

US Senate confirms former Goldman Sachs executive as Treasury secretary

Patrick Martin
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The US Senate confirmed Donald Trump's nominee to head the Treasury Department on Monday night, voting by 53 to 47 to install former Goldman Sachs banker Steven Mnuchin as secretary of the treasury. It was virtually a party-line vote, with only one Democrat, Joe Manchin of West Virginia, supporting confirmation, joining all 52 Republicans.

Mnuchin, who was the principal fundraiser for Trump's presidential campaign, has no previous government or regulatory experience. Like a half-dozen other Trump appointees and aides, he is a graduate of the Goldman Sachs school of financial flimflam. Mnuchin worked for 17 years at the giant Wall Street investment bank (1985-2002), followed by a lucrative stint in California as a Hollywood financier and speculator in distressed mortgages.

It was the second half of his career that provoked the most questions during the confirmation process. Mnuchin was criticized for the ruthless tactics employed by the bank he acquired, IndyMac, renamed OneWest. He repeatedly denied that he authorized any actions that were unethical, or even harsh, in evicting thousands of California residents from their homes.

Mnuchin said at his January 19 confirmation hearing, "Since I was first nominated to serve as treasury secretary, I have been maligned as taking advantage of others' hardships in order to earn a buck. Nothing could be further from the truth." He thus passed the first test for any Trump nominee—and for any treasury secretary of either capitalist party—being able to tell an obviously absurd lie without batting an eye.

Similarly, Mnuchin claimed to support across-the-board tax "reform," a euphemism for whopping tax cuts for the rich, while asserting that the plan, still to be negotiated between the White House and the Republican-controlled Congress, would provide "no

absolute tax cut" for the wealthy.

More than most of Trump's nominees, Mnuchin made trouble for himself by filing false documents, including a financial disclosure form that omitted at least \$50 million in investments. It was subsequently revealed that instead of the \$40-\$50 million fortune initially reported, Mnuchin is actually worth nearly half a billion dollars, the lion's share in the form of stock holdings from the sale of OneWest to CIT Financial.

Democrats staged various protests over Mnuchin's nomination, boycotting the meeting of the Senate Finance Committee that approved his selection and sent the nomination to the Senate floor. These antics proved no significant barrier to his confirmation, as both the Democrats and Republican Senate Majority Leader Mitch McConnell were well aware.

Mnuchin will now be fifth in the line of presidential succession, following the vice president, the speaker of the house, the president pro-tem of the Senate, and the secretary of state.

He will confront a series of imminent deadlines for key financial actions by the Treasury. On March 15, the current suspension of the federal debt limit will expire and Mnuchin will have to propose immediate measures either to raise the debt ceiling or select those federal payments to be delayed so as to avoid a default on US Treasury obligations.

On March 17, he will represent the US government at the G20 summit of finance ministers in Germany. On April 15, he must tell Congress whether the Trump administration will label China a currency manipulator, as promised by Trump during the election campaign, a step that could unleash worldwide economic warfare.

None of these deadlines has thus far stemmed the mad enthusiasm of the financial markets for the prospect of cuts in taxes and business regulations by the

Trump administration. Only hours before Mnuchin was confirmed, all three major stock market averages hit record highs for the third consecutive trading day.

The Dow Jones Industrial average rose 142 points on Monday to close at 20,412. The S&P 500 finished up 0.5 percent, at 2,328. The Nasdaq index also added 0.5 percent, up 30 points. In an indication of the scale of the current financial bubble, the total value of all stocks in the S&P 500 index reached \$20 trillion for the first time.

Banks and other financial stocks led the rise, cheered by congressional action to gut regulations such as the requirement that financial advisors respect the fiduciary interests of their clients. The latest market rally came after Trump told a group of airline executives Thursday morning, “We’re going to announce something I would say over the next two or three weeks that will be phenomenal in terms of tax.”

Besides the promised policies, the personnel of the new administration embody its pledge to Wall Street of all-out collaboration with corporate profit making. Mnuchin has recruited as his two senior advisers a former executive at BlackRock, the world’s biggest hedge fund, and a former lawyer for the US Chamber of Commerce.

Inside the White House, the leading voice on economic and financial policy is another Goldman Sachs veteran, Gary Cohn, who left his position as president of the huge bank after his nomination by Trump to be director of the National Economic Council, raking in a \$100 million severance package in the process.

Cohn has overseen the drafting of Trump executive orders and served as the focal point for economic policy during the first month of the administration, under conditions where there are no confirmed secretaries for the departments of Treasury, Commerce or Labor, and no Trump nominees for the Council of Economic Advisers. According to one report, Cohn has been meeting with Trump as many as five times a day.

The Senate also voted near-unanimously late Monday to confirm Dr. David Shulkin to head the Department of Veterans Affairs (VA). He is the sole holdover from the Obama administration in Trump’s cabinet, promoted from his position as undersecretary of the VA for health. He will be the first nonveteran to head the VA. The Senate was to vote Tuesday on another

consensus nominee, World Wrestling Entertainment billionaire Linda McMahon to head the Small Business Administration.

Six other Trump cabinet nominees still face confirmation votes, including fast-food CEO Andy Puzder at the Department of Labor, billionaire Wilbur Ross at the Department of Commerce, former Texas Governor Rick Perry at the Department of Energy, Montana Representative Ryan Zinke at the Department of the Interior, former Georgia Governor Sonny Perdue at the Department of Agriculture, and Dr. Ben Carson at the Department of Housing and Urban Development. The nominee for White House budget director, Representative Mick Mulvaney, also faces a floor vote.



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