

Unscrupulous Manipulation of the US Financial Architecture: The Failed Presidency of George W. Bush

A Dismal Legacy. Part II

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"Greed is good. Greed is right. Greed Works." Gordon Gekko, corporate raider (played by Michael Douglas) in the movie Wall St.

"President [George W.] Bush will be remembered as the most fiscally irresponsible president in our nation's history." Sen. [Kent Conrad](#), Chairman of the Senate Budget Committee

[The government's decision to buy shares in the nation's leading banks] "is not intended to take over the free market, but to preserve it." President George W. Bush, October 14, 2008

"Our country for the first time in my life time has abandoned the basic principle of human rights. ...We've said that the Geneva Conventions do not apply to those people in Abu Ghraib prison and Guantanamo, and we've said we can torture prisoners and deprive them of an accusation of a crime to which they are accused." Jimmy Carter, former American president

"After [this] war [against Iraq] has ended, the United States will have to rebuild much more than the country of Iraq. We will have to rebuild America's image around the globe." Sen. Robert Byrd, (D-W.Va), March 19, 2003

Economically, the Bush-Cheney administration is leaving behind a [big financial and economic mess](#). In fact, this is an administration that has brought misery upon America by its misguided economic policies that have built a [mountain of shaky debt](#) and rendered dysfunctional large segments of the American banking industry and large sectors of the U.S. economy, through inappropriate deregulation to enrich [greedy](#) special interest characters, wheeler-dealers, corporate con men, professional short-sellers and other scam artists and [swindlers](#). In so doing, it has empowered rich parasitic speculators and turned the financial sector into a giant [casino](#), thus risking the health of the entire economy.

Indeed, and to complete the picture, the Bush-Cheney administration has emptied the public

treasury, debased the U.S. currency and fueled [deflation](#), [inflation](#) and, in the end, produced [stagflation](#) and what can turn out to be a [very serious recession](#).

This is understandable. Over the last eight years, the Bush-Cheney administration has adopted a *laissez-faire* policy based on a *let-them-eat-cake* ideology. It has pushed for economic deregulation throughout the government, beginning with the de-fanging of the [Securities and Exchange Commission](#). It has pursued an aggressive policy of deregulation of the large global investment banks, which were basically left to self-regulate themselves and allowed to build up the largest mountain of flimsy [backed debt instruments](#) and risky financial [derivative products](#) ever seen in history. It did the same thing for other regulatory agencies such as the [Consumer Product Safety Commission](#), the [Environmental Protection Agency](#), worker safety and transportation agencies.

It is thus no accident that the Bush-Cheney administration has presided over one of the worst [financial collapses](#) and [credit crises](#) in U.S. history, by packing regulatory agencies with cronies whose mission it was to let rapacious speculators and market manipulators go wild. The result has been the creation of a casino-like [speculative economy](#) that is now crashing down before our very eyes.

Under Bush-Cheney, financial markets became manipulated by [unscrupulous bankers](#) and by rapacious [hedge funds](#), as public regulation was reduced to a minimum. Millions of Americans lost their homes through foreclosure and many more saw their working and pension incomes eroded and destroyed by inflation and plant closings. And as what could be a protracted recession proceeds, many more will lose their [jobs](#) in the coming months, while some older employees may have to postpone their retirement because of the disappearance of their pension money.

In a parody of President Abraham Lincoln, we can say this has been an administration that deserved to be dubbed “*a government of the wealthy, by the wealthy and for the wealthy.*” Some would not hesitate to say, also in parody, that it has been “*a government of Goldman Sachs, by Goldman Sachs and for Goldman Sachs,*” considering the ubiquitous political and economic role which that [firm](#) has played within the Bush-Cheney administration. President Bush’s own Chief of Staff, Mr. [Joshua Bolten](#), comes from [Goldman Sachs](#). And these days, everybody pretends not see the real and potential [conflicts of interests](#) of other public servants who are now on the giving public side of things, at the U.S. Treasury, and who are going to be on the receiving private side of public money, in a scant few months. It is the same thing with a lot of what the [U.S. Treasury](#) does. —Even the Governor of the Bank of Canada, Mr. [Mark Carney](#), is a former employee of [Goldman Sachs](#)!

In a related matter, for historical purposes, it will be remembered that, in the fall of 2008, the Bush-Cheney administration sponsored a [huge rescue-plus-bailout](#) of the largest speculative Wall Street investment banks (which the Bush SEC had [deregulated on March 28, 2004](#)) and of a host of other banking and insurance institutions which had engaged in alchemy or synthetic finance and made risky investments. To that effect, it is ready to place at risk close to \$2.0 trillion of public money and let the public debt explode, with few conditions attached to protect the public interest. In fact, the Bush administration stood ready to advance hundreds of billions of dollars and only requested [non-voting preferred shares](#) in the troubled banks and insurance companies that it rescued from bankruptcy. As a consequence, contrary to what the Roosevelt administration did in the 1930s, the U.S. government has no direct say about the way the troubled financial institutions are managed

and run, and thus, if the bail-out were to be successful, most of the benefits would go to bank owners and their executives; but, if things continue to deteriorate, taxpayers will be the ones left holding the bag.

Some have said this is an example of [corporate socialism](#) for the rich. In fact, this has nothing to do with socialism per se, but everything to do with legal and unapologetical [extortionism](#) on a high level. For all these reasons, if the ongoing recession and financial crisis were to turn into a full-fledged economic depression, as it could possibly do, and as it did in 1873-1880 and 1929-1939, it would have to be dubbed by historians “the Bush-Cheney Grand Economic Depression” of 2008-20(?).

George W. Bush will also be remembered for having financed his [whimsical](#) and ill-conceived [three-trillion-dollar war of aggression](#) against Iraq on credit, thus worsening the [U.S. financial situation](#) in the world, perhaps irrevocably. He is leaving behind him a financial mess like no one has seen since the great depressions following [1873](#) and [1929](#).

In all fairness, it must be said that some Democrats in Congress, the so-called Bush Democrats who usually vote with Republicans on foreign policy issues, have also been supporters of the [Iraq War](#) from the beginning and have invariably voted for the hundreds of billions of dollars required to finance it.

The Bush-Cheney administration has presided over economic dislocations and [greed-fed financial bubbles](#), and it has been an [agent of poverty](#) and of [financial and economic crises](#). This is an administration that will be sadly remembered for its huge [tax cuts for the super rich](#), for its huge fiscal deficits bequeathed to future generations and for its huge and costly bailouts for speculators and high flyers, and very little for families and ordinary citizens.

As a consequence, on the whole, Americans are today poorer than when this duo took power eight years ago, while the [gap](#) between the very rich and the average American has never been wider. It has been a regime that has borrowed and borrowed, debased the currency, waged unnecessary wars and doled out defense contracts in the most reckless possible way, with a minimum of oversight and accountability.

- **International Mess: An Irresponsible Attempt to rekindle the [Cold War](#)**

Internationally, Bush and Cheney not only started a war against [Iraq](#), a country that had never attacked the United States, but they also did their utmost to recklessly [restart the Cold War](#) with Russia. They did that by unilaterally abrogating the Anti-Ballistic Missile Treaty, by transforming [NATO](#) into an offensive military alliance and by installing [anti-missile sites](#), manned by American soldiers, in former Warsaw Pact countries, such as [Poland](#) and the [Czech Republic](#), and in former Soviet republics, right next to [Russia's borders](#).

The Bush-Cheney administration designed a policy of encircling Russia by arming pro-U.S. European client states. That is why they have directly provoked Russia by incorporating six former Warsaw Pact nations and three former soviet republics in the now offensive and U.S.-controlled military alliance that is [NATO](#). They went as far as to openly support and arm aggression-prone governments in some former Soviet republics, especially in [Georgia](#), the birthplace of Stalin. All this reflects a pro-active and aggressive military stance against Russia designed to provoke Russia and [restart](#) the [Cold War](#), thus dangerously increasing

the chances of a nuclear world war.

Let us recall that when Khrushchev's Soviet Union tried to install [missiles in Cuba in 1962](#), it nearly started a world war. Now, half a century later, with Bush-Cheney, the brinkmanship is on the other side. They have acted [irresponsibly](#) in provoking Russia, as if they did not mind restarting a cold war with that country. Russian exasperation was well expressed by then Russian President Vladimir Putin when, in 2007, he said that *"The United States [under Bush and Cheney] has overstepped its national borders in every way, and as a result, no one feels safe. . . . such a policy stimulates an arms race."*

• **Disrespect of Military Advice**

George W. Bush will be remembered as the man who brought within the walls of the White House not only corruption and [incompetence](#) in nearly every field of activity—as well as a lack of moral fortitude in approving torture—but also a quasi dictatorial [gangster mentality](#) in dealing with [Congress](#), with the military, with other governments and with political opponents in general. For instance, Bush fired more generals and admirals than any other head of state since [Adolf Hitler](#) in Germany, some seventy years ago. Among others, Bush fired or forced into early retirement Gen. [Eric K. Shinseki](#); Gen. [John Abizaid](#); Gen. [George Casey](#); and Adm. [William J. Fallon](#), then top U.S. commander in the Middle East.

• **A Propaganda-prone Administration**

But perhaps one of the greatest indictments of the Bush-Cheney administration is the way it has used crude covert [propaganda techniques](#) worthy of a totalitarian regime. Indeed, it has launched a sophisticated propaganda campaign to [manipulate information and public opinion](#) that has had the effect of undermining democracy and the freedom of information. For one, it has subverted the major American TV and radio networks by provided them with [false independent "analysts"](#).

Second, it [has paid journalists](#) to push surreptitiously for government programs. Third, it has [intervened](#) within news organizations, using the power of government to [have journalists and producers fired](#) when they didn't toe the government line. Fourth, the Bush administration has embarked upon the business of [censoring movies](#). And that is only the tip of the iceberg, considering how pervasive the Bush-Cheney administration's direct and indirect control of the media has been. Never has American journalism and U.S. corporate media been so corrupt and complicit, and this is because the United States has never had such a corrupt administration, i.e. the 2001-2009 Bush-Cheney administration.

• **Conclusion**

To conclude, it should be obvious by now to anybody who has eyes to see that the Texan politician named George W. Bush, son of former President George H. Bush, was unqualified for high office. He has amply and tragically demonstrated it. This is a politician who presided over an administration that has acted as a wrecking crew, destroying most of everything it has touched. [For more analysis on that, see my book ["The New American Empire"](#).]

In its countless [failures](#), the Bush-Cheney administration has been an unhealthy mixture, rarely seen in a democracy, of immorality, lawlessness and incompetence. —It won't be missed by most people, both in the U.S. and around the world.

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