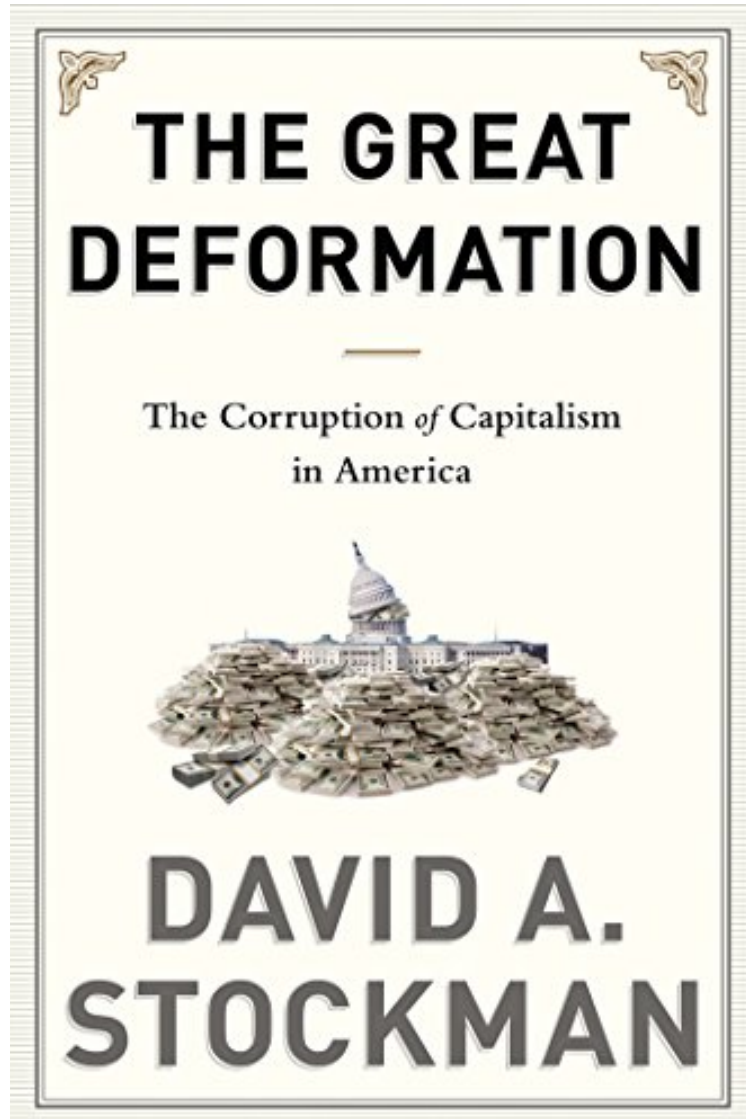


The Great Deformation: The Corruption of Capitalism in America

David Stockman

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David Stockman : The Great Deformation: The Corruption of Capitalism in America before purchasing it in order to gauge whether or not it would be worth my time, and all praised *The Great Deformation: The Corruption of Capitalism in America*:

290 of 304 people found the following review helpful. A grim view of our futureBy Drew BrucknerDavid Stockman believes that our economy is almost past the point of no return. With a staggering federal debt and a deficit that keeps rising, he considers our economy to be a "setting sun" economy- our best days are behind us. But there's still hope, it's not too late to turn it around.The book starts off with details on how, in the past, the banks leveraged capital and how their methods of investment were contingent on a constant upward spiral of success. He goes on to talk about how the

fed propped Wall Street up with hopes of creating wealth through the stock market and that he believes they have overstepped their bounds. He criticizes Greenspan for his fiscal policies and compares that bubble to the one we are in today. Most of the book talks about the past and how we can relate it to the present and what we can learn from the mistakes made by our predecessors. The facts and statistics he presents show that the "too big to fail" ideology adopted by the government was incorrect and in fact, many of the companies that received bailouts had sufficient assets to fend for themselves. Using AIG as an example, he outlines the overall sector's strengths and weakness during the crash of 2008. He asserts that during times of financial crisis, such as the crash of 2000, companies would inaccurately portray sales in order to make their company appear more valuable. Highly critical of the Fed, many of his opinions are based around failures of the federal government to correctly manage the economy. Most of the time, he believes that their attempts to bolster the economy stem from pressure from business, rich people, or other government entities. He takes the reader through all of the United States' bubbles since before the Great Depression and explains the causes of each one. According to his statistics, most of the bubbles were caused by the Fed unnecessarily pumping money into the economy. He talks about the \$800 billion stimulus and the minimal impact that it has had. He believes Bernanke and Obama are merely buying borrowed time with borrowed money. The most interesting parts are when he quotes grim situations which highlight the depth of corruption in the government and big banks. In one instance, during the financial crisis of 2008, the Chairperson of the FDIC was "rarely consulted" and when she was, she was commanded: "you have to do this or the system will go down." There was "no analysis, no meaningful discussion." She expressed her frustration and explained that it became commonplace for her to be forced to carry out orders without being told the reasons or the end goals behind those orders. Generally, the government was unable to give reasons because they were acting on the whim of large banks. In another story, a head government official recounts the CEO of Goldman Sachs coercing him into providing the banks with bailout, lest their be dire consequences. The book has many shocking stories such as these. Each uncovers a different piece of corruption that, when added up, reveals a frightening picture of our government today.

Pros: It was VERY detailed. There were countless facts and statistics to support his arguments and viewpoints. It provided a good snapshot into the inner workings of politics and government monetary policy. He provided factual stories and quotes throughout the book. He focused on many of the large power-players in our economy and their roles in the financial crashes.

Cons: The book tended to jump from time period to time period. One moment it's about the Great Depression, and the next, it's current. It can make it difficult to follow at times. It also makes it difficult to review. It can be repetitive. Many of the things are said more than once or they are just reworded. It's a bit dry. Even with the stories and shocking data, I still found it hard to concentrate.

8 of 8 people found the following review helpful. Disturbing book on the US and world economies. By John E. Pombrio I put David Stockman's book *The Great Deformation* as the most complete book about the history of how the US economy has been run for the past 100 years. As I read the first section, I laughed at the vitriol coming from the author and how he took great exception to TARP and the bailout. His views were so DIFFERENT than anyone else. Did I believe it? No, not in the least. But he just kept hammering away with very inconvenient facts that I started to wonder. By the end of the first section, everything he wrote fit together and convinced me. It was a complete 180 for my views and was a complete surprise, something that I would not have thought possible. The other chapters were like lifting a veil for me on the US economy for the past 100 years. How the Great Depression was not about the money supply, how President Eisenhower was an economic hero, the damage that FDR, Nixon, and Reagan did while in office, and the dismal failure by the Federal Reserve to avoid meddling in the US economy. I never heard of any of this! Was it true? Mr. Stockman just kept layering fact upon fact, how his ideas of what really happened fit too well with the results that came later. I have read a couple of dozen books about the US economy (including Mr. Bernanke's book) about why 2008 happened and other topics about the national debt rise, etc. They all seemed to limit their scope to one or two facts or people, housing bubble, Credit Default Swaps, Bush, excessive leveraged debt. But what caused the 2000, 2007, 2013 stock bubbles? Why did stagflation occur and how did Mr. Volcker fix it? How did the national debt grow so big? How did China steal away US manufacturing? *The Great Deformation* answers ALL of these and so many more, it ties them all into a grand history of people, agencies, and institutions. No one person is to blame, no one political party, no one Fed chairman. It is a LONG book, harder to read due to the anger evident on the pages. I think it was the anger that drove the book, and this is an important book. No other book could weave such an accurate look at US economic history without showing the injustice and heroism that occurred. It goes into economic details that are hard to follow for average readers. Finally, it is scary, could our greatest economists and political leaders really do this much damage? Out of all the books on the US economy today, this IS THE ONE TO READ. It is worth the patience to wade through the book. None have the scope, none have the depth, and none have the willingness to tackle the rosy mists of myth that are what passes for history. I am a hardened skeptic and it convinced me.

0 of 0 people found the following review helpful. THIS IS A REAL WINNER! By Dr. Ellen K. Rudolph This is a big fat book but don't let that fool you. It is an absolutely gripping account of the major events (and people) that have single-handedly stripped our Republic of all vestiges of free-market Capitalism, beginning with FDR's "New Deal" and collapsing into a veritable death spiral from there. It is a fast-moving, authoritative bi-partisan tale of economically illiterate Presidents, Cabinet members, congressmen and Federal Reserve jokers who have led us down a path of fiscal destruction. You'll learn

who, what, when and why from the mythical and unsupported legends of Reaganism and Nixon and the two Bushes to Fanny May and Freddy Mac, and to the unscrupulous ignorance of Alan Greenspan and Casper Weinberger...and on to irresponsible budget gorging by the Military-industrial complex...and so much more. No President since FDR remains unscathed, and Congress looks about as idiotic as it can possibly look. It makes you realize that politicians know absolutely NOTHING about free-market capitalism, and hence they have literally driven us to the fiscal wall when it wasn't necessary...and for no good reason...when the market itself would have adjusted much better on its own rules without such ignorant and despicable interference. You will learn how decades of idiots panicked out of ignorance (think Greenspan and Bernanke, especially) and how Wall Street saved its own neck (and its own bottom line) in complete and wonton disregard for American taxpayers. We didn't need to bail out anybody in 2008...it was all the contagion of panic by know-nothings who brought us fiscal bubbles, housing bubbles, junk bond bubbles, and more. The unfettered free-market when left to its own devices shuts down badly performing financial entities and banks and allows them to evaporate into nothingness, all the while making room for much more highly functional entities to replace them. That is, unless Greenspan and Bernanke and others at the Fed interfere and think they know best when they do not. Don't ever think economics is above your pay-grade. It is fraught with wisdom and lessons for the ages. And David Stockman is an outstanding bearer of the bad news that Americans need desperately to know.

A New York Times bestseller *The Great Deformation* is a searing look at Washington's craven response to the recent myriad of financial crises and fiscal cliffs. It counters conventional wisdom with an eighty-year revisionist history of how the American state—especially the Federal Reserve—has fallen prey to the politics of crony capitalism and the ideologies of fiscal stimulus, monetary central planning, and financial bailouts. These forces have left the public sector teetering on the edge of political dysfunction and fiscal collapse and have caused America's private enterprise foundation to morph into a speculative casino that swindles the masses and enriches the few. Defying right- and left-wing boxes, David Stockman provides a catalogue of corrupters and defenders of sound money, fiscal rectitude, and free markets. The former includes Franklin Roosevelt, who fathered crony capitalism; Richard Nixon, who destroyed national financial discipline and the Bretton Woods gold-backed dollar; Fed chairmen Greenspan and Bernanke, who fostered our present scourge of bubble finance and addiction to debt and speculation; George W. Bush, who repudiated fiscal rectitude and ballooned the warfare state via senseless wars; and Barack Obama, who revived failed Keynesian “borrow and spend” policies that have driven the national debt to perilous heights. By contrast, the book also traces a parade of statesmen who championed balanced budgets and financial market discipline including Carter Glass, Harry Truman, Dwight Eisenhower, Bill Simon, Paul Volcker, Bill Clinton, and Sheila Bair. Stockman's analysis skewers Keynesian spenders and GOP tax-cutters alike, showing how they converged to bloat the welfare state, perpetuate the military-industrial complex, and deplete the revenue base—even as the Fed's massive money printing allowed politicians to enjoy “deficits without tears.” But these policies have also fueled new financial bubbles and favored Wall Street with cheap money and rigged stock and bond markets, while crushing Main Street savers and punishing family budgets with soaring food and energy costs. *The Great Deformation* explains how we got here and why these warped, crony capitalist policies are an epochal threat to free market prosperity and American political democracy.

From Booklist Stockman, veteran of the Reagan White House and Wall Street, offers his self-described polemic, a wide-ranging indictment of the American government-economic complex; free markets and democracy have been under long-term attack, and the author explains why we have myriad problems, perhaps intractable. He indicates the book “contains much original interpretation of financial and public policy events and trends of the last century, even a revisionist framework.” Stockman concludes his lengthy controversial argument with: “the cure . . . is to return to sound money and fiscal rectitude and to correct the great error initiated during the New Deal In pursuing humanitarian purposes the state cannot and need not attempt to manage the business cycle or goose the free market with stimulants for more growth and jobs; nor can it afford the universal entitlements of social insurance. Its job is to be a trustee for citizens left behind, maintaining a sturdy, fair and efficient safety net.” This thought-provoking book will contribute to important debates on these issues. --Mary Whaley Kirkus “Stockman performs a real service when he debunks the myths that have been associated with Reagan's conservatism and promotes Eisenhower's fiscal and military conservatism. . . . Stockman forcefully conveys enormous amounts of knowledge.” LewRockwell.com