

Paul Keating's recent 'sledging' of Timothy Geithner in context

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Perhaps no Western leader was closer to the CIA backed, mass murdering former Indonesian President, General Soeharto than former Australian PM, Paul Keating. It would be fair to say that Soeharto and Keating were as 'thick as thieves.'



Paul 'fingers' Keating

Few Australians it seems remember Paul Keating's infamous Christmas Island casino that corrupt Indonesians 'had to have!' The casino was expressly established on Christmas Island to facilitate the laundering of millions in ill-gotten DOLLARS that Indonesian elites wished to legitimise via the 'institutions' of a respected first world nation - thank you, Paul!

Gambling junkets from Jakarta to the Island were a regular event. Private jets carried cash laden couriers, relatives and flunkies of wealthy influential Indonesians to the tables where suitcases of cash were cycled through the casino apparatus to come out the other end clean and useable currency. [With the exception of the ABC's Four Corners program not one mainstream journalist will touch this story - things aren't what they used to be in the Oz mass media, are they, you gutless wimps?]

The current state of Oz journalism notwithstanding, our former Treasurer and PM Paul Keating, couldn't help but become extremely familiar with the Indonesian and other economies in the region. Every Indonesian I knew at the time was openly making jokes about Keating's close relationship with thoroughly corrupt Indonesian President, Soeharto! A very unhappy, at the time, Oz military recalls how Keating compromised our defences by allowing Indonesians to map our coastline while engaging in 'joint military exercises' in OUR northern waters - we are sure the Indonesians were extremely grateful to Keating for organising those exercises!

However, Keating is best remembered by the Australian people for deregulating the banking sector and allowing banks to inflict parasitic service fees on a public educated to believe that banks traded and invested (WORKED) for their profits and that banks were privileged to be supported by the public!

The first year of deregulation saw ALL major Oz banks make tens of millions in additional profits at the stoke Paul Keating's pen! *It should never be forgotten that Keating serves the interests of bankers and financial elites, **not the people**; common-Irish Paul Keating always envied elitist*

'world-shapers!'

As Treasurer, Keating was hailed by the world's financial elites as the 'world's best Treasurer,' principally for floating the currency and deregulating banks, which effectively opened the nation to outside monetary control! In other words, Keating was lauded for SELLING Australia to foreign, BIG business interests.

It was Keating who struck the death blow to the Commonwealth (people's) Bank and Australia's economic independence; he also dismantled Australia's strategic nuclear defence research program. Keating transformed Australia from an emerging Independent power in the region to a completely dependent colonial outpost of America! It should now be clear that Keating served Wall St, London and other (Zionist) financial elites not the PEOPLE he was elected to REPRESENT!

Soon after deregulation and floating the currency large international players manipulated our dollar and reduced the nation to a cheap raw materials, resource supplier! Paul's disservice to the people and the nation will forever be etched in infamy; it could also be argued that Keating was more traitorous than the universally reviled, former PM, John 'war criminal' Howard!

But to return to Geithner and the 'pasting' Keating gave him in a speech delivered to a local think tank, the Lowy Institute.

Keating's opinion and assessment of Geithner is backed by his considerable experience (criminal or otherwise), his qualifications as a 'successful' free market Treasurer, corrupt politician and very intimate associate of SE Asian dictators and criminal entrepreneurs.

Peter Hartcher, of the SMH summarised the main points of Keating's address as follows: [Emphasis added.]

Obama's economic saviour savaged as Keating lets rip

March 7, 2009

When Barack Obama announced his champion to rescue the world from economic ruin, it was the first time most Americans had ever heard the name Tim Geithner.

The initial impression was good. The stockmarket surged and the pundits swooned. "Exactly a decade ago, he was Uncle Sam's golden-boy emissary sent into the stormy centre of what was then the world's worst financial crisis [the Asian crisis]," reported The New York Post.

The paper gushed: "Just 36 at the time, he'd been raised in Asia and knew the culture so intimately he scored successes and won confidences that other diplomats couldn't match. Geithner earned widespread plaudits for pulling together quarrelling Asian finance ministers into a \$US200 billion rescue of their economies."

"A fantastic choice," said a Bank of Tokyo-Mitsubishi analyst, Chris Rupkey, as the Dow rose by nearly 6 per cent. Even one of Obama's political rivals, the hard-bitten Republican senator Richard Shelby, agreed Geithner was "up to the challenge".

If anyone in the US media had thought to ask a former Australian prime minister for his assessment, they would have heard a different view. And they would not have been so surprised at Geithner's performance since.

In a speech to a closed gathering at the Lowy Institute in Sydney on Thursday, Paul Keating gave a starkly different account of Geithner's record in handling the Asian crisis: "*Tim Geithner was the Treasury line officer who wrote the IMF [International Monetary Fund] program for Indonesia in 1997-98, which was to apply current account solutions to a capital account crisis.*"

In other words, Geithner fundamentally misdiagnosed the problem. And his misdiagnosis led to a dreadfully wrong prescription.

Geithner thought Asia's problem was the same as the ones that had shattered Latin America in the 1980s and Mexico in 1994, a classic current account crisis. In this kind of crisis, the central cause is that the government has run impossibly big debts.

The solution? The IMF, the Washington-based emergency lender of last resort, will make loans to keep the country solvent, but on condition the government hacks back its spending. The cure addresses the ailment.

But the Asian crisis was completely different. The Asian governments that went to the IMF for emergency loans - Thailand, South Korea and Indonesia - all had sound public finances. *The problem was not government debt. It was great tsunamis of hot money in the private capital markets. When the wave rushed out, it left a credit drought behind.* But Geithner, through his influence on the IMF, imposed the same 'cure' the IMF had imposed on Latin America and Mexico. *It was the wrong cure. Indeed, it only aggravated the problem.*

Keating continued: *"Soeharto's government delivered 21 years of 7 per cent compound growth. It takes a gigantic fool to mess that up. But the IMF messed it up. The end result was the biggest fall in GDP in the 20th century. That dubious distinction went to Indonesia. And, of course, Soeharto lost power."*

Exactly who was the "gigantic fool"? It was, obviously, the man who wrote the program, Geithner, although Keating is prepared to put the then managing director of the IMF, the Frenchman Michel Camdessus, in the same category.

Worse, Keating argued, Geithner's misjudgment had done terminal damage to the credibility of the IMF, with seismic geoeconomic consequences: *"The IMF is the gun that can't shoot straight. They've been making a mess of things for the last 20-odd years, and the greatest mess they made was in east Asia in 1997-98, so much so that no east Asian state will put its head in the IMF noose."*

China, in particular, drew hard conclusions from the IMF's mishandling of the Asian crisis. *It decided that it would never allow itself to be dependent on the IMF, or the US, or the West generally, for its international solvency. Instead, it would build the biggest war chest the world had ever seen.*

Keating continued: *"This has all been noted inside the State Council of China and by the Politburo. And it's one of the reasons, perhaps the principal reason, why convertibility of the renminbi remains off the agenda for China, and it's why through a series of **exchange-rate interventions** each day that they've built these massive reserves.*

"These reserves are so large at \$US2 trillion as to equal \$US2000 for every Chinese person, and when you consider that the average income of Chinese people is \$US4000 to \$US5000, it's 50 per cent of their annual income. It's a huge thing for a developing country to not spend its wealth on its own development."

Is this some flight of Keatingesque fancy? The former deputy governor of the Reserve Bank of Australia, Stephen Grenville, doesn't think so: *"After the Asian crisis, the countries of east Asia decided that they would never go to the IMF again. The IMF is taboo in East Asia. Look at the evidence. The revealed preference of the region is that no one has gone to the IMF since, even when they needed the money."*

And Asian capitals know that they have no real influence over the IMF - while European governments enjoy 40 per cent of the voting power on the IMF, Japan, China and the rest of east Asia put together have only about 16 per cent. This is an artefact of the immediate postwar power structure, when the IMF was set up.

Keating urges that the fund should be decapitated, with control passing to the governments of the Group of 20 countries whose leaders are to meet in London on April 2. The summit, which is to include China, India and Indonesia as well as Australia, is meeting to consider solutions to the global crisis.

As for The New York Post's claim that Geithner was the hero who cajoled those quarrelsome Asians into agreeing to a \$US200 billion rescue, the key fact burned into the minds of Asian elites is that the US was deaf to requests for funds. Washington did not contribute a cent of its own money to any of the emergency packages. Japan and Australia were the only nations that made loans to all three of the stricken Asian countries.

Keating went on to argue that, by frightening the Chinese into building their vast \$US2 trillion foreign reserves, Geithner was responsible for the build-up of

tremendous imbalance in the world financial system. This imbalance, in turn, according to Keating, contributed to the global financial crisis which has since devastated the world economy.

China invested most of its reserves in US debt markets. Keating again: "So we have this massive recycling of funds into the system by [the former US Federal Reserve chairman Alan] Greenspan's monetary policy so even if you are greedy Dick Fuld [the former head of the collapsed investment bank Lehman Brothers] or you are hopeless Charles Prince at Citibank, you're being told there's an endless supply of money at a low interest rate and no inflation. So of course the system geared up to spend it.

"That is the fundamental cause of the problem - the imbalance is the fundamental cause."

If Keating's opinion of Geithner had circulated in the US, the Americans would not have been so surprised and disappointed with their new Treasury Secretary. They quickly learned that he had failed to pay \$43,000 in taxes owing.

Then, when he announced his much-anticipated plan to rescue the US banking system, share prices slumped by 4 per cent immediately and a new round of weakness in the financial sector began. The pundits turned savagely against him: "So much for the saviour-based economy," wrote Maureen Dowd of The New York Times. Senator Shelby changed his mind: "Aggravating economic problems by contributing to marketplace uncertainty about what steps the Government will take - is that what this is?" he fumed.

US bank stocks weakened so much that nationalisation seems to be the only remaining option to put them quickly out of their misery.

Australia's banks, by contrast, are strong, said Keating, because of his decision as Treasurer to create the "Four Pillars" policy. This requires that the four big banks remain separate, barred from taking each other over. This prevented them "cannibalising each other", in Keating's words. As protected species, they had no need to mount risky takeovers to bulk themselves up defensively.

Their strength certainly wasn't due to the brilliance of their managers, whom Keating described as "counterhopping clerks" who had managed to work their way up the bank hierarchies. A further source of the soundness of the Australian banks, he said, was that they had learned well the lessons of risky speculative lending as a result of "the recession we truly did have to have".

In sum, Tim Geithner is a gigantic fool, the IMF the gun that can't shoot straight, Alan Greenspan a bungler. The big US banks were run by the greedy and the hopeless, the Australian banks by counterhopping clerks. It's a world of many villains. And only one hero.

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Notwithstanding the obvious cheap labour resource, Keating clearly cites the methodology China employed to crush the West's economic dominance and win the globalisation war, "**exchange-rate interventions;**" which translates as MANIPULATING, **not** FLOATING your currency! Why would any real leader implement policies that effectively surrender a nation's sovereignty to outside, foreign interests - but YOU KNOW WHY, don't you, Paul?

I am simply making the point that Keating by his own assessments and indirect admissions was/is fully conscious of the consequences of floating a nation's currency and who advantages most from such policy decisions/implementations!

Yes, Paul, astute analysts (a rare breed these days) were aware that one day your coarse manner and BIG mouth would finish you - full inquiry anyone?

It should be clear that Tim Geithner and Paul Keating, regardless of outward appearances, serve the same interests and in that context Keating's 'sledging' of Geithner, becomes an act of kiddie jealousy and 'one-upmanship' -- 'I've got a bigger one than you!' But that is the calibre of all western (puppet) politicians these days; fifth-rate, no talent, morons, criminals and incompetents. [In other words, 'Han,' for us it's a 'lay down misère!']

Meanwhile Australia waits in vain for our (piss-weak) governments to demand the arrest and trial of

the known Indonesian murderers of the Aussie, 'Balibo Five!'

Should we also mention the overt theft of our precious water resource by BHP Billiton? The amount of high quality water the world's richest miner has stolen to date is now measurably impacting the water table of the entire Artesian Basin. But what is the response from the Rudd Labor government - PARALYSIS and servility to the will of mining corporations and Washington's sixth-rate puppet politicians - excuse me while I spit!



Geithner and Obaa'ma

<http://tinyurl.com/ckh5ft>

Cleaves Alternative News. <http://cleaves.lingama.net/news/story-1484.html>