

President Trump: Nationalist Capitalism, An Alternative to Globalization?

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Global Research, January 28, 2017

Region: [USA](#)

Theme: [Global Economy](#)

During his inaugural speech, President Trump clearly and forcefully outlined the strategic political-economic policies he will pursue over the next four years. Anti-Trump journalist, editorialists, academics and experts, who appear in the Financial Times, New York Times, Washington Post and the Wall Street Journal have repeatedly distorted and lied about the President's program as well as his critique of existing and past policies.

We will begin by seriously discussing President Trump's critique of the contemporary political economy and proceed to elaborate on his alternatives and its weaknesses.

President Trump's Critique of the Ruling Class

The centerpiece of Trump's critique of the current ruling elite is the negative impact of its form of globalization on US production, trade and fiscal imbalances and on the labor market. Trump cites the fact that US industrial capitalism has drastically shifted the locus of its investments, innovations and profits overseas as an example of globalization's negative effects. For two decades many politicians and pundits have bemoaned the loss of well-paid jobs and stable local industries as part of their campaign rhetoric or in public meetings, but none have taken any effective action against these most harmful aspects of globalization. Trump denounced them as "*all talk and no action*" while promising to end the empty speeches and implement major changes.

President Trump targeted importers who bring in cheap products from overseas manufacturers for the American market undermining US producers and workers. His economic strategy of prioritizing US industries is an implicit critique of the shift from productive capital to financial and speculative capital under the previous four administrations. His inaugural address attacking the elites who abandon the 'rust belt' for Wall Street is matched by his promise to the working class: "*Hear these words! You will never be ignored again.*" Trump's own words portray the ruling class '*as pigs at the trough*' (Financial Times, 1/23/2017, p. 11)

Trump's Political-Economic Critique

President Trump emphasizes market negotiations with overseas partners and adversaries. He has repeatedly criticized the mass media and politicians' mindless promotion of free markets and aggressive militarism as undermining the nation's capacity to negotiate profitable deals.

President Trump's immigration policy is closely related to his strategic '*America First*' labor policy. Massive inflows of immigrant labor have been used to undermine US workers' wages, labor rights and stable employment. This was first documented in the meat packing

industry, followed by textile, poultry and construction industries. Trump's proposal is to limit immigration to allow US workers to shift the balance of power between capital and labor and strengthen the power of organized labor to negotiate wages, conditions and benefits. Trump's critique of mass immigration is based on the fact that skilled American workers have been available for employment in the same sectors if wages were raised and work conditions were improved to permit dignified, stable living standards for their families.

President Trump's Political Critique

Trump points to trade agreements, which have led to huge deficits, and concludes that US negotiators have been failures. He argues that previous US presidents have signed multi-lateral agreements, to secure military alliances and bases, at the expense of negotiating job-creating economic pacts. His presidency promises to change the equation: He wants to tear up or renegotiate unfavorable economic treaties while reducing US overseas military commitments and demands NATO allies shoulder more of their own defense budgets. Immediately upon taking office Trump canceled the Trans-Pacific Partnership (TPP) and convoked a meeting with Canada and Mexico to renegotiate NAFTA.

Trump's agenda has featured plans for hundred-billion dollar infrastructure projects, including building controversial oil and gas pipelines from Canada to the US Gulf. It is clear that these pipelines violate existing treaties with indigenous people and threaten ecological mayhem. However, by prioritizing the use of American-made construction material and insisting on hiring only US workers, his controversial policies will form the basis for developing well-paid American jobs.

The emphasis on investment and jobs in the US is a complete break with the previous Administration, where President Obama focused on waging multiple wars in the Middle East , increasing public debt and the trade deficit.

Trump's inaugural address issued a stern promise: *"The American carnage stops right now and stops right here!"* This resonated with a huge sector of the working class and was spoken before an assemblage of the very architects of four decades of job-destroying globalization. 'Carnage' carried a double meaning: Widespread carnage resulted from Obama and other administrations' destruction of domestic jobs resulting in decay and bankruptcy of rural, small town and urban communities. This domestic carnage was the other side of the coin of their policies of conducting endless overseas wars spreading carnage to three continents. The last fifteen years of political leadership spread domestic carnage by allowing the epidemic of drug addiction (mostly related to uncontrolled synthetic opiate prescriptions) to kill hundreds of thousands of mostly young American's and destroy the lives of millions. Trump promised to finally address this 'carnage' of wasted lives. Unfortunately, he did not hold 'Big Pharma' and the medical community responsible for its role in spreading drug addiction into the deepest corners of the economically devastated rural America . Trump criticized previous elected officials for authorizing huge military subsidies to 'allies' while making it clear that his critique did not include US military procurement policies and would not contradict his promise to *'reinforce old alliances'* (NATO).

Truth and Lies: Garbage Journalists and Arm Chair Militarists

Among the most outrageous example of the mass media's hysteria about Trump's New

Economy is the systematic and vitriolic series of fabrications designed to obscure the grim national reality that Trump has promised to address. We will discuss and compare the accounts published by 'garbage journalists (GJ's)' and present a more accurate version of the situation.

The respectable garbage journalists of the Financial Times claim that Trump wants to '*destroy world trade*'. In fact, Trump has repeatedly stated his intention to increase international trade. What Trump proposes is to increase US world trade from the inside, rather than from overseas. He seeks to re-negotiate the terms of multilateral and bilateral trade agreements to secure greater reciprocity with trading partners. Under Obama, the US was more aggressive in imposing trade tariffs than any other country in the OECD.

Garbage journalists label Trump as a '*protectionist*', confusing his policies to re-industrialize the economy with autarky. Trump will promote exports and imports, retain an open economy, while increasing the *role of the US as a producer and exporter*. The US will become more selective in its imports. Trump will favor the growth of manufacturing exporters and increase imports of primary commodities and advanced technology while reducing the import of automobiles, steel and household consumer products.

Trump's opposition to '*globalization*' has been conflated by the garbage journalists of the Washington Post as a dire threat to the '*the post-Second World War economic order*'. In fact, vast changes have already rendered the old order obsolete and attempts to retain it have led to crises, wars and more decay. Trump has recognized the obsolete nature of the old economic order and stated that change is necessary.

The Obsolete Old Order and the Dubious New Economy

At the end of the Second World War, most of Western Europe and Japan resorted to highly restrictive 'protectionist' industrial and monetary policies to rebuild their economies. Only after a period of prolonged recovery did Germany and Japan carefully and selectively liberalize their economic policies.

In recent decades, Russia was drastically transformed from a powerful collectivist economy to a capitalist vassal-gangster oligarchy and more recently to a reconstituted mixed economy and strong central state. China has been transformed from a collectivist economy, isolated from world trade, into the world's second most powerful economy, displacing the US as Asia and Latin America's largest trading partner.

Once controlling 50% of world trade, the US share is now less than 20%. This decline is partly due to the dismantling of its industrial economy when its manufacturers moved their factories abroad.

Despite the transformation of the world order, recent US presidents have failed to recognize the need to re-organize the American political economy. Instead of recognizing, adapting and accepting shifts in power and market relations, they sought to intensify previous patterns of dominance through war, military intervention and bloody destructive 'regime changes' – thus devastating, rather than creating markets for US goods. Instead of recognizing China's immense economic power and seek to re-negotiate trade and co-operative agreements, they have stupidly excluded China from regional and international trade pacts, to the extent of crudely bullying their junior Asian trade partners, and launching a policy of military encirclement and provocation in the South China Seas. While Trump

recognized these changes and the need to renegotiate economic ties, his cabinet appointees seek to extend Obama's militarist policies of confrontation.

Under the previous administrations, Washington ignored Russia's resurrection, recovery and growth as a regional and world power. When reality finally took root, previous US administrations increased their meddling among the Soviet Union's former allies and set up military bases and war exercises on Russia's borders. Instead of deepening trade and investment with Russia, Washington spent billions on sanctions and military spending – especially fomenting the violent putchist regime in Ukraine. Obama's policies promoting the violent seizure of power in Ukraine, Syria and Libya were motivated by his desire to overthrow governments friendly to Russia – devastating those countries and ultimately strengthening Russia's will to consolidate and defend its borders and to form new strategic alliances.

Early in his campaign, Trump recognized the new world realities and proposed to change the substance, symbols, rhetoric and relations with adversaries and allies – adding up to a New Economy.

First and foremost, Trump looked at the disastrous wars in the Middle East and recognized the limits of US military power: The US could not engage in multiple, open-ended wars of conquest and occupation in the Middle East, North Africa and Asia without paying major domestic costs.

Secondly, Trump recognized that Russia was not a strategic military threat to the United States. Furthermore, the Russian government under Vladimir Putin was willing to cooperate with the US to defeat a mutual enemy – ISIS and its terrorist networks. Russia was also keen to re-open its markets to the US investors, who were also anxious to return after years of the Obama-Clinton-Kerry imposed sanctions. Trump, the realist, proposes to end sanctions and restore favorable market relations.

Thirdly, it is clear to Trump that the US wars in the Middle East imposed enormous costs with minimal benefits for the US economy. He wants to increase market relations with the regional economic and military powers, like Turkey, Israel and the Gulf monarchies. Trump is not interested in Palestine, Yemen, Syria or the Kurds – which do not offer much investment and trade opportunities. He ignores the enormous regional economic and military power of Iran. Nevertheless Trump has proposed to re-negotiate the recent six-nation agreement with Iran in order to improve the US side of the bargain. His hostile campaign rhetoric against Tehran may have been designed to placate Israel and its powerful domestic 'Israel-Firsters' fifth column. This certainly came into conflict with his 'America First' pronouncements. It remains to be seen whether Donald Trump will retain a 'show' of submission to the Zionist project of an expansionist Israel while proceeding to include Iran as a part of his regional market agenda.

The Garbage Journalists claim that Trump has adopted a new bellicose stance toward China and threatens to launch a 'protectionist agenda', which will ultimately push the trans-Pacific countries closer to Beijing. On the contrary, Trump appears intent on renegotiating and increasing trade via bilateral agreements.

Trump will most probably maintain, but not expand, Obama's military encirclement of China's maritime boundaries which threaten its vital shipping routes. Nevertheless, unlike Obama, Trump will re-negotiate economic and trade relations with Beijing – viewing China

as a major economic power and not a developing nation intent on protecting its 'infant industries'. Trump's realism reflect the new economic order: China is a mature, highly competitive, world economic power, which has been out-competing the US , in part by retaining its own state subsidies and incentives from its earlier economic phase. This has led to significant imbalances. Trump, the realist, recognizes that China offers great opportunities for trade and investment if the US can secure reciprocal agreements, which lead to a more favorable balance of trade.

Trump does not want to launch a 'trade war' with China , but he needs to restore the US as a major 'exporter' nation in order to implement his domestic economic agenda. The negotiations with the Chinese will be very difficult because the US importer-elite are against the Trump agenda and side with the Beijing 's formidable export-oriented ruling class.

Moreover, because Wall Street's banking elite is pleading with Beijing to enter China 's financial markets, the financial sector is an unwilling and unstable ally to Trump's pro-industrial policies.

Conclusion

Trump is not a 'protectionist', nor is he opposed to 'free-trade'. These charges by the garbage journalists are baseless. Trump does not oppose US economic imperialist policies abroad. However, Trump is a market realist who recognizes that military conquest is costly and, in the contemporary world context, a losing economic proposition for the US . He recognizes that the US must turn from a predominant finance and import economy to a manufacturing and export economy.

Trump views Russia as a potential economic partner and military ally in ending the wars in Syria , Iraq , Afghanistan and Ukraine , and especially in defeating the terrorist threat of ISIS . He sees China as a powerful economic competitor, which has been taking advantage of outmoded trade privileges and wants to re-negotiate trade pacts in line with the current balance of economic power.

Trump is a capitalist-nationalist, a market-imperialist and political realist, who is willing to trample on women's rights, climate change legislation, indigenous treaties and immigrant rights. His cabinet appointments and his Republican colleagues in Congress are motivated by a militarist ideology closer to the Obama-Clinton doctrine than to Trumps new 'America First' agenda. He has surrounded his Cabinet with military imperialists, territorial expansionists and delusional fanatics.

Who will win out in the short or long term remains to be seen. What is clear is that the liberals, Democratic Party hacks and advocates of Little Mussolini black shirted street thugs will be on the side of the imperialists and will find plenty of allies among and around the Trump regime.

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