Wall Street's Trump euphoria propels Dow above 20,000

By Barry Grey
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On Wednesday, Wall Street celebrated the installation of an administration staffed by CEOs and pledged to remove all obstacles to corporate profit-making by pushing the Dow Jones Industrial Average above the 20,000 level for the first time in history. US stock indexes have been soaring since the November 8 election of Donald Trump, with the Dow rising 9 percent in just 11 weeks.

The blue chip index gained 155 points to close at 20,068 on Wednesday. The Standard & Poor's 500 and Nasdaq indexes also recorded strong gains and ended the day in record territory.

Trump hailed the record-breaking close with a tweet: "Great!#Dow20K." His senior economic adviser, the former hedge fund boss Anthony Scaramucci, congratulated Trump for the market surge, tweeting, "Stock market performance in 6 weeks following President Trump's victory is best among all elections since 1900#ThankYouTrump."

The record close came one day after Trump issued orders aimed at removing all obstacles to the completion of the Keystone and Dakota Access pipelines, demonstrating his contempt for environmental concerns and the sentiments of Native American tribes and their supporters, who have been protesting for months against the Dakota project's threat to the Standing Rock Reservation's water supply and traditional lands.

This boon to the energy and materials corporations and their Wall Street backers coincided with meetings between Trump and corporate CEOS on Monday and Tuesday at which the billionaire real estate mogul-turned president reiterated his pledge to gut health and safety and environmental regulations and slash corporate taxes.

In remarks just prior to meeting Tuesday with the CEOs of the US-based auto companies, Trump promised to shift the business climate "from truly inhospitable to extremely hospitable." He called current business regulations "out of control." Administration officials broadly hinted that Trump would meet one of the auto bosses' key demands by rolling back fuel efficiency standards. On Monday, Trump told a meeting of a dozen CEOs that his advisers thought "we can cut regulations 75 percent, maybe more."

Other actions Trump has taken in the five days since his inauguration include a freeze on all pending regulations and a hiring freeze for all federal agencies.

While there have been certain improvements in the economic situation in the US and internationally in recent months, including signs of stronger growth in Europe and an upsurge in fourth quarter US corporate profits, these changes do not explain the extraordinarily rapid rise in the American markets.

The surge began the day after Trump's November 8 election victory, as the markets, initially shaken by the unexpected defeat of their favored candidate, Democrat Hillary Clinton, turned sharply upward, buoyed by Trump's promises of massive tax cuts for corporations and the rich, the wholesale lifting of business regulations, a massive expansion of military spending, and the prospect of a full-scale attack on social programs.

As Trump began to name one billionaire or multi-millionaire after another to his cabinet, along with ex-generals and far-right opponents of public education, Medicare and Social Security, housing assistance, environmental protections, the minimum wage and occupational health and safety, the upward spiral on Wall Street accelerated. It is barely two months since the Dow first hit 19,000.

The rise stalled for several weeks while the financial elite waited to see if Trump really intended to carry out the social counterrevolution to which he had alluded during the campaign. The markets soared once again after Trump's installation and initial pro-corporate moves.

Trump is the embodiment of the American financial aristocracy, in all its brutish and violent backwardness and criminality. What the markets are celebrating is a government that in an unprecedented manner openly functions as the instrument of this oligarchy.

On Wednesday, the *Wall Street Journal* if anything understated the greed-driven euphoria in corporate and financial circles in an article headlined "CEOs Savor New Washington Status."

"For CEOs," the *Journal* wrote, "the moves have sent a message that their stock is rising in Washington, with some betting that they will have a bigger say in running the country…

"Along with [former Exxon Mobil CEO Rex] Tillerson at State, billionaire investor Wilbur Ross [Commerce], former Windquest Group chairwoman Betsy DeVos [Education], Andy Puzder, chief executive of CKE Restaurant Holdings [Labor] and former World Wrestling Entertainment CEO Linda McMahon [Small Business Administration] have been tapped to play big roles in his administration."

The *Journal* could have added, among others, longtime Goldman Sachs lawyer Jay Clayton the head the main Wall Street regulator, the Securities and Exchange Commission.

The presence of three former Goldman Sachs executives in top positions in the Trump administration, in addition to Clayton, helps explain the frenzied runup in the share prices of major banks. Goldman Sachs and JPMorgan Chase together account for some 20 percent of the rise in the Dow since November 22.

Trump's plan to "make America great again" is a drive to wipe out every social gain won by the working class in the course of more than a century of struggle and return to a supposed "golden age" when the corporations could plunder and pollute the country to their heart's content.

The fraud of Trump's "concern" for the American worker is exposed by the reality of the forces that are actually benefitting from his policies.

One of the Goldman alumni chosen by Trump for top posts in his administration is Gary Cohn, the bank's former president and chief operating officer. In return for his leaving the bank and assuming the post of director of Trump's National Economic Council, Goldman is handing Cohn more than $285 million in bonuses, stock holdings and other investments, according to Bloomberg News.

The *Wall Street Journal*, in an article published Tuesday titled "Bankers Cash In on Post-Election Stock Rally," reported that executives of major Wall Street banks have sold almost $100 million worth of stock since the election, more than in that same period in any year for the past decade.

In addition to the share sales, bank officials have sold another $350 million worth of stock to cover the cost of exercising stock options.

Morgan Stanley CEO James Gorman, according to the newspaper, sold 200,000 Morgan Stanley shares three days after the election, and has since sold another 385,000 shares, altogether realizing a profit of at least $8.4 million.

Six Goldman Sachs executives, as well as board member and ex-finance chief David Vinar, exercised 983,000 options, representing $200 million worth of shares.

The advent of Trump has already boosted the fortunes of Wall Street bankers by millions of dollars, and this is only a small preview of the colossal plundering of the American and world economy that is to come.

All the more politically criminal are the efforts of the Democrats, including supposed "left" figures such as Bernie Sanders and Elizabeth Warren, to lend credibility to Trump's claims to be fighting for American workers by backing the new president's xenophobic "America First" policies of economic nationalism and trade war.