



Written by [William F. Jasper](#) on May 6, 2010

## Is Obama's Bank Tax a Prelude to a Global Tax?

The Obama administration is calling its proposed \$90 billion bank tax the Financial Crisis Responsibility Fee, and its salesman is Treasury Secretary Timothy Geithner.

Over the past couple of weeks, Geithner has been making the rounds of the television and radio news circuits, and has been delivering speeches in the hinterlands with Vice President Joe Biden's Middle Class Task Force, to try to convince Middle America that the administration's proposed financial "reforms" are aimed at benefiting Main Street, not Wall Street. "Reform is about protecting the financial security of all Americans" and preventing taxpayers "from having to bear the burden of mistakes on Wall Street," [Geithner said](#) at an April 27 forum at the University of Wisconsin-Milwaukee.



"Never again should the government bail out a bank or watch the economy implode," [Biden said](#). "This is a big deal, at a time that matters that we get it right, that we get the shady credit default swaps under control and put things on the level again. What people are upset about is that they don't think things are on the level."

The public speeches and media appearances were warm-ups for Geithner's May 4 appearance before the Senate Finance Committee to pitch the new tax/fee proposal to Congress.

As a May 4 [Reuters report](#) illustrates, the Geithner/Obama tax plan is being presented by the administration — and most of the media — as a tax on the "Big Banks" to recover some of the \$700 billion in TARP funds for the taxpayers:

Big banks should be charged a fee to pay for bailouts as it will make them less prone to reckless lending, Treasury Secretary Timothy Geithner told lawmakers on Tuesday as he sought support for the proposal. The fee would be levied over 10 years and set at a level to fully recover costs of the government's Troubled Asset Relief Program (TARP) put in place to stabilize the banking system at the height of the financial crisis.

Funds would be used to pay down the swelling U.S. deficit. The fee would not be a substitute for tougher capital standards included in a push by President Barack Obama for the biggest banking overhaul since the Great Depression.

"The fee is designed to complement efforts to improve the stability of our financial system by providing modest incentives against funding riskier activities with less stable funding," he told the Senate Finance Committee.

Unlike much of the other reporting on the proposed bank tax, the above-cited Reuters story also



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mentions that the Obama tax plan is actually aimed at reviving the global bank tax proposed by the International Monetary Fund (IMF) and G-20 leaders. Again from Reuters:

Proposals for a global bank levy ran into stiff resistance at meetings of the International Monetary Fund and Group of 20 last month. Geithner's testimony showed the U.S. administration is still pushing on with some form of charge....

He said Treasury was working with other governments that were considering a similar fee but didn't identify them. The International Monetary Fund proposed a coordinated global bank levy to pay for future bailouts but some governments, including Canada, were vehemently opposed.

The Obama administration is pressing ahead with its own plan, which Geithner said it is trying to design "in a way that improves the chances that other governments will adopt similar measures."

As *The New American* has been warning, in a series of articles over the past year-and-a-half, the world central bankers and their elite brethren on Wall Street and at other global financial centers are pushing to transform the IMF into a global version of the Federal Reserve System, with unlimited regulatory and monetary powers. (See [here](#), [here](#), [here](#), and [here](#)).

The Obama administration is exploiting and playing on the public's continuing anger over the Wall Street bailouts and the Goldman Sachs scandals to push for "[supersizing](#)" the IMF into a global monetary behemoth.

Thanks to complicit allies in the kept media, the administration has been largely successful in posturing as the anti-Wall Street, anti-Goldman Sachs savior — even though candidate Barack Obama received nearly \$1 million in campaign contributions from Goldman Sachs executives, employees, and family members, and his administration's ties to Goldman Sachs are wide and deep.

Bloomberg Businessweek writer John McCormick was one of the few reporters to remind readers recently of Obama's and the Democrats' Wall Street and Goldman Sachs connections. [McCormick noted](#):

Wall Street provided three of Obama's seven biggest sources of contributors for his presidential bid. In 2007 and 2008, Goldman Sachs employees and family members gave him \$994,795, Citigroup Inc. \$701,290, and JPMorgan Chase & Co. \$695,132.

McCormick further noted:

Goldman Sachs and its employees and family members gave \$5.9 million to candidates in the 2007-2008 election cycle, according to the Washington-based Center for Responsive Politics. Three-quarters of that went to Democrats, the non-partisan group said.

Goldman Sachs has benefited hugely from taxpayer bailouts, perhaps [to the tune of \\$25 billion](#) — or more. It is unlikely Goldman would have fared so well without the strategic placement of its top "former" execs in the top positions at the Treasury Department and Federal Reserve: Robert Rubin, Henry Paulsen, and [Stephen Friedman](#) — to name a few.

Of course, Geithner's connections to Goldman Sachs include close ties to mentor Robert Rubin. As head of the New York branch of the Federal Reserve, Geithner arranged for his Goldman Sachs cronies to receive special treatment and uniquely profitable bailouts in the AIG fiasco. Geithner also named former Goldman Sachs lobbyist Mark Patterson to be his chief of staff at Treasury. And, it should come as no surprise that the super-elite [Bretton Woods Committee](#) that is pushing the IMF "supersizing" and global bank tax is made up of Wall Street moguls, including Goldman Sachs execs Peter D. Sutherland, Faryar



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Shirzad, and Gerald E. Corrigan. Obama, Geithner, and the Wall Street elite are fanning and manipulating the anti-Wall Street sentiment to push for a transfer of monetary, taxing, and regulatory authority to a global entity that the Wall Street elites control, which will be beyond the checks and balances of our Constitution and the monitoring capability of any sovereign nation state.

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