Trumpism in the Footsteps of Reganomics: the Culmination of the Neoliberal Oligarchs’ Grand Theft

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Following on the steps of Reganomics, President Ronald Regan’s first revolution of the 1980s to hand America over to the triangle of the wild capitalists of Wall Street, the American Neoliberal Oligarchs and Corporate America; Trumpism, Donald Trump’s revolution of our times is ending the task of completely handing America over to the insatiably greedy American Neoliberal Oligarchs, Corporate America and to the American Nationalist Populists’ White Supremacists.

After the Collapse of Capitalism in America in the 1929 Great Depression, President Franklin D. Roosevelt began a series of programs, public work projects, financial reforms, and regulations enacted in the United States between 1933 and 1936 that responded to needs for relief, reform, and recovery from the Great Depression in what became historically known as the “New Deal.”

Riding shortly after on the wave of the Second World War (“WWII”), the retooling of the American Industrial Plants to cope with the requirements of the demands of the major WWII, America emerged as the Only intact Industrial Power of the world as all the other world Industrial powers of Germany, Britain, France and Japan laid in total destruction.

Topped up with the Bretton Woods Accords of 1945, the US Dollar presided as the World’s Sole Reserve Currency that with the creation of the Supranational institutions of the IMF, the World Bank and The General Agreement on Tariffs and Trade (“GATT”), currently the WTO, the US’s dictated and became in control of the world’s economic and financial systems in what became known as the Free World as separate of the Planned Economies of the emerging communist countries of the Soviet Union. The creation of the UN in the same year of 1945 and with the US enjoying a veto power in the UN Security Council, the US influenced, to a large extent, the world politics rendered nearly complete with the fall of the Soviet Union in 1991.
With the launching of the Marshal Plan to reconstruct the destroyed economies of Europe and Japan, the US economy sustained a long period of high economic growth and prosperity over the stretch of more than 30 years that combined with the reforms of Roosevelt’s New Deal, greatly benefited and touched the lives of the greatest majority of American households, foremost, the American working class and the American Middle Class who saw their income and standard of living constantly rising.

America continued its economic prosperity in a straight streak - benefiting in the process all its citizens - until the introduction by President Ronald Trump, in the 1980s, of his new economic policies that became known as Reganomics. Reganomics sought to reduce the growth of government spending; reduce the federal income tax and capital gains tax; and reduce government regulations.

Reganomics was built on the advocacy of University of Chicago Noble Laureate Milton Friedman’s monetary theories and the much-touted economic concept of “Supply-Side Economics; i.e. a modern version of Adam Smith’s “laissez-Faire,” marking the first revolution to hand America to the triangle of Wall Street, the American Neoliberal Oligarchs and Wild Capitalist Corporate America.

Reganomics unleashed Wall Street mania of Mergers & Acquisitions coinciding with the dramatic fall of the equity market under the shock of waves of Energy Crises starting the middle of the 1970s. It is synonymous with the “Buying of Corporate America on the Cheap” given the cheapened corporate stocks and depressed equity values in the aftermath of the Energy Crisis and the Stagflation of the 1970s.

Wall Street Investment bank Drexel Burnham Lambert in tandem with its main operator Mike Milken invented what became known as the “Junk Bond Industry” in the 1980s, as the instruments to acquire American Corporate Jewels on the Cheap (i.e. Snatching Real hard assets at the cheap by the issuing of unsecured high risk debt instruments).

The flourishing of the Junk Bond Industry permitted once totally unknown investors and business people to acquire major American corporations as in the example of Predators Ronald Perelman, a virtually unknown investor, snapping the jewel of the Cosmetics Industry Revlon Corporation for little equity as same became true of a little-known New York businessman Carl Icahn the acquiring
TWA, a major world airline then, for very little invested capital.

Wall Street marveled in the churning out of a wide host of new financial instruments, rather new gimmicks, all under the rubrick of “Financial Engineering” that tended to securitize debt instruments living risk out to original issuers. Combined with Milton Friedman’s “Supply-Side Economics” rendering Wall Street a Financial Casino moving the gravity center from the Real Economy, so-called “Main Street,” to “Wall Street,” as the latter originally meant to only cater for, service and meet the needs of America’s Real Economy.

Reganomics caused the stagnation and ultimate decline of the income and standard of living of the American working class and the American Middle Class that only became increasingly worse with the explosion financial speculations in Wall Street, as the setting in of the CTI revolution and Silicon Valley’s opting starting to “Outsourcing” components of their processes in what’s becoming commonly known as “Supply Chain” to foreign subcontractors after objective of the maximization of corporate profits, America’s manufacturing industry lost its competitive edge, going on a secular slide that only further worsened the plight of the American Working Class and the American Middle Class.

However, Reganomics of the 1980s is Now Culminating in a new, aggressive and possibly unsustainable final phase, i.e. Trumpism – coined after the economic policies of the current US President Donald Trump. President Donald Trump followed on the steps of the implementation of Reganomics by enacting policies of huge Tax-cuts; the wholesale dismantling of decades painstakingly pieced together regulations & the Reviving of the monopoly of the American “Military-Industrial Complex.”

The American Rich and Corporate America are currently living the Bonanza of the Grand Theft to the disadvantage of the increasing marginalization of the American Working Class and the American Middle Class.

As it all began in earnest with the Face of American Economy profoundly transforming from the hard earned “Real Economy,” or so-called “Main street” economy, to the Fiat Economy, the Casino Economy of “Wall Street” of the gimmicks of Financial Engineering in the cloak of Reganomics, the FED, under Trumpism, currently forward from President Obama’s years, is joining the
financial speculative spree ever since the recovery from the 2008 Financial Meltdown. The FED is becoming indistinguishable of Wall Street acting as the culprit opening wide-ajar the Spigots of money printing in what’s termed euphemistically, “Quantitative Easing.”

American Sham Economy of the Corporate Grand Theft is currently reaching its Zenith under Donald Trump with the Dollar continuing to unjustifiably play the pivotal role of the world sole-reserve currency without real assets to back it. The American neoliberal oligarchs and corporate Grand Theft, concurrently, carried on snatching World’s Real Assets and World Real Economies for a fiat US currency.

America with the latest Trumpism’s economic scheme “Giving it All to the Rich and Corporate America,” is finally placing the last nail in the knell of an American Productive Economy to a long been in making a floating on money printing, near fake currency US Dollar Economy.

No better example of All this than Donald Trump, the Neoliberal Oligarch’s Trojan Horse’s Scheme of Huge Tax Cuts; the outright dismantling of all Regulations and the Strong Revival of the “Military Industrial Complex.” All done under the rubric of incentivizing “Corporate Investments” as the main pillar to Stimulating American Economic Growth.

Simultaneously, it is professed by the proponents of Trumpism that the enacting of tax cuts to stimulate economic growth would end up contributing back to the State’s Budget, recuperating taxes in generated new revenues subsequent to the stimulation of significant economic growth.

Proponents of the stimulation of economic growth hypothesize, on the basis of a standard theory, that through huge tax cuts the stimulation of economic growth would cause the US economy to more than double growth from a paltry 2% to as high of 4.5%, in a few years. The promoters of the tax-cut theses postulated that with a huge jump in economic growth the widening gap result of endemic Government Budget Deficit and the Soaring US National Debt would only narrow moving forward.

However, nearly three years into Trumpism, none of the lofty promises of an economic bonanza in the offing have materialized as the economy continues to
grow at the same old rate of 2% as the country’s infrastructure keeps falling and the Manufacturing sector continues to lose its competitiveness. However, what remains most ironic, the Neoliberal Oligarchs and Corporate America after they reaped their whirlwind wend gains, they failed to keep their part of the deal.

While the American consumers carried the burden of spending out of a household historically low-income and high indebtedness to the hilt, as consumer spending becoming the sole driver of the American economy, “The American Rich & Corporate America Took the Money and Ran;” they are failing to meet their obligations to invest the huge bundles of the whirlwind giveaway money that Donald Trump and his Goldman Sachs Secretary of the Treasury Steven Mnuchin gave them as instead Corporate America put all the money into the Stock Market repurchasing their own companies’ Stock leaving the economy in the doldrum of mediocre growth as no money has gone to rehabilitate an Infrastructure in decadence or invested in new productive businesses.

Corporate America failed to direct huge profits earned from the huge tax cuts and the dismantling of regulations to direly needed sectors and the infrastructure, nor, by consequence, help alleviate the Government historically unprecedented mounting budget deficit and the country’s soaring national debt.

The Corporate Grand Theft did not end with the Profits from huge tax cuts being plowed back into the Stock Markets away from investing in the Real Economy; however, the FED, joining in the hoopla of the Casino of Wall Street, went into a frenzied spree on a printing money scheme under the rubric of “Quantitative Easing” that is providing tons of cheap near interest-free funds to Corporate America that is ballooning Corporate Debt on what’s termed, “Leveraged Loans” crisis, the next Subprime Crisis of the 2008 Financial Meltdown awaiting the US.

A Sham American Economy; a New Advanced Version of a Reganomics Supply-Side Economics scheme going awry that is only widening the inequality gap of the Haves and Have Nots in America that is increasing the division and the sharp polarization of an American society that is only rendered increasingly disoriented by a frenzied drive to impose the agenda of a American White Supremacism.

Trumpism is proving, as I once wrote in a recent article, “The State of the US Economy is a Sham Prosperity ....” (http://article42.rrmasri.net/), a sham economy of a Grand Theft of “Giving It All to the Rich.”