



## Trump keeps Wall Street guessing

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**Donald Trump** is a man of mystery when it comes to regulating Wall Street.

The presumptive Republican presidential nominee has yet to offer many details about how he would handle the financial sector as president, creating a guessing game among the industry's advocates and detractors.

On May 18, Trump told Reuters that in roughly two weeks, he would release a plan for "dismantling" the Dodd-Frank financial reform law that President Obama signed.

But six weeks later, there is still no plan in sight.

Regulating Wall Street was a dominant topic in the Democratic primary battle between **Hillary Clinton** and **Bernie Sanders** and has become a frequent line of attack for Democrats targeting Trump.

But financial regulation has so far been an afterthought for Trump's campaign. Aside from taking a few potshots at the 2010 law, the candidate has been effectively mum on the topic.

In some interviews, Trump has suggested that financial regulations have become too onerous and have restricted lending for Americans, which falls broadly in line with Republican orthodoxy.

But Trump has at times swerved into more populist territory, complaining of a "rigged system" and criticizing the carried interest tax break used by hedge fund managers.

Throw in the fact that Trump has directly attacked the U.S. Chamber of Commerce as "totally controlled by special interest groups," and it's enough to put some on edge.

"It's sort of odd listening to Trump, because he'll speak quite fondly ... of things that Bernie has said about the system being rigged," said one banking lobbyist. "I'm not sure if his views are dissimilar from what Bernie Sanders has said. ... It's very uncertain as to how he would approach banking issues at this point."

Others view Trump's blank slate as a chance to make their case to a candidate who seemingly is open to easing regulations on the private sector.

"We see Donald Trump as someone who hasn't been thinking about these issues at great length for 30 years. So he's someone who is open to learning and thinking about them freshly," said one financial industry executive. "We're taking this as an opportunity. ... They don't have a policy team of 80 people running around. It's a smaller team and they're not going to put together 200 white papers."

Trump has had an on-again, off-again relationship with Wall Street, one of the power centers in the city he proudly calls home.

He railed against hedge fund managers as a candidate, accusing them of "getting away with murder" on taxes. In Iowa, he vowed to "tax Wall Street." In 2013, he told Bloomberg News that Jamie Dimon, the head of JPMorgan Chase, was "the worst banker in the United States" for striking a multibillion-dollar settlement with the government.

The mistrust runs both ways. Hank Paulson, a former head of Goldman Sachs and Treasury Secretary under President George W. Bush, wrote in *The Washington Post* that he was backing Hillary Clinton over Trump.

Still, Trump has railed against Dodd-Frank, telling *The Hill* in October he would "absolutely" repeal the law. And he told *Fox Business* he opposed breaking up the big banks, a central part of Sanders's policy. Trump has also held fundraisers on Wall Street since locking up the GOP nomination.

When it comes to talking policy on the campaign trail, Trump has focused most of his energy on other topics, like blasting trade deals and vowing to build a wall between the U.S. and Mexico.

That leaves some to suspect that financial regulation is not high on his priority list, meaning a President Trump could defer to a GOP-controlled Congress in crafting policy.

House Financial Services Committee Chairman Jeb Hensarling (R-Texas) has already planted a flag in that arena, rolling out a broad bill in June to replace Dodd-Frank. With just a few weeks of work left in the current Congress, the measure is mostly likely to serve as a blueprint for the next Congress.

"I think you're going to see a lot of deference from Trump toward Hensarling," said Mark Calabria, director of financial regulation studies at the Cato Institute. "As far as we can tell, Trump has not surrounded himself with a bunch of financial industry veterans."

After he rolled out the bill in New York, Hensarling actually met with Trump to discuss the bill. He characterized the meeting as primarily informative.

"I wanted him to understand that House Republicans have worked on an alternative plan and to understand the basics of the plan," he said on C-SPAN's "Newsmakers." "I think that he was pleased with what he heard."

Trump's lack of specifics has not stopped Democrats from attacking him on the campaign trail as wanting to make life easier for Wall Street.

Clinton and her top campaign surrogates, like Sen. **Elizabeth Warren** (D-Mass.), have railed against Trump for wanting to ease financial rules, despite his populist rhetoric.

“All indications are that Donald Trump is going to talk like he’s protecting Main Street while he’s probably going to deliver for Wall Street,” said Dennis Kelleher, president and CEO for Better Markets, a Wall Street reform advocacy group.