

The drums of economic nationalism are beating louder

By Nick Beams
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A comment piece by US Trade Representative Robert Lighthizer published in the *New York Times* this week reveals the rising tide of economic nationalism throughout the American political establishment.

At the end of January, as the coronavirus was starting to spread across the world, Commerce Secretary Wilbur Ross, one of the chief proponents of the Trump administration's "America First" agenda, said while he did not want to do a "victory lap" over the outbreak of the disease, it would accelerate the movement of supply chains back to the US.

The comments were criticised at the time, even characterised as "weird," but since then the drums of economic nationalism have been beating ever louder.

Lighthizer began his comment piece with the observation that some crises do not so much alter the course of history as "accelerate changes already underway" and this was the case with the pandemic.

He took aim at businesses that showed a "lemming-like desire" for "efficiency" that caused many of them to move manufacturing over the past two decades to places like China, Vietnam and Indonesia.

Businesses had criticised Trump's trade policy, he wrote, but it had been vindicated by the pandemic which had revealed the over-reliance of the US on other countries for the supply of medical equipment and the public would now demand that "policymakers would remedy this strategic vulnerability by shifting production back to the United States."

This is another example of the many efforts by the administration to divert attention away from its own culpability for the devastation of the pandemic and have it focused elsewhere, the most egregious example of which is Trump's denunciations of the "China virus" as an "attack" on US worse than Pearl Harbour or 9/11.

Lighthizer, however, did not confine his comments to recent events but took aim at US trade policies under Clinton in the 1990s and those of the Bush administration in the 2000s that had magnified the "disaster" of job destruction through offshoring.

"The decision in 2001 to establish permanent normal trading relations with China is the most regrettable example," he wrote.

This is the stock in trade of all economic nationalists who seek to promote the fiction that, but for globalisation, some kinder, gentler version of capitalism would have developed on home soil, preserving jobs and a mythical "American way of life."

The reality is that had the nationalist agenda advocated by Lighthizer been followed, jobs would have been destroyed, possibly at even faster rates than took place, as US firms were unable to compete with their international rivals, while firms that survived would only have been able to do so through a massive intensification of the exploitation of the working class.

The devastation of jobs and living standards is not the result of globalisation as such but arises from the fact that this entirely progressive development, like the advances from the development of new technologies, is entirely subordinated to the dictates of the profit system.

The attack on the previous international economic order was taken even further by Missouri Republican Senator Josh Hawley in a comment also published in the *New York Times* on March 5.

He described the present global economic system as a "relic" that required reform from "top to bottom... We should begin with one of its leading institutions, the World Trade Organization. We should abolish it."

The aim of the WTO, he wrote, was to create a giant liberal international order. It had completely failed and

its biggest failure was that it led to the decline of the US “all the while enriching Communist China.”

“We must face facts. The only sure way to confront the single greatest threat to American security in the 21st century, Chinese imperialism, is to rebuild the US economy and to build up the American worker.”

As always, the economic nationalists seek to conflate the American nation with the American worker. But the pandemic has confirmed the fundamental truth that the US, like every capitalist nation, is divided—rent by irreconcilable class divisions in which the organisation of the economy is geared to the siphoning up of wealth to its upper echelons.

Hawley laid out an international perspective based on the creation of a new “concert” of nations “to restore America’s economic sovereignty and allow this country to practice again the capitalism that made it strong.”

That is, the forging of a new “coalition of the willing” for a confrontation with China, building a “new network of trusted friends and partners to resist Chinese economic imperialism.”

The Florida Republican Senator Marco Rubio, in another *New York Times* comment piece published on April 20, set out the shift in orientation in key sections of the US political establishment from the promotion of a free market agenda to economic nationalism.

“As did many,” he wrote, “I believed capitalism would change China for the better; instead, China changed capitalism for the worse.”

This reflects the view in sections of the foreign policy establishment in the 1990s and early 2000s that integration of China into a free market liberal international economic order would lead to the emergence of a leadership in Beijing prepared accept American global dominance.

But the increasing turn by the Chinese Communist Party leadership under Xi Jinping to its own national agenda, based on high-tech and industrial development and its expanding global reach under conditions of palpable US decline, has led to a major shift.

Whereas under the previous orientation, China was characterised as an “economic partner” through its supply of cheap labour to US corporations, it has now been designated a “strategic competitor” whose very economic development is a threat to both the economic and military dominance of the US.

The significance of the rise of economic nationalism can only be grasped when viewed in this context. The bringing back of production to the US, or at least to the North American continent, the disruption of global supply chains and the breaking up of a complex international division of labour is completely irrational and destructive from an economic standpoint.

But within this apparent madness there is an objective logic at work. It is the bringing together and concentration of the economic resources of society within the confines of the American imperialist state in preparation for war against its rivals, in which China is only the immediate target.

The publication of rabid economic nationalist comments in, and their promotion by the *New York Times*, one of the mouthpieces of the Democratic Party, indicates this agenda extends across the US political establishment.

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