

Trump sets out economic war in address to Asia-Pacific summit

By Nick Beams
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In what can only be described as nationalist “America first” rant, US President Donald Trump yesterday issued a virtual declaration of economic warfare to the heads of government and trade ministers at the Asia-Pacific Economic Cooperation (APEC) conference in Da Nang, Vietnam.

Abandoning the relatively subdued tone he adopted in China over the previous two days, Trump unleashed a tirade against what he called “violations, cheating or economic aggression” in the region—remarks clearly directed against Beijing.

The speech was billed as a major elaboration of US policy toward what Washington calls the Indo-Pacific. Raising his voice so loud that the speakers in the hall began to crackle, Trump blamed China and other countries for pursuing policies that stripped jobs from the United States.

“We can no longer tolerate these chronic trade abuses and we will not tolerate them,” he said.

“Despite years of broken promises, we were told that someday soon everyone would behave fairly and responsibly. People in America and throughout the Indo-Pacific region have waited for that day to come. But it never has, and that is why I am here today—to speak frankly about our challenges ... From this day forward we will compete on a fair and equal basis. We are not going to let the United States be taken advantage of anymore. I am always going to put America first.”

There were two essential components to Trump’s diatribe: an attack on the multilateral trading system operating under the World Trade Organisation (WTO) and an implicit call for a regional group, centred on the United States, directed against China.

Without specifically naming China, Trump said countries had been “embraced by the World Trade

Organisation, even if they did not abide by its stated principles. Simply put, we have not been treated fairly by the World Trade Organisation.”

The United States, Trump said, had adhered to WTO principles, promoting private enterprise, innovation and industry. But “other countries used government-run industrial planning and state-owned enterprises” to engage in “product dumping subsidised goods, currency manipulation and predatory industrial practices.”

These countries had ignored the rules to gain advantage over those who followed them, causing “enormous distortions” in commerce and threatening the foundations of international trade itself.

“Jobs, factories and industries were stripped out of the United States and out of many countries in addition,” Trump said.

The call for a new bloc, centred on the US and aimed at China, is contained in the use of the term Indo-Pacific by the White House to describe what was previously termed the Asia-Pacific region.

As the *Financial Times* noted, some in the audience listening to Trump’s Da Nang speech were inclined to dismiss his use of the phrase as a slip of the tongue. But it was a “calculated effort to unveil his nascent strategy for Asia, which entails increased cooperation between the US, Japan, Australia and India aimed at countering the ever-expanding clout that China is wielding in Asia.”

The US president cast aside the multilateral framework put in place by the United States itself in the aftermath of World War II, and which has governed international trade for the past seven decades. He said the US would make bilateral agreements with “any Indo-Pacific nation that wants to be our partner and will abide by the principles of fair and reciprocal

trade.”

Trump declared: “What we will no longer do, is enter into large agreements that tie our hands, surrender our sovereignty, and make meaningful enforcement practically impossible.”

Setting out what he called “the Indo-Pacific dream,” Trump said those who abided by the rules would be “our closest economic partners.” Those who did not, he blustered, “can be certain that the United States will no longer turn a blind eye to violations, cheating, or economic aggression. Those days are over.”

Trump left no doubt about where the new strategy was directed by listing a series of practices the US accuses Beijing of engaging in.

“We will no longer tolerate the audacious theft of intellectual property. We will confront the destructive practices of forcing businesses to surrender their technology to the state, and forcing them into joint ventures in exchange for market access.

“We will address the massive subsidising of industries through colossal state-owned enterprises that put private competitors out of business.”

Trump spelled out an agenda of attempting to cut across the prospect of Chinese investment in countries throughout the region through Beijing’s One Belt, One Road project. He declared that the US would refocus its development efforts by calling on the World Bank and the Asia Development bank to direct their operations “toward high-quality infrastructure investment that promotes economic growth.”

The US would reform “our development finance institutions so that they better incentivise private sector investment in your economies, and provide strong alternatives to state-directed enterprises that come with many strings attached.”

This vague commitment to “do more” only highlights the reality that the US has little to offer in the way of concrete economic initiatives in the face of major Chinese investment projects.

Trump’s speech was followed minutes later by an address by Chinese President Xi Jinping. While not mentioning Trump’s remarks, Xi emphasised international cooperation, economic openness and the need to uphold multilateralism.

Xi stated that over recent decades, economic globalisation had contributed significantly to global growth and had become “an irreversible historical

trend.” He said: “We should continue to foster an open economy that benefits all. Openness brings progress, while self-seclusion leaves one behind.”

Xi’s speech contained phrases and themes that would have at one point formed the centre of an address by a US president. This underscores the enormous transformation in the structure of the world economy.

China, no less than the United States, is operating on the basis of its national economic interests. The difference is that whereas the US sees the present global order as leading to its further economic decline, the Chinese leadership, representing the interests of the oligarchs and multi-billionaires that constitute the country’s ruling class, sees only opportunities.

Beijing is seeking to use its growing economic strength within this framework to advance the strategic goal of becoming a “great power” and moving “closer to centre stage,” in Xi’s words at last month’s Chinese Communist Party congress.

There is no peaceful resolution to this conflict. Its objective logic is moving in only one direction: toward war between the United States and China, as the American capitalist class seeks to counter its palpable economic decline through military force.

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