

# DAILY RECKONING

## Trump Takes on the Establishment — Literally

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“I would get rid of the Federal Reserve because the volatility in the economy is primarily caused by the Fed.”

Are these the words of a David Stockman or some cranky old gold bug?

No. They're the words of the next possible Treasury secretary! John Allison is the former CEO of BB&T Bank and board member of the Cato Institute, a libertarian think tank. And Trump's considering Allison for Treasury Secretary — if the rumors are to be credited.

“When the Fed is radically changing the money supply, distorting interest rates, and overregulating the financial sector, it makes rational economic calculation difficult,” Allison continued.

*Bravissimo, bravissimo.* Allison's even whistled for — angels and ministers of grace defend us — “a market standard such as gold.”

The fellow wants a gold standard!

Could it be... Trump's going to nominate a gold guy as his Treasury Secretary? And someone who'd ditch the Fed into the bargain? If Trump's serious about draining the swamp, Allison's just the man for the job.

But alack and alas, Allison's not getting the gig.

Who is, evidently? A swamp thing — former Goldman Sachs partner Steven Mnuchin. Seventeen years he wriggled and slinked for Goldman. Then he left to run a hedge fund. Mnuchin, incidentally — or not — also ran Trump's campaign fundraising efforts.

Draining the swamp?

Bloomberg: “The choice of Mnuchin... illustrates the extent to which Trump is relying on Wall Street executives as he prepares to take office, even after decrying the influence of big banks during the campaign.”

There’s justice in these remarks. Trump spent the past year hissing and booing at Wall Street, to the roars of his customers.

Did Donald take us all for a sleigh ride?

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Mnuchin has a history of supporting politicians — mostly Democrats. He donated money to Obama in 2008. He also contributed to *ahem*... Hillary Clinton’s senatorial and presidential campaigns. But a fellow’s got to hedge his bets. He also donated to the Romney campaign in 2012.

Bloomberg highlights the upstream swim ahead of him, should Mnuchin accept the nomination. He “would inherit an era of rising government debt just as the Treasury will need to finance Trump’s expansionary fiscal plans. The U.S. budget deficit is forecast to widen and may go higher if Trump needs to finance a wall at the U.S.-Mexico border, cut taxes and spend \$1 trillion on infrastructure.”

Two words: good luck.

This Mnuchin character’s got a full head of dark hair right now. We predict he’ll be bald and gray by the time he’s done — or rather, when the job’s done with him.

In fairness... little is known about Mnuchin’s stance on fiscal policy, interest rates, or other details of the trade. Maybe he’s a closeted Ron Paul. But given his pedigree, the term “more of the same” springs to mind. “Draining the swamp” doesn’t.

Heaping Pelion upon Ossa... Trump has apparently fingered another Goldman Sachs man — and Democrat — for a leading role. Goldman president Gary Cohn is supposedly up for director of the Office of Management and Budget.

That’s David Stockman’s old job. Poor David. He’d be spinning in his grave if only he was dead.

Mnuchin and Cohn. Both fellows Establishment to their wingtips. And so we wonder, recalling our Ezekiel, if the Trump administration is simply the scorpions replacing the whips.

“Are you in town for good?” someone asked a dubious character in the 1934 film *Belle of the Nineties*.

“I expect to be here,” came the answer. “But not for good.”

We just hope these fellows are here for good. And stay for good.