

# Demotion of Bannon brings White House crisis into the open

By Patrick Martin  
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President Donald Trump removed his chief political adviser, Stephen K. Bannon, from the “principals committee” of the National Security Council, the top foreign policy decision-making body within the White House. The action was not formally announced, but made public through a presidential memorandum made available to news organizations late Wednesday.

The memorandum restructures the principals committee, which brings together key White House and cabinet officials either to make decisions or recommend options to the president. Besides removing Bannon, it restores several top military-intelligence officials who had been removed only two months ago, including the chairman of the Joint Chiefs of Staff, the Director of National Intelligence and the CIA director.

The demotion of Bannon, the most openly fascistic of Trump’s inner circle, brings into the open a ferocious conflict within the new right-wing administration, involving both foreign and domestic policy.

In national security affairs, Bannon has been displaced by National Security Adviser H. R. McMaster, an active duty Army lieutenant-general named by Trump in February to replace retired General Michael Flynn. Top military officers control all the top national security positions in the Trump administration: McMaster at NSC, retired Marine General James (“Mad Dog”) Mattis at the Pentagon and another retired Marine general, John F. Kelly, at the Department of Homeland Security.

McMaster has gradually consolidated control over the National Security Council, removing many Flynn appointees. Prior to the ouster of Bannon, deputy national security adviser K. T. McFarland, a former Fox News personality and Republican candidate for US Senate, was offered the post of ambassador to Singapore, or some other State Department post of her

choosing, to allow McMaster to advance his own deputy, former Bush administration official and Goldman Sachs banker Dina Powell. The memorandum signed Wednesday by Trump places Powell on the principals committee as McMaster’s alternate.

In domestic policy, Bannon, Trump chief adviser on policy Stephen Miller and director of the National Trade Council Peter Navarro are identified with a policy of extreme economic nationalism and right-wing populism. They have conflicted with Wall Street veterans, including Gary Cohn, former president of Goldman Sachs, who heads the National Economic Council, as well as Trump’s son-in-law Jared Kushner, himself the scion of a billion-dollar New York real estate fortune.

On Thursday, the US media was filled with sensationalized accounts of “civil war” in the White House between the Wall Street “globalists” headed by Cohn and Kushner (each possessed of a fortune of more than half a billion dollars), and the “nationalists” headed by Bannon.

There were reports of “face-to-face” clashes between Kushner and Bannon, “nonstop” fighting amid vitriolic diatribes by Bannon in particular. There is no disguising the anti-Semitic subtext of much of the conflict, since Cohn and Kushner are both Jewish. Bannon is well known for his religious bigotry, which he thinly disguises as opposition to what he has called the “New York” faction of Trump’s inner circle.

The bulk of the corporate media sides with Kushner and Cohn—both longtime donors to the Democratic Party, like Trump himself, until the 2016 election campaign—and against Bannon. But both sides in this factional struggle are reactionary defenders of big business and American imperialism, whatever their personal and tactical differences.

Cohn and Kushner were said to be opposed to a full-court-press approach to the repeal of Obamacare. This reflects the widespread support in the corporate elite for Obama's efforts to reduce the cost of health care to both government and business. Obamacare placed more of the burden on individual working people, moving towards an openly two-tier medical system, with cut-rate care for working people, while the wealthy have the best care money can buy.

Cohn and Kushner favored focusing instead on cutting taxes for the wealthy and big business, and slashing spending on entitlement programs like Social Security and Medicare. They have opposed even token, demagogic efforts to appeal to working people, as with proposals for increased spending on infrastructure.

The *New York Times* suggested that Bannon was on his way out entirely, reporting Wednesday that he had threatened to resign from the White House rather than accept his demotion on foreign policy, a claim that Bannon stridently denied. Such reports have sparked a flood of complacent and celebratory comments from pro-Democratic Party media pundits.

Typical of these was Michelle Goldberg on Slate, who detected "a tiny crack of light in the black cloud hanging over Washington, D.C. We might be seeing the berserk horror of Trumpism giving way to the slightly lesser horror of normal conservatism... Perhaps we're moving from the President Bannon phase of the Trump nightmare into a President Jared Kushner period."

Ultra-right media outlets have taken up a campaign in defense of Bannon, warning Trump against siding with the "Democratic" faction in his own White House. Former Trump adviser Roger Stone claimed that Kushner was directly inspiring anti-Bannon stories in the media. Right-wing talk radio host Mark Levin took to Twitter Wednesday night to denounce "Jared Kushner, Gary Cohn, Dina Powell: the three big-government liberals tightening their hold on the White House."

The conflicts over foreign policy continue to drive the congressional investigation into alleged Russian interference in the 2016 US elections. Devin Nunes, chairman of the House Intelligence Committee, stepped aside from the committee's probe Thursday, less than 24 hours after the demotion of Bannon, an action that seems to represent a congressional parallel to the White

House shake-up.

Nunes was seen as the most determined defender of the president within the committee, going so far as to engage in a clumsy effort to vindicate Trump's claim that Barack Obama had ordered the wiretapping of Trump Tower during the election campaign.

Nearly all Democrats and many Republicans had criticized Nunes's conduct, but he flatly rejected calls to step down from the inquiry until formal charges were filed with the House Ethics Committee, based on the claim that in his public statements about intelligence agencies intercepting the communications of Trump transition aides he had revealed classified information.

Nunes met Wednesday night with House Speaker Paul Ryan and apparently got his marching orders, announcing the next morning that he would remain as chairman of the committee, but turn over the investigation into Russian hacking—as well as Trump's unsupported claims of Obama-ordered wiretapping—to a trio of Republican representatives, Mike Conaway of Texas, Trey Gowdy of South Carolina and Tom Rooney of Pennsylvania.

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