

A cabinet of billionaires

Trump forms a Wall Street government to attack health care and workers' rights

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Major US newspapers reported Tuesday night that President-elect Donald Trump has selected Steven T. Mnuchin, a former Wall Street banker who served as Trump's campaign finance chairman, to be the next secretary of the treasury, the most influential cabinet position in terms of economic policy and the jobs and living standards of working people. The appointment is to be formally unveiled on Wednesday.

This follows Trump's appointment of Representative Tom Price of Georgia, a leading right-wing Republican and opponent of Medicare, to head the Department of Health and Human Services. This department oversees Social Security, Medicare and Medicaid, which account for the vast bulk of domestic social spending by the federal government.

There were also press reports that the much-rumored nomination of billionaire speculator Wilbur Ross as secretary of commerce would be announced shortly, and that Elaine Chao, the wife of Senate Majority Leader Mitch McConnell and a cabinet member in the George W. Bush administration, would be named as secretary of transportation.

Trump has already named another billionaire, school privatization advocate Betsy DeVos, wife of Amway heir Dick DeVos, to be secretary of education.

With these appointments, the general outlines of the new administration's domestic policies are clear. Far from Trump's demagogic claims that he would "drain the swamp," the corrupt nexus between Wall Street and Washington is tighter than ever.

In many ways, the Trump administration represents the fusion between the two, with prominent members of the financial aristocracy, including three of the 500 or so US billionaires—Trump, Ross and DeVos—taking leading positions in the nation's capital.

Every non-billionaire cabinet appointment announced by Trump is a millionaire or multi-millionaire. These include Senator Jeff Sessions, Representative Tom Price, Elaine

Chao and, of course, Mnuchin, a former partner at Goldman Sachs worth upwards of \$50 million.

Mnuchin is not the first Goldman Sachs veteran—and campaign insider—that Trump has named to a top position. Stephen Bannon, the campaign CEO and former head of the ultra-right Breitbart News, may be said to represent the fascist wing of Wall Street, while Mnuchin represents its more conventional establishment wing.

In selecting a Goldman Sachs alumnus to head the Treasury, Trump is following the example of George W. Bush, who appointed Henry Paulson, and Bill Clinton, who appointed Robert Rubin. Mnuchin's father and brother had long careers at the firm, but Mnuchin left soon after becoming a partner, first working for billionaire George Soros (a prominent Clinton backer in 2016), then going west to make millions as a Hollywood financier, backing some highly profitable action films, including the *X-Men* franchise, as well as *Avatar*, *Gravity* and the execrable *American Sniper*.

One of his more controversial financial operations on the West Coast involved the takeover of the failed California mortgage lender IndyMac in 2009. He headed a group that bought IndyMac from government receivers, renamed it OneWest, pushed ruthlessly to foreclose on borrowers, and so improved the balance sheet that he sold the company to CIT in 2014 for more than twice the purchase price. Fair housing groups filed discrimination charges against OneWest for refusing to lend or refinance in certain minority areas.

When Mnuchin agreed last summer to head Trump's fundraising operation, he was widely criticized in Hollywood and Wall Street circles, which largely backed Democrat Hillary Clinton. Mnuchin himself had donated mainly to Democratic candidates, but knew Trump from previous business dealings. As he told *Bloomberg Businessweek* at the time, "Nobody's going to be, like, 'Well, why did he do this?' if I end up in the administration."

It is a virtual certainty that a Mnuchin Treasury will scrap the pretense of regulating Wall Street that was mounted by the Obama administration and the Democrats through passage of the 2010 Dodd-Frank banking bill. The only institutional change accomplished by Dodd-Frank, and a minor one, the establishment of the Consumer Financial Protection Bureau, is likely to be reversed.

While the Trump administration gives Wall Street free rein, it will deepen the attacks on health care for working people that have already reached a new level under the Obama administration. This is the significance of the nomination of Representative Price as secretary of health and human services.

As one headline put it, “Gutting Obamacare might be the least controversial part of Tom Price’s health care agenda.” A former orthopedic surgeon and six-term House member from the same wealthy Atlanta suburbs that elected Newt Gingrich, Price favors a completely market-based health care system, in which no one would be “entitled” to health care unless he or she had the money to pay for it, perhaps with the aid of a totally inadequate government voucher.

Like Republican House Speaker Paul Ryan, a close ally whom he succeeded as chairman of the House Budget Committee, Price seeks to take advantage of the unpopular and reactionary character of Obamacare to launch a frontal assault on all federal health care programs, particularly Medicare and Medicaid, which underwrite health care for 130 million people, including the elderly, the poor and those suffering from the worst illnesses.

Under a program that the Republican-controlled Congress would likely enact, Trump would sign into law, and Price would administer, Medicaid would be ended as a federal entitlement program and transformed into separate block grants for each of the 50 states, which would be entirely free to reduce benefits and standards. Medicare would become a voucher program, similar to the Health Savings Accounts offered by many employers, with the federal contribution to purchase private insurance limited to a maximum of \$3,000, leaving the bulk of the cost of health care to fall on the elderly.

Planned Parenthood, women’s rights groups, and gay and lesbian groups all denounced the Price nomination as a signal of the reactionary direction of the Trump administration, warning that it proposed to go back decades, or even half a century, in terms of family planning, abortion rights and other social issues.

Price is an adamant opponent of abortion under all circumstances. He introduced legislation to defund Planned Parenthood programs and as well as a constitutional amendment to outlaw gay marriage. According to one report, he was so hostile to the idea that some women

require financial assistance to pay for birth control that he challenged a reporter to “bring me one woman” who struggled to afford contraception.

He will be in charge of a department that sets policy on issues such as who can receive survivor’s benefits under Social Security, whether drugs like Plan B can be sold over the counter, and whether health insurance policies should cover birth control and abortion services.

These cabinet selections demonstrate the absurdity of all attempts by the Democrats to paint Trump in positive colors. This is to be a government of reaction all down the line, from extreme militarism in foreign policy to vicious attacks on jobs, living standards, social programs and democratic rights at home.

The two-faced character of the Democratic response to Trump was typified in comments by incoming Senate Minority Leader Charles Schumer. He denounced the naming of Representative Price to run Health and Human Services, saying Price “has proven to be far out of the mainstream of what Americans want when it comes to Medicare, the Affordable Care Act and Planned Parenthood.” At the same time, he hailed the selection of Elaine Chao to run the Department of Transportation, praising her “long history of service to our country.”

Schumer added, “Senate Democrats have said that if President-elect Trump is serious about a major infrastructure bill, backed by real dollars and not just tax credits and without cutting other programs like health care and education, that we are ready to work with his administration.” Actually, the Democrats are ready to work with Trump under all circumstances, and if they cannot find anything “positive” to support, they will invent something.



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