

Trump's Trade War - or "De-Globalization"?

By [Peter Koenig](#)

Global Research, March 13, 2018

Region: [USA](#)

Theme: [Global Economy](#)

President Trump's bold 'protectionist' move of introducing import duties of 25% and 10% for steel and aluminum, respectively - and possibly more to come - may be more than just 'populism' and fulfilling a campaign promise. And why is the term 'populism' always used with a derogative slant? As if it was way below the intellect of those who deride it as addressing the thoughtless and primitive behavior by the people? Aren't politicians supposed to work for the people? Educate them with the truth instead of ridiculing them; giving them real news instead of 'fake news' - and giving them jobs and decent livelihood? - Is that addressing "populism"?

President Trump, or whoever directs him, may have noticed the steady decline of the American economy into a hollow war and service machine, with rising unemployment at the tune of more than 20% (though the fake statistics pretend otherwise, putting it below 5%); a country gradually choking on junk consumption, anti-Russia propaganda and a rapidly deterioration physical infrastructure and civil society.

This unexpected protectionist decision may also be a genuine move against globalization - which, as we know, is controlled by neoliberal economics and has in fact nothing to do with real economics. It is sheer criminalizing of economics. It has done enormous harm to the 99.9 % and benefitted only the 0.1% (or less). "Make America Great Again" is supposed to address this fallacy. Bring production and jobs back, primarily for the domestic market and second only, for international trade, for trade that doesn't harm the local economy. This is a recipe which would also suit many European countries - Greece is a case in point, but Spain, Italy, Ireland and even France would fall into the same category. "Local production for local markets" is indeed the model that helped rescuing the US from the depression of the 30's and Europe, in particular Germany, after WWII.

The so-called Free Trade Agreements (FTA) and multi country Trade Agreements like, NAFTA, TTIP, and TPP - the former being renegotiated and the latter two suspended - are quite different from "local production for local markets". They all, without fault, favor US corporations' maximizing profit objective, but not the United States local economy. Insofar Trump is right, when he says that all these trade deals have been bad for his countries. They were and are a bonanza for US corporations, but indeed bad for the US national economy, because they are incentives for more and more outsourcing of production and services into low labor cost countries.

By granting corporations tax breaks and incentives to invest at home rather than in low-wage countries, and by levying import duties, President Trump is taking a decisive step - maybe willy-nilly - to rehabilitate a faltering US economy. Will it work? It might. It's too early to say. Economy is no precise science, but rather the result of the dynamic interaction between different at times unpredictable elements. True economics are certainly not based on a set of blueprints; they are not black and white, as neoliberal theories would like us to

believe. Real economics do not fit today's most popular teachings of 'modelling' - a complex linear approach of algorithm which produces desired results for propagating neoliberal ideas - that depart from reality by a long shot. The fact of reestablishing trust in local labor, may have power way beyond that of capital investments.

Trump capitalizes on this momentum and, simultaneously, may set a signal for the rest of the world to follow - and for the end of globalization. Interestingly, he said at the World Economic Forum (WEF) in Davos in January this year, that all the American partner countries should think, "Make my country great again". Isn't this a slap in the face of globalization?

Of course, there will be noises of 'retaliation' by Europe, China, Japan - so what? - Steps of retaliation may actually trigger a political rethinking of globalized WTO propagated trade. It may reveal who are the winners and losers. It may have taken 30 years to realize that the winners are an ever-smaller corporate elite, while the bedrock of national economies, local labor, is the big loser. That is precisely the direction into which the neofascist West is moving - towards selling the national economy out to corporate profits. The people are understandably unhappy.

Today's economists are in shock, whenever somebody dares questioning the mainstream globalized economic models, depicting a linear right or wrong vision of the world. Remember George Bush - "you are either for us or against us"; the phrase that set the eternal war on terror in motion; the war that brought death to millions, intimidation to hundreds of millions and billions of profits to the war industry.

Yet, we were and are still indoctrinated with the neoliberal norm, which consists of open-border trade, limitless cross-border transfer of capital - but very restricted transfer of labor. And worst of all, today and for the last 100 years, is our (western) dollar-based monetary system (born from the Federal Reserve Act of 1913) that shapes and manipulates the western boom - bust economy. Logic would rather dictate a reverse monetary system, where a nation's economic output is the basis for its monetary system, not the other way around.

This monetary anomaly has been driven to extremes with the US-dollar's offspring, the euro, which has zero connection with the European economy, let alone with the economy of each member country. The western monetary system on which international trade is based is a fraud, a mere house of cards, a Ponzi scheme, the collapse of which is inevitable.

The Donald is a largely unpredictable character. As a war monger, he screams "fire and fury" at North Korea, threatening to wipe out the entire country; yet is willing to sit down to negotiate with Kim Jong-un - under certain conditions - debating whose Red Button is bigger, Kim's or the Donald's. At the same time, driven by Netanyahu, the same Donald has only slander and insults left for Iran, threatening the country with annihilating war and imposing more sanctions, knowing quite well that Europe, mainly France and Germany, has established billion euros worth of trade relations since the lifting of the original sanctions after the signing of the 'nuclear deal' in July 2015.

So, let's not get this wrong. Trump is no panacea for the good of the world. By a very long shot. He is a loose cannon, shooting from the hips, he may have hit the target by declaring unilateral import tariffs on steel and aluminum. This may be just the beginning, a trial balloon so to speak, for more protection measures to follow. His neocolonial trained chief

economic adviser, Gary Cohn, can't see the logic and quit. Trump is unmoved and stays the course. He knows these tariffs won't affect consumer prices at home, but they may be a boost for the US rust-belt – reviving investments, including the local car industry, a key economic indicator, creating thousands of much needed jobs and reestablishing labor's trust in Washington's leadership – to "Make America Great Again."

*

Peter Koenig is an economist and geopolitical analyst. He is also a former World Bank staff and worked extensively around the world in the fields of environment and water resources. He lectures at universities in the US, Europe and South America. He writes regularly for Global Research; ICH; RT; Sputnik; PressTV; The 21st Century; TeleSUR; The Vineyard of The Saker Blog; and other internet sites. He is the author of [Implosion – An Economic Thriller about War, Environmental Destruction and Corporate Greed](#) – fiction based on facts and on 30 years of World Bank experience around the globe. He is also a co-author of [The World Order and Revolution! – Essays from the Resistance](#).

The original source of this article is Global Research
Copyright © [Peter Koenig](#), Global Research, 2018

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Peter Koenig](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca