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Robert Scheer , Christopher Scheer , Joshua Scheer

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In *The Great American Stickup*, celebrated journalist Robert Scheer uncovers the hidden story behind one of the greatest financial crimes of our time: the Wall Street financial crash of 2008 and the consequent global recession. Instead of going where other journalists have gone in search of this story--the board rooms and trading floors of the big Wall Street firms--Scheer goes back to Washington, D.C., a veritable crime scene, beginning in the 1980s, where the captains of the finance industry, their lobbyists and allies among leading politicians destroyed an American regulatory system that had been functioning effectively since the era of the New Deal.

This is a story largely forgotten or overlooked by the mainstream media, who wasted more than two decades with their boosterish coverage of Wall Street. Scheer argues that the roots of the disaster go back to the free-market propaganda of the Reagan years and, most damagingly, to the bipartisan deregulation of the banking industry undertaken with the full support of -progressive- Bill Clinton.

In fact, if this debacle has a name, Scheer suggests, it is the -Clinton Bubble, - that era when the administration let its friends on Wall Street write legislation that razed decades of robust financial regulation. It was Wall Street and Democratic Party darling Robert Rubin along with his clique of economist super-friends--Alan Greenspan, Lawrence Summers, and a few others--who inflated a giant real estate bubble by purposely not regulating the derivatives market, resulting in the pain and hardship millions are experiencing now.

The Great American Stickup is both a brilliant telling of the story of the Clinton financial clique and the havoc it wrought--informed by whistleblowers such as Brooksley Born, who goes on the record for Scheer--and an unsparing anatomy of the American business and political class. It is also a cautionary tale: those who form the nucleus of the Clinton clique are now advising the Obama administration.

The Great American Stickup: How Reagan Republicans and Clinton Democrats Enriched Wall Street While Mugging Main Street Details

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From Reader Review The Great American Stickup: How Reagan Republicans and Clinton Democrats Enriched Wall Street While Mugging Main Street for online ebook

Sheldon says

While some people deride Robert Scheer for continually harping on the banks, he also tends to be right about them and the stranglehold they have on American and world societies. He does not go into much detail about the derivatives that led to the current financial crisis themselves, but rather how they were created and, more importantly, what legislation allowed their creation and trading.

One thing that was particularly refreshing about this book is how he does not favor one end of the political spectrum over the other. He places the blame squarely on the shoulders of both the Republicans AND the Democrats. In fact, he hammers the Clinton administration much more savagely than the Reagan administration. But not without good cause, as is detailed in the book. And he quite rightly expresses his extreme disappointment with the lack of financial reform under the current Obama administration.

Overall, it is a good book to read if you do not know much about how the current financial crisis came into being, and the answers are much simpler and straightforward than most of the financial regulators make it out to be. This book will get your blood boiling and make you want to start taking action to enact real regulatory reform.

Ninadiva says

Excellent book about the 2008 Depression. Having read a good number of books about the same crisis and other financial scandals, what I liked most about this one is that it starts all the way back to pre-Clinton and follows the different players and the thinking (or non-thinking) they used to justify their stances and actions. You watch how some are simply trying to have the government step back so they can play "casino" on Wall Street, while others just seem to follow a naive ideology (ie Greenspan) of efficient markets, no taking into account the immoral behavior and often irrational behavior of human beings. One example of this is how it follows Robert Rubin, having been at Goldman-Sachs (as so many other players in the crisis), moves into government and pulls off all of the restraints so that Wall Street can run wild. And almost unbelievably he is pulled into the fix-it team by Obama when he was one of the people who orchestrated the debacle. Another person followed is Brooksley Born, who I hadn't heard of in regards to the crisis. This is because way back in the late 90s she was a government overseer warning that the growing derivatives could become a major problem, but she was pushed aside by the boys club of government and Wall Street financial players. At least there were a few people who were on the right side. A very good read. It was fairly easy to follow the events as they unfolded.

Joe says

The Great American Stickup is an exhaustively researched and detailed account of how exactly the economic crash of 2008 came about. Scheer traces the catastrophe's beginning to players in the Reagan administration,

its acceleration under the Clinton administration, and the astonishing failure of the Obama administrations to address the causes or the criminal individuals who brought it about.

The story is a complex one-almost like unraveling a Russian novel. The villains who emerge most culpably seem to be the Republican power couple of Phil and Wendy Gramm, Enron's Ken Lay, and Bill Clinton and his evil economic triumvirate of Robert Rubin, Larry Summers, and Tim Geithner.

I won't even attempt to lay out the chronology here; you'd have to read it and it is pretty shocking. Basically after the Great Depression, laws were put in place to regulate the financial markets and to put a wall between commercial banking and investment banking. Bankers in the 80's and 90's thought they could get rich if these safeguards were removed and bought and paid for politicians let them do it. New investments were invented like derivatives and credit-default swaps and these same guys pushed for non-regulation and oversight of these new markets. When Brooksley Born, Clinton's chair of the Commodity Futures Trading Commission tried to sound the alarm of dangerous these unregulated markets were, banking execs and their cronies in the Clinton administration went to war against her and destroyed her career. The shit hit the fan and then Bush and Obama put some of these same guys who caused the mess in charge of cleaning it up which they did to their own benefit. The 2008 bail out, Scheer argues, is the greatest robbery in American history.

Scheer, a prominent liberal columnist, surprised me by how unforgiving he was to fellow democrats like Clinton, Rubin, and Obama. His white-hot rage is defended pretty convincingly. Sadly, he concludes that there really is no difference in the two parties with regard to bending over for Wall Street.

My take aways:

The line between government and banking does not really exist; the same people running the banks are at times the same people running Treasury. There is basically a revolving door. In the case of the Gramms, they simply took turns working for the government and working for the private sector, helping each other and tagging each other out/in periodically. These people really are reprehensible.

The super-rich and well-connected can make their own rules in America. It truly is their country and we're only living in it. When Obama finally wised up and pushed for some modest reforms, the banking industry slapped his hand, funded Republicans in 2010 and he learned his lesson. Short of a revolution, it is hard to see any positive change in our future.

When I think about how public employees (like teachers) are pilloried for their "high" salaries and for doing such a bad job, it makes me want to vomit remembering these bankers who ruined the economy and got rich off doing it. Really, there is no prison bad enough for them.

Nat Bond says

This book clarifies for me a period of financial chicanery that I was oblivious to while it occurred.

Piker7977 says

Wow. This was a very condemning recap of the past four presidential administrations and their financial/economic policies. Scheer argues these administrations were infected with flawed free market philosophies that accumulated into the devastating financial meltdown of 2008. This book is also an addition to the woodpile of criticisms about the current president and recycling the likes of Summers and Geithner.

I found this book to be part eulogy for New Deal financial reform and a war cry for the return of Keynesian economic policies with regards to the financial system.

Mr. Scheer has no shortage of villains in his recent history of the financial crisis. The reader rarely encounters a hero in this tale of swindle (Brooksley Born being one of the few) which would arouse my anger and lead me to price Guy Fawkes masks on Amazon.com. The prose of the book is definitely negative and some redundant use of facts and names gets in the way of an otherwise flowing account. The accusations of both Republicans and Democrats make Scheer's version refreshingly non-partisan. I would have like to see more about the rise of the Tea Party but perhaps we will see that in a follow up book.

This is a good introduction to the effects, causes, and outcomes of the financial crisis. The Great American Stickup will benefit those looking for answers about the who, where, when, why and how much? of the recent financial crisis.

Book says

The Great American Stickup: How Reagan Republicans and Clinton Democrats Enriched Wall Street While Mugging Main Street by Robert Scheer

“The Great American Stickup” is an even-handed book about the conflict of interests of American finances and politicians from Reagan’s presidency to this day. This insightful 304-page book is composed of the following nine chapters: 1. It Was the Economy, Stupid, 2. The High Priestess of the Reagan Revolution, 3. The Clinton Bubble, 4. The Valiant Stand of Brooksley Born, 5. They Have No Shame, 6. Robert Rubin Rakes It In at Citigroup, 7. Poverty Pimps, 8. Goldman Cleans Up, 9. Sucking Up to the Bankers: Crisis Handoff from Bush to Obama.

Positives:

1. Well-written, well-researched book that is accessible to the masses.
2. This is the most even-handed book I’ve read about the causes of the economic disasters of the past 30 years or so. Mr. Scheer does not hold back in placing blame where blame is due.
3. Does not waste time laying out the foundation of this book, “For it was this Wall Street and Democratic Party darling, along with this clique of economist super-friends: - Alan Greenspan, Lawrence Summers, and a few others - who inflated a giant real estate bubble by purposely not regulating the derivatives market, resulting in oceans of money that was poured into bad loans sold as safe investments.”
4. A very good explanation of the financial instruments that became the downfall of the economy: swaps, derivatives, and collateralized debt obligations to name a few.
5. The infuriating scapegoating of borrowers for the economic collapse caused by the lenders.
6. The wisdom of FDR’s New Deal reforms that helped preserve capitalism from its own excesses.
7. The importance of the Glass-Steagall Act of 1933.
8. The beginning of regulation easing by President Reagan as evidenced by the Garn-St. Germain Depository Institutions Act of 1982.
9. Senator Gramm’s undeniable legislative marks that opened the floodgates of the abuse of financial power: the Financial Modernization Act of 1999 and the Commodity Futures Modernization Act of 2000.
10. Not to be left behind Mrs. Gramm leaves an indelible mark of her own. Can you say derivatives?
11. Deregulation, deregulation, deregulation...
12. The Weill-Jackson alliance and its impact. And from Jackson’s perspective how it hurt those he intended to help...
13. The heroic efforts of one Brooksley Born who attacked unregulated OTC derivatives.
14. The deals of President Clinton.
15. The three “amigos”: Rubin, Summers and Greenspan.

16. The Enron loophole.
17. The power of lobbyists.
18. Many examples of conflict of interests.
19. Citigroup and the subprime craze.
20. The shocking compensation of the main players involved...good work if you can find it.
21. Fannie Mae and Freddie Mac in proper context. Excellent explanation.
22. Countrywide and its "connections".
23. The incentive to "cook the books".
24. The power of influence, consider the case of Goldman Sachs.
25. Honestly, can we just clone Senator Sanders.
26. Bailout nation!
27. Why it may be too late for President Obama to turn the tide.
28. The harsh yet clear realization that Wall Street runs this country...
29. Comprehensive Notes section with plenty of web links.

Negatives:

1. A bit repetitive.
2. No links to Notes to speak off. A shame.
3. It can be dry at times.
4. Not as engaging as similar books of this topic.

In summary, this was an educational and informative book. The impact of deregulations that were backed by both parties caused enormous damage to our world's economy. Mr. Scheer does a wonderful job of explaining how, who and when all this happened. He also takes down the myth that financial markets are self-correcting. It's a very good and I recommend it.

Further suggestions: "Winner-Take All Politics" by Jacob S. Hacker, "Screwed the Undeclared War Against the Middle Class" by Thom Hartmann, "The Monster: How a Gang of Predatory Lenders and Wall Street Bankers Fleeced America..." by Michael W. Hudson, "Perfectly Legal..." by David Cay Johnston, and "The Looting of America" by Les Leopold.

Ben says

Robert Scheer is by far one of my favorite living reporters. He puts the vast majority of his colleagues to shame in this little poison valentine to deregulation and Wall St. profiteering.

Orea says

The last chapter of this book was difficult to get through because I was so pissed off at Wall Street and all our American politicians in their pockets. Every person who votes should read this book. It is very readable and eye opening.

Jason says

This is one of the most important topics of the 21st century and Scheer does a good job of identifying some of the primary culprits of this multifaceted disaster.

Ob-jonny says

This is a well-written explanation of how the financial crisis came to happen and it explains how guilty the Clinton administration was in encouraging de-regulation. The 3 elements of the cause of the financial crisis were the deregulation or lack of regulation of derivatives, the repeal of the Glass-Steagall act, and allowing banks to increase their leveraging ratio. The first two elements occurred in 1998-2000 and the third was done by the SEC in 2004. These problems need to be fixed in order to have a healthy financial system.

Sagar Jethani says

Robert Scheer has published a brilliant piece of forensic reporting in "The Great American Stickup: How Reagan Republicans and Clinton Democrats Enriched Wall Street by Mugging Main Street". By peeling back the layers of obfuscation which surround the financial crisis of 2008, he has laid bare the causes of the crisis in a manner which is accessible to the layman.

Scheer describes the origins of the crisis as beginning in the Clinton administration. In order to strike a new accord with Wall Street, Democrats destroyed the regulatory framework which had protected consumers for 70 years. The Financial Services Modernization Act (FSMA) rolled back Glass-Steagall, which had drawn a sharp line between depository banks and investment banks. Once this division had been gutted, all banks were free to take high-risk gambles with taxpayer money in the certainty that, should worse come to worse, the government would bail them out. This was followed a year later by laws which exempted derivatives, like collateralized debt obligations from any degree of regulatory scrutiny whatsoever.

The main architects of these laws were none other than Robert Rubin, Treasury Secretary under Bill Clinton, his successor, Larry Summers, Fed Chair Alan Greenspan, and a coterie of behind-the-scenes lobbyists from Citibank, Goldman Sachs, and other titans of the banking industry. The revolving door between high government office and high-power banks is particularly disturbing: Rubin, a former Goldman exec, pushed through FSMA as a means of allowing Citibank to merge with Traveler's Group (a disastrous deal that destroyed value). He later left government for a multi-million dollar job with the newly-christened Citigroup whose existence he helped bring about. Rubin didn't stop there. When Citi later realized the extent of the losses it would suffer when its major client, Enron, was found to be conducting fraud on a massive scale, Rubin called his pals in Treasury and asked them to apply pressure to Moody's not to downgrade Enron until Citi had pawned it off on an unsuspecting buyer. When-- a rare moment of civil prudence-- Treasury opted not to get involved, Rubin promptly contacted the credit rating agencies himself to influence their downgrading schedule.

Rubin was succeeded by Larry Summers, whose disdain for any ounce of regulation over the new derivatives market led him to destroy the career of civil servants who warned that such unregulated markets could someday threaten the entire economy. This unholy trinity was completed by Fed Chairman Alan Greenspan, whose free market fanaticism had its origins in his work with pseudophilosopher Ayn Rand.

Together, this trio of government officials destroyed anyone who objected to their blind faith in the ability of banks to regulate themselves. Scheer tells the story of Brooksley Born, former head of the Commodity Futures Trading Board, and of how her single-handed attempts to inject common-sense into the discussion made her the target of the aforementioned trinity, as well as dozens of their Wall Street lobbyist friends.

Disturbingly, it is these very architects of the financial crisis who Barack Obama turned to upon stepping into his presidency. To Scheer, a lifelong liberal, this represented the ultimate betrayal. Candidate Obama talked a good talk about financial reform. Unlike George W. Bush, Obama seemed to grasp the complex details surrounding the causes of the crisis. When push came to shove, however, Obama sought to reassure the Democratic party's friends in Wall Street that business would continue as usual. Only when public opinion polls show a level of dissatisfaction with his performance will Obama show the rare flash of anger toward the banks, but they have long since learned that he is merely providing red meat to the masses and does not actually intend to back up his words with substantive action.

Scheer has produced what may ultimately prove to be the best summary of the financial crisis in a single, highly-readable volume. Disturbingly, one is left with the irrefutable conclusion that Obama will continue the same love affair between Washington and Wall Street that has spanned several past administrations-- be they Democrat or Republican.

Antonio says

Have you ever wondered how we got into this mess? Wonder no more. Mr. Scheer does an admirable job chronicling the excesses of the financial markets and the lax regulatory climate that allowed them to flourish. Those contributing to the current financial debacle transcend partisanship or political affiliation: From Reagan's wholesale deregulation of financial markets to Clinton's continuation of same to Obama's reform attempts led by a cast of characters with built-in conflicts of interest and questionable objectives. Scheer pulls no punches with his exquisite detailing of the list of suspects responsible for the current morass: Alan Greenspan, Robert Rubin, Lawrence Summers, just to name a few. Along the way, a handful of heroes and heroines emerge -- those who attempted to warn the world of the impending collapse -- whose voices were systematically silenced. This is a whodunit of the highest order, a book that should be required reading for every American wishing to formulate an objective assessment as to why and how the world's greatest economy all but collapsed.

Adam Carheden says

Read this book to learn how the banks bought the government and had it give them our money.

An excellent and well-researched narrative of the people and events that led up to the 2008 housing crisis and subsequent bank bailouts. It likely oversimplifies the situation and has a somewhat liberal bias, but unless the research presented is outright lies, it's hard to believe that the bad actors the book follows were just naive.

Dennis Fischman says

The great virtue of this book is that it names names. Without fear or favor, it shows how advisers in both Republican and Democratic administrations were greedy Wall Street financiers who put their own interests and those of their companies (Goldman Sachs, for instance) ahead of policy and far ahead of people. The defect of the book is the same as its virtue. It focuses on the villains and a couple of heroines (Brooksley Born, Sheila Bair). Surprisingly for a leftist analysis, it doesn't show how all this stuff is traceable to the dynamics of finance capitalism. Putting better people in office won't help. We need to break the back of corporate power, and this book offers not a clue on how to do so.

Jack says

This book gave me a basic understanding of the financial crisis. It acquainted me with the fundamental issues and the vocabulary -- "derivatives", "collateralized debt obligations", "credit default swaps", etc., -- and Scheer provides clear and concise explanations of the key congressional legislation related to the topic. Scheer also deserves praise for even-handedness, laying the blame for the crisis on a number of U.S. government officials and business leaders from various sides of the political spectrum.

However, the book is poorly edited and reads like a very rough draft, with unnecessary repetition of several themes, facts, and assertions. There's also a few colloquial phrases, for example "as anybody not living in a cave now knows..." (p. 38) and "what everybody and his sister knew was..." (p. 188) that, along with Scheer's "ranting" writing style, give the entire book a curiously unprofessional tone. I understand that Scheer is working as a muckraker, exposing the perpetrators of a tragedy that negatively affected the lives of many people around the globe, but I think a more academic approach would have strengthened the book's overall impact.
