

We are warm blooded, we are legion

Written by Bruce Enberg

Thursday, 29 November 2012 20:30

Some people on the left are alarmed that Treasury Sec Timothy Geithner is leading negotiations to deal with the Fiscal Cliff (or the Fiscal Bunny Slope) being held between the Obama administration and the Congress. Okay, he wouldn't be my pick, but he does have the expertise and the staff to deal with it.

Let's clear up a couple of things, Geithner never worked for a Wall Street bank. He was Governor of the NY Fed, which is largely responsible for riding herd on the the Wall Street banks, but that business was completely out of control before he got the job.

Now this doesn't prove anything one way or another, but Geithner was simultaneously on the board of the Bank of International Settlements (BIS). It was this body that pulled the plug on the Wall Street banks transferring money between banks in 2008 over their involvement in the selling of a quadrillion dollars (\$1,000,000,000,000,000) worth of un-backed derivatives. This effectively froze the US banking system overnight.

John McCain was caught completely flat footed by this move. He said when reporters asked him about the imminent end of Western Civilization, "...the fundamentals of the economy are sound." Obama was not caught off guard, even though he had no experience or training in banking or economics. He seemed completely comfortable talking about it, just like he had been briefed. He did make Geithner Sec of the Treasury, typically a plum appointment given to an ally.

We are warm blooded, we are legion

Written by Bruce Enberg

Thursday, 29 November 2012 20:30

Okay, even if Geithner can't be trusted, Obama's Chief of Staff Jack Lew is himself an economist with experience in banking. He's also worked at the State Department, the Council of Foreign Relations, Office of Management and Budget, and several other jobs that suggest that he's nobody's fool. He is also expected to replace Geithner in Obama's second term.

Anything that happens over the budget negotiations will be with Obama's full understanding. Even if Obama "gives in" to Republican demands for cuts, it's the timing you need to look at. If the 'cuts' are put in far down the road, they are like no cuts at all. Anything done now can be undone by any future Congress, good or bad.

Since the Republicans are just a bunch of dinosaurs waving their tiny arms in the air as the asteroid approaches, we liberal mammals need not panic. If we stick together we will prevail.

prairie2.com