose to bet on the bankers they knew. The result has been even larger banks and an even more concentrated financial sector.

Geithner ended the interview with this pearl of wisdom:

“What happened in our country should never happen again,” he said. “People were paid for taking enormous risks. It was a crazy way to run a financial system.” Geithner said, “It’s the government’s job ... to do a better job of restraining that kind of risk-taking.”

Indeed ... too bad that Geithner and the boys are still encouraging that kind of risk-taking.

Geithner was, of course, largely responsible for much of the failure of the government to restrain risk-taking in the first place.

As William Black [points out](#):

Mr. Geithner, as President of the Federal Reserve Bank of New York since October 2003, was one of those senior regulators who failed to take any effective regulatory action to prevent the crisis, but instead covered up its depth.

Geithner was also complicit in [Lehman’s accounting fraud](#) [and see [this](#)].

And [pushed](#) to pay AIG's CDS counterparties at full value, and then to keep the deal secret.

And as Robert Reich [notes](#) today, Geithner was "very much in the center of the action" regarding the secret bail out of Bear Stearns without Congressional approval.

([G]eithner and his buddies helped blow the bubble and try to cover up wrongdoing on Wall Street.)

Geithner has been equally [bad](#) as Treasury boss. Indeed, there is [hardly a single independent economist](#) who thinks he has been responding appropriately to the economic crisis.

Sorry to say, but Geithner has long been a yes-man to the powers-that-be, who [ships pallets of money wherever he is told without question or any follow-up or tracking whatsoever](#).

Even worse, Geithner has been called [an idiot](#) by Nassim Taleb and a "[con man](#)" by Time Magazine.

And because Geithner (along with Bernanke) have insisted that the big banks be bailed out at Main Street's expense, that the status quo be protected instead of reformed, and that the U.S. insure the debts of the too big to fails, the next crisis will be even bigger than the last.

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