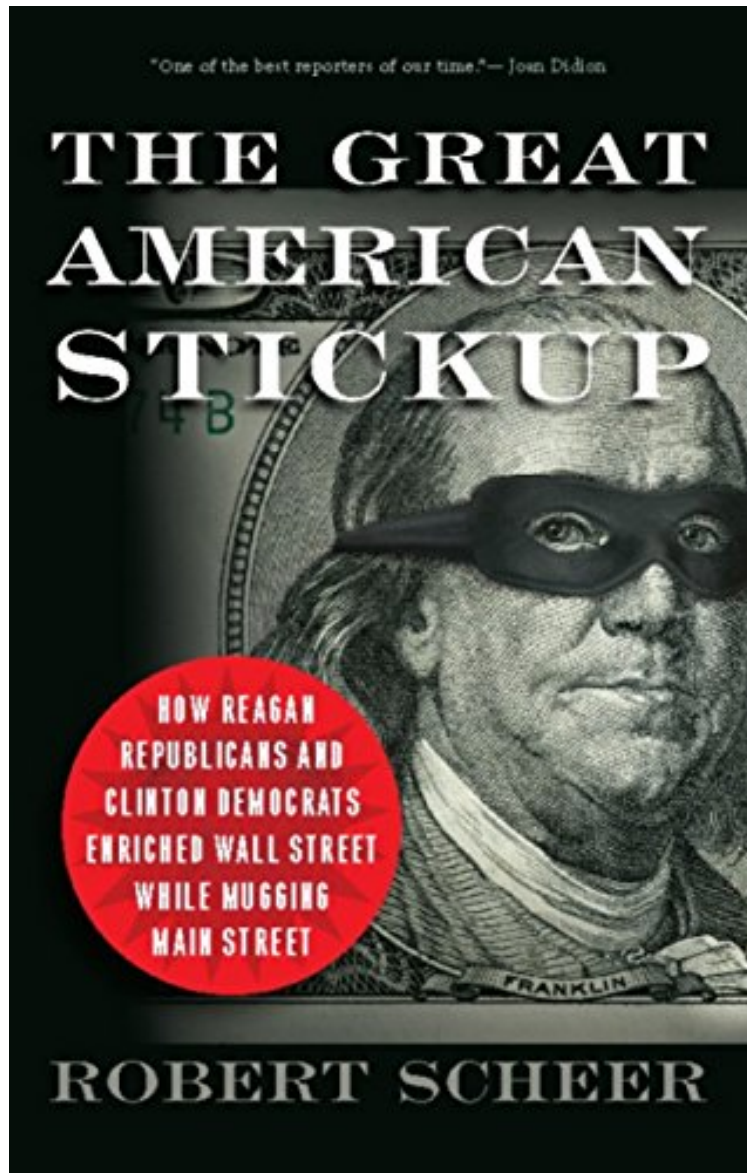


(Download) The Great American Stickup: How Reagan Republicans and Clinton Democrats Enriched Wall Street While Mugging Main Street

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Robert Scheer

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Robert Scheer : The Great American Stickup: How Reagan Republicans and Clinton Democrats Enriched Wall Street While Mugging Main Street before purchasing it in order to gage whether or not it would be worth my time, and all praised The Great American Stickup: How Reagan Republicans and Clinton Democrats Enriched Wall Street

While Mugging Main Street:

80 of 82 people found the following review helpful. Crime: Public, Private and Bipartisan By James Mamer "Steal a little and they throw you in jail - Steal a lot and they make you king" - Bob Dylan Imagine, for a moment, that a burly stranger takes your wallet, removes \$20, and walks away. It stands to reason that, at the very least, you would want the culprit caught. You might even take the time to file a police report and describe the thief to a sketch artist. Now imagine instead, a very well dressed thief, with a dozen or so well dressed associates, who manage to take your house, your job, and even to diminish the value of your 401K, would you want this group caught just as badly? And if it turns out that this second heist was the work of identifiable thieves, would you spend the time necessary to learn who they were and how the deed was done? Or would you rather squeal and scream at whoever and whatever is directly in front of you? That is the choice you face when deciding whether or not to read "The Great American Stickup: How Reagan Republicans and Clinton Democrats Enriched Wall Street While Mugging Main Street". In it, veteran journalist and Truthdig editor, Robert Scheer does exactly what the subtitle implies. He describes in detail how we got into the economic mess we are in. Of course, everyone knows some of what happened. Most, probably suspect that both bankers and brokers had a hand in creating the real estate mess. Most have heard something about derivatives, CDOs, Alt-A loans, and subprime loans. And those government sponsored bank bailouts are, by now, infamous - even if there seems to be widespread confusion about which administration (Bush or Obama) did what. But when did this all start and what are the political, economic, and ideological connections? More simply, what is the answer to a question posed by a bewildered George W. Bush: "How did this happen?" As Mr. Scheer tells it, the crime unfolded over almost 3 decades. Ronald Reagan laid the groundwork with the indispensable help of antiregulatory true believers Dr. Wendy Gramm and her husband, Senator Phil Gramm. Scheer carefully describes their efforts to overturn the financial regulatory system introduced by Franklin Roosevelt's New Deal. The top target, dubbed the "holy grail of Wall Street," was the 1933 Glass-Steagall Act, which regulated the financial services industry by erecting a wall between the commercial banks (entrusted with depositors' FDIC insured funds), investment banks, and insurance companies. Although by the end of Reagan's presidency Glass-Steagall remained in place, Scheer explains how President Reagan had been wildly successful on the ideological front in selling the view that big government was the cause economic stagnation. Then, with Big Government as the newly accepted enemy of unrestricted wealth, the Republicans (in the Reagan and in both Bush administrations) found a way to achieve at least a part of what they wanted by appointing regulators who hated regulations. Thus, in 1988, Wendy Gramm became chair of the Commodity Futures Trading Commission. The foxes were now charged with guarding the henhouse. While Scheer credits the Republicans with laying the necessary foundation, he is consistently nonpartisan and the real deregulatory victories are shown to come during the Clinton administration. Working in the ideologically anti-government atmosphere that he inherited, it is Bill Clinton, Treasury Secretary Robert Rubin, Larry Summers, Fed chair Alan Greenspan, along with the Republican Congress, that successfully ended Glass-Steagall. The story is complex, but, as written here, understandable. The end of effective financial regulation, the end of Glass-Steagall, comes in 1999 with the Financial Services Modernization Act. A year later that is followed by the Commodity Futures Modernization Act, which insured the legality of unregulated over-the-counter derivatives and paved the way for the rise and fall of Enron and Arthur Anderson. If this seems too much like a story composed of dry and difficult economic statistics it is not. Scheer laces the tale with fascinating details, like the inclusion in the Commodity Futures Modernization Act, of the "Enron loophole" which specifically exempted energy trading from regulatory scrutiny. And there is the story of the largely unsung heroine, Brooksley Born, who as the successor to Wendy Gramm at the Commodity Futures Trading Commission struggled valiantly to save us from the coming unregulated nightmare of unlimited over-the-counter derivatives including those labeled "Collateralized Debt Obligations" (CDOs) which allowed loan originators to retain no residual risk for loans they made to those obviously unable to pay. The tale of Born's meeting with Alan Greenspan, attributed to an article published in Stanford Magazine, is almost surreal. Greenspan begins by saying to Born, "Well, Brooksley, I guess you and I will never agree about fraud." So Born asks, "What is there not to agree on?" "Well," Greenspan replies, "you probably will always believe that there should be laws against fraud, and I don't think there is any need for a law against fraud." Given what we now know about former NASDAQ chair, Bernie Madoff, Enron, Worldcom, and Global Crossing, it is not hard to imagine this Alan Greenspan as a character in Alice in Wonderland with Alice remarking, off to the side, "curiouser and curiouser!" In "The Great American Stickup" Robert Scheer has clearly laid out the connections that run from Ronald Reagan through the Gramms and on to Enron; from Robert Rubin at Treasury to Citigroup; from Citigroup back to Enron and on to the subprime loan craze. He traces the evolution of Fannie Mae and Freddie Mac from government-sponsored creations to privately owned, and publicly traded, financial monsters. Scheer writes incisively about the incestuous world of finance and government where Goldman Sachs is nicknamed Government Sachs. He connects Hank Paulson and Goldman to AIG and Timothy Geithner to President Obama and back to AIG. The saddest connection of all may turn out to be the one that runs from candidate Obama to President Obama. Early in the book Scheer quotes Obama's important speech at Cooper Union where the candidate astutely observed, "The American experiment has worked in large part because we have guided the market's invisible

hand with a higher principle. Our free market was never meant to be a free license to take whatever you can get, however you can get it." But that speech, with its clear recognition of the wisdom of Franklin Roosevelt's New Deal, stands in stark contrast to the policies of President Obama and leads me to one last quote from Alice (or, as I would like to imagine, from President Obama himself): "I wonder if I've been changed in the night? Let me think. Was I the same when I got up this morning? I almost think I can remember feeling a little different. But if I'm not the same, the next question is 'Who in the world am I?' Ah, that's the great puzzle!" Buy this book, read it, and discuss it with friends and neighbors over a pot of tea, or if you prefer, a pot of coffee.

3 of 3 people found the following review helpful.
Robert Scheer did an excellent job to expose the multi-decade corruptions. By D. Chang This book is an eye opening report on the greed and corruption of those cunning American politicians and associates involved in the plots to defraud the American people. These selfish individuals have no regard to anyone. Robert Scheer did an excellent job to expose the multi-decade corruptions by peeling off each layer of the "legal" fraudulent scheme. The too-big-to-fail bailout is costing hundreds of billions of dollars and we will be paying for it for generations. Bad news. But the worst news is that the same people are still in the position to do more damage. Just like letting the fox to guard the hen house that is being rebuilt. I feel so sad and helpless after reading this book. But I am determined to take a more proactive role in American politics. This is a must-read to understand why most Americans are in such poor financial position today. The silver lining is that the book tells us there are many smart and honest individuals among us. Great book.

4 of 4 people found the following review helpful. Hello Wall St! By R. Garnica I bought this book after having a reading renaissance towards the end of 2013. I wanted to get a good review and rundown of the 2008 crash and its aftermath. The title alone pulled me in and Sheer does explain the process of how each president had their hand in this mess; with Bush Sr. either too busy with Desert Storm or not having enough time in office to do anything, allow still nothing was done on his watch either. Sheer's writing is easy to follow along. Fact and figures are integrated with rich prose that both informs and infuriates. The book follows a nice progression, all the while making temporal jumps forward and backward, both to remind the laws that changed the landscape, then how that lack of regulation came to roost. As I read, I was appalled that such a thing could happen, that such hypocrisy could exist. Then I saw how much money was at stake. Not that I excuse what was done. The Book of Ecclesiastes helps me sleep at night. The further I got into the book I then realized: These people were never prosecuted. At least Keating was indicted and sentenced. These guys? Nothing. It was too entrenched for anyone to take a fall because they'd all have to go along, with the country and the entire global economy with it. So, some clever folks found a way to create worthless assets on paper, yet all the while not completely understanding what the hell was going on, then ransom the government to pay them at full value despite being toxic. And, they got away with it. Mr. and Mrs. Taxpayer footed the bill and the deficit grew, how could they do this, how could we let it happen, blah, blah, blah... the point is, you can either take control of your money or you can let someone else take it from you. You can point at all the cynicism in the world, the hypocrisy that exists, or, you can learn the rules of the game, understand that it is a game, as heartless as it sounds, and empower yourself to not only play, but succeed. This game cannot be won, but you can do well for yourself. Chances are you're reading this on a computer or other electronic device, which means you have an internet connection, which means you have an entire universe of information, tools and resources at your disposal to accomplish and achieve anything. That time spent playing Angry Birds, that time spent on Netflix, that time spent reading a blog about carpet.... we all have the same time. The people who took all that money used their time to take all that money. I titled this "Hello Wall St." because I realize that I want to play this game. It's there for the taking.

In *The Great American Stickup*, celebrated journalist Robert Scheer uncovers the hidden story behind one of the greatest financial crimes of our time: the Wall Street financial crash of 2008 and the consequent global recession. Instead of going where other journalists have gone in search of this story—the board rooms and trading floors of the big Wall Street firms—Scheer goes back to Washington, D.C., a veritable crime scene, beginning in the 1980s, where the captains of the finance industry, their lobbyists and allies among leading politicians destroyed an American regulatory system that had been functioning effectively since the era of the New Deal. This is a story largely forgotten or overlooked by the mainstream media, who wasted more than two decades with their boosterish coverage of Wall Street. Scheer argues that the roots of the disaster go back to the free-market propaganda of the Reagan years and, most damagingly, to the bipartisan deregulation of the banking industry undertaken with the full support of “progressive” Bill Clinton. In fact, if this debacle has a name, Scheer suggests, it is the “Clinton Bubble,” that era when the administration let its friends on Wall Street write legislation that razed decades of robust financial regulation. It was Wall Street and Democratic Party darling Robert Rubin along with his clique of economist super-friends—Alan Greenspan, Lawrence Summers, and a few others—who inflated a giant real estate bubble by purposely not regulating the derivatives market, resulting in the pain and hardship millions are experiencing now. *The Great American Stickup* is both a brilliant telling of the story of the Clinton financial clique and the havoc it wrought—informed by whistleblowers such as Brooksley Born, who goes on the record for Scheer—and an unsparing anatomy of the American business and political class. It is also a cautionary tale: those who form the nucleus of the Clinton clique are now advising the Obama administration.

From Publishers Weekly Following Ronald Reagan's obsession with the radical deregulation of financial markets through its apotheosis under the Clinton administration to Obama's reform efforts--which rely, oddly enough, on Clinton cronies to clean up (and profit from) the mess they made--Scheer (*The Pornography of Power*) proves that, when it comes to the ruling sway of money power, Democrats and Republicans, Wall Street and Washington make very agreeable bedfellows. Scheer names names (Robert Rubin, Lawrence Summers, Alan Greenspan), while praising those who sounded the alarm and underscoring the foreseeable results of putting Wall Street in the driver's seat. What grew in this regulatory vacuum, Scheer shows, was a global casino, a mind-bendingly enormous and arcane system of gambling on new financial products worth hundreds of trillions of dollars. By 2007, when the house of cards collapsed, Wall Street alone understood what it had wrought while its government partners remained clueless.

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From Booklist*Starred * Coziness between Wall Street and Washington, D.C., from as far back as the Reagan administration, set up the nation for a deliberate swindle that nearly brought down the U.S. economy, argues Scheer, a veteran journalist and editor of TruthDig.com. Drawing from investigative reporting, memoirs, and news accounts, Scheer traces the building crisis through the Reagan, Clinton, Bush, and even Obama administrations, taking aim at three myths: that the financial markets are logical and self-correcting, that excesses only hurt speculators and not the general public, and that government regulation stands in the way of effective free enterprise. Instead, he presents a portrait of financial and political skulduggery by several influential players, notably Alan Greenspan, Robert Rubin, and Phil Gramm, and heroic efforts by a few regulators to stop it. Scheer explains in accessible detail the expanding derivatives markets, loosening of regulations on financial activities, and the subprime mortgage market, with much of the abuse aided and abetted by a handful of influential men. He highlights Rubin's machinations within government to grant expanded powers to Enron and Citigroup, then later joining Citigroup to benefit from the changes that he helped to engineer. Scheer is also critical of the business press that championed deregulation and asked few questions as iconic figures sat atop failure after failure, many of them now engaged in "reforming" the system. A scathing, penetrating look at the unsavory links between American finance and politics. --Vanessa Bush

Remarkably, Scheer is capable of making sense of the workings of the economy...he is not only willing but downright eager to name names...and argues that Democrats and Republicans share the blame. --Jonathan Kirsch, Los Angeles Times