

Trump names billionaire corporate raider Icahn to slash regulations on business

Patrick Martin
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In appointing billionaire corporate raider Carl Icahn to a high-profile advisory role—in charge of slashing government regulations on Wall Street, the oil monopolies and other giant corporations—Donald Trump has once again underscored the radically right-wing character of his administration’s domestic economic and social policy.

Icahn will not assume a formal role and will not become a government employee, allowing him to avoid a Senate confirmation hearing and the disclosure of his vast assets, including those which stand to benefit directly from the policies he advises Trump to adopt.

These include two oil refineries about which Icahn has had repeated conflicts with the Environmental Protection Agency. According to press reports, Icahn played a major role in selecting Oklahoma Attorney General Scott Pruitt, a bitter opponent of regulations on the fossil fuel industry, to head the EPA under Trump. Share prices for Icahn’s CVR Energy have risen by 67 percent since the election, netting him an additional \$600 million.

The *Wall Street Journal* reported that Icahn would have effective veto power over the naming of a successor to Mary Jo White as chair of the Securities and Exchange Commission, the principal regulator of Wall Street. “He is playing a central role in selecting the next chairman,” the newspaper wrote. “Interested candidates have reached out to him, and he is interviewing others at the request of Mr. Trump...”

Icahn is a longtime business crony of Trump, having lent him money when he was in financial difficulties. Last February, he purchased the assets of Trump Entertainment Resorts when it emerged from bankruptcy reorganization. Trump did not profit greatly from the sale, since his role with the company has been limited to licensing the use of his name. Icahn then

smashed a strike by casino workers at the Trump Taj Mahal in Atlantic City, closing the facility in September.

The appointment signals a commitment to across-the-board deregulation of corporate America, not just Wall Street and the energy monopolies. A statement from Icahn issued by the Trump transition team declared, “Under President Obama, America’s business owners have been crippled by over \$1 trillion in new regulations and over 750 billion hours dealing with paperwork... It’s time to break free of excessive regulation and let our entrepreneurs do what they do best: create jobs and support communities.”

What Icahn does best, however, is destroy jobs and devastate communities, demonstrated most recently in Atlantic City.

The 80-year-old billionaire began his career as a corporate raider in the late 1970s. He used junk bonds, newly pioneered by Michael Millken (later a convicted swindler), and other financial innovations to develop the technique of seizing control of companies using borrowed money and then selling off the company’s assets to pay the resulting debts, leaving himself with any profits. In the course of this asset stripping, tens of thousands of workers lost their jobs, health benefits and pensions.

Icahn became a household name in 1985 with his takeover of Trans World Airlines (TWA), which was the target of two separate takeover bids, one by Frank Lorenzo, notorious as a union-buster at Continental Airlines, the other by Icahn. The Air Line Pilots Association and the mechanics union (International Association of Machinists—IAM) supported the bid by Icahn, deeming his 26 percent pay cut for pilots and 15 percent cut for mechanics “superior” to Lorenzo’s demand for a 50 percent cut.

While Lorenzo offered a higher price, the TWA board chose Icahn's bid because, as the *New York Times* wrote at the time, "the union agreements were worth much more to the board of directors since they would strengthen the airlines' profitability and ensure labor peace for three years."

Icahn's asset stripping and the deepening crisis of the airline industry led TWA to bankruptcy and liquidation in 1992, with the loss of all the workers' jobs. Icahn, however, became a billionaire. He used his reputation as an absolutely ruthless opponent to practice what became known as "greenmail." Once he had targeted a corporation by buying up a sizeable block of stock, the company would pay him a premium to go away.

Icahn went on to take—and sometimes dump—sizeable stakes in companies ranging from tech giants Apple, eBay and Dell; to auto suppliers such as Lear and Federal-Mogul; pharmaceutical and biotech firms; minimum-wage retailers like Family Dollar; and entertainment properties such as Netflix and casinos in Las Vegas and Atlantic City. He bought a sizeable piece of American International Group, the huge insurer, after it was bailed out by the US Treasury in the 2008 crash.

Icahn is the seventh billionaire, counting Trump himself, to take a prominent position in the new Republican administration. He joins asset-stripper Wilbur Ross, Amway heiress Betsy DeVos, TD Ameritrade heir Todd Ricketts, hedge fund boss Vincent Viola and World Wrestling Entertainment CEO Linda McMahon.

This line-up is comprised of financial speculators, wreckers of industry and profiteers from pyramid schemes. Their business activities are not connected, even indirectly, to the development of the productive forces and creation of new technologies and products. They are plunderers, benefiting either from their own semi-criminal operations or from those carried out by more senior members of their immediate families, from whom they inherited or stand to inherit great wealth.

Icahn is the wealthiest, and certainly the most notorious, of Trump's assembly of billionaires. His net worth reached a high point of some \$24 billion in 2014, when he was No. 25 on the Forbes 400 list of the world's richest individuals. A run of bad investments has dropped him to an estimated \$17 billion, and No. 65 on this year's list. Nonetheless, his current net

worth is equal to the wealth of all of the other Trump appointees combined, bringing the total to more than \$34 billion. This vast sum represents a greater concentration of riches by far than in any previous government in Washington.

Over the past several days, Trump has announced a handful of other nominations, all consistent with the ultra-right character of his administration. He appointed Peter Navarro, a business professor at the University of California at Irvine, to head a new National Trade Council.

Navarro is a longtime Democrat, having run unsuccessfully for mayor of San Diego and for a congressional seat. He advocates a virulently anti-Chinese policy on trade, similar to that of the AFL-CIO bureaucracy. Navarro and Wilbur Ross worked together on Trump's trade policy during the campaign, and Trump issued a statement saying that Navarro "has presciently documented the harms inflicted by globalism on American workers, and laid out a path forward to restore our middle class."

Other new appointments include a trio of right-wing press spokespersons. Sean Spicer, the top liaison between the Trump campaign and the Republican National Committee, will be White House press secretary. Kellyanne Conway, Trump's campaign manager, will be counselor to the president. Fox News commentator Monica Crowley will be press representative for the National Security Council.

The ultra-right character of the new administration was underscored by a report that Representative Mick Mulvaney of South Carolina, tapped to head the Office of Management and Budget, spoke to a chapter of the John Birch Society during the summer, praising the group and encouraging it to continue its work.

Another nominee, Representative Ryan Zinke of Montana, nominated for secretary of the interior, told voters during his 2014 campaign for Congress that Hillary Clinton was "the real enemy...the Antichrist."



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