



Written by [Thomas R. Eddlem](#) on March 23, 2009

## CFR Corporate Members Get Lion's Share of Bailout Funds

The man in charge of administering the bailouts is Treasury Secretary Timothy Geithner, who served as a [staff member of the New York City-based Council on Foreign Relations](#) before being hired in 2003 to [head the New York City branch of the Federal Reserve Bank](#) (Fed). As the vice chairman of the Fed's Open Market Committee, Geithner is probably a poor choice to get the nation out of its current economic mess. He served as Alan Greenspan's number two man at the Fed, so Geithner is as responsible as anyone for facilitating the severity of the real estate and financial bubble and its subsequent collapse. After all, the Fed was the driving force behind the asset bubble, inflating the bubble larger and larger through artificially low interest rates and an inflationary easy-money policy.



Under Geithner and his predecessor (former Goldman Sachs CEO [Henry "Hank" Paulson](#)), the majority of bailout funds have been awarded to high-level donors to Geithner's former employer: the Council on Foreign Relations (CFR).

Here's a survey of [TARP bailout awards](#) to the [CFR's corporate members](#) (there are a total of only a little more than 200 corporate members at all levels):

Among the "Founders," those who give \$100,000 or more to the CFR, can be found:

- **American Express Company:** \$3.389 billion TARP
- **Goldman Sachs:** \$10 billion TARP, plus a separate Federal Reserve bailout and more than \$13 billion of the allotment to AIG (below)
- **Merrill Lynch:** \$45 billion through its corporate parent, Bank of America, which is also a CFR Premium corporate member, plus \$6.8 billion of AIG's bailout funds

"President's Circle" CFR members (\$60,000 or more) received the following bailout funds:

- **American International Group (AIG):** \$182 billion in total TARP/TALF funds to date
- **Citibank:** \$50 billion TARP
- **Morgan Stanley:** \$10 billion TARP

Premium members (\$30,000 or more to CFR):

- **Bank of New York/Mellon Corporation:** \$3 billion TARP
- **Freddie Mac:** Sharing with Fannie Mae \$1.25 trillion — *that's \$1,250 billion* — in [mortgage securities being purchased from the Federal Reserve Bank](#)



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- **Chrysler:** \$4 billion TARP, plus \$1.5 billion TARP for Chrysler Financial
- **JP Morgan Chase:** \$25 billion TARP
- **CIT Group:** \$2.33 billion TARP

That's a total of more than \$1 trillion in bailout funds for CFR corporate members, easily the lion's share of the total bailout funds awarded to date. CFR Membership seems to have its [benefits](#), and then some.

So why is no one asking questions about why most of the funds are going to the former employers of our Treasury secretaries? Perhaps because many of the entities who should ask "why" are also CFR corporate members. Among the financial press, the CFR counts among its members Bloomberg, General Electric (NBC, CNBC, MSNBC), News Corporation (Fox, Fox Business), Standard and Poor's, ABC News, Time Warner (CNN, *Time* magazine, etc.), Moody's, and McGraw Hill (book publishers).

Somebody should ask the question why the same people who brought us this financial crisis are now bringing us the "cure," and why that cure necessarily involves financing former employers of the people making the decisions.

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