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Is Trump an imperialist?

Is the world back to where it was 100 years ago?

The historical needle seems to have begun to turn backward, back to the imperialist era of the first half of the 20th century, when the world was divided by the powers of the world and each country pursued its own interests and waged war against the other. One would think that it was only the rogue nations such as China, which has reclaimed reefs on the high seas of the South China Sea and turned them into military fortresses, and Russia, which has blatantly invaded the sovereign nation of Ukraine and seized its territory, but the Trump administration is no less overt in its desire to expand its foreign influence.

Trump's Blatant Desire for External Expansion

Trump has expressed his intention to take possession of Greenland and regain control of the Panama Canal. Also. He changed the name of the Gulf of Mexico to the Gulf of America and reverted the name of Alaska's highest peak in North America, which had been renamed "Denali" in 2015, to its previous name, "McKinley." These are seen as a bare manifestation of territorial expansion ambitions. McKinley was the 25th president (1897-1901) who promoted imperialist policies, including the annexation of Hawaii, the Philippines, and the Spanish-American War.

Critical Differences Between Trump and Classical Imperialism

However, there is a crucial difference between classical imperialism and Mr. Trump. The difference is the presence or absence of the necessity for foreign expansion. The theory of imperialism that Lenin followed was the argument of the British economist Hobson (1858-1940), the gist of which was that over-saving and under-consumption under capitalism led to external expansionism and imperialist war. The basic idea was that "technological development caused industrial production capacity and overproduction to exceed effective demand, necessitating foreign markets and foreign investment areas as outlets for excess savings and overproduction." The root cause of this was "the distribution of wealth biased toward entrepreneurs and financiers, or the 'misdistribution of consumption power. The "misdistribution of consumer power" led to the formation of surplus capital, which in turn triggered Britain's imperialist foreign expansion and aggression. The solution is that "if surplus income were channeled to the workers as high wages or to the state as taxes, it would then be spent instead of saved, helping to increase consumption (and there would be no incentive for foreign expansion)" (J.A. Hobson, "Imperialism, a study" Iwanami Bunko).

Trump calls for inward investment, not outward investment.

If this overaccumulation of productive capacity and capital is the cause of imperialist foreign expansion, then the current U.S. economy and Trump's economic policies are as opposite as possible. The U.S. manufacturing output is greatly inferior, and the trade deficit is piling up by importing goods from abroad. Mr. Trump is seeking to raise tariffs in order to bring manufacturing back to the U.S., and he is calling for foreign investment in the U.S. instead of outward investment.

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There is nothing to suggest that the U.S. now needs a forceful foreign expansion, or a “foreign market or foreign investment area” as Hobson analyzed. What the U.S. has a monopoly on supplying to the world is cyber digital goods related to intellectual property rights, but it does not need coercive power because of its overwhelming technological superiority. Cyber is a borderless domain to begin with.

China is classical imperialism itself

China is a typical imperialism of the early 20th century. China, with only 17% of the world's population, has a concentration of nearly 40% of the world's manufacturing production (more than twice that of the U.S.) and a high global market share of 50% for steel, 80% for smartphones, and 90% for PCs and TVs. In the green energy sector, the country dominates solar panels, EVs, batteries, and wind power generation equipment with 60-80% of the market, destroying the industrial base of other countries.

Furthermore, in the field of semiconductors, which have been subject to export restrictions from the U.S., they have continued to invest as much as 30% to 40% of the world's capital investment over the past several years. Although they are not the most advanced, the legacy semiconductors such as power semiconductors, analog semiconductors, and DRAM, Chinese companies has become remarkably competitive and started supplying low-priced products to other countries.

Thus, the dumping of exports due to the excess supply power accumulated domestically is hurting the industrial base of each country. In addition, Russia, which has fallen into material shortages due to economic sanctions imposed because of the war of aggression against Ukraine, has become the perfect recipient of China's excess production capacity.

Chinese outward investment may also be revived as the U.S. reduces its foreign assistance, such as USAID. Sluggish domestic demand has entrenched excess savings, and interest rates have fallen sharply. There is a sense that China may re-expand its once-fading overseas investments, such as the “One Belt, One Road” initiative, as a destination for foreign currency earned from its large trade surplus. The use of this financial muscle to build up military power has increased tensions in the world.

All of Trump's policies are built around his strategy toward China

Many of Trump's seemingly imperialistic series of policies and remarks are in response to this “modern version of imperialism” in China. The mineral resources of Greenland and Ukraine are emerging out of the need to break away from dependence on China, which now controls most of the world's scarce resource production. The Panama Canal was also put forth to prevent China from dominating the concessions. President Trump's demand for major concessions from Zelensky, who is struggling to defend his homeland against the aggressor, is also thought to be emerging from his strategy against China. The Biden administration's policy of weakening Russia, the aggressor, is to create a huge geopolitical vacuum in the heart of Eurasia, which is linked to Chinese expansion. If Russia opposes the liberal powers while subordinating itself to China, the military power of China and Russia, with nuclear weapons as its central axis, will easily outstrip that of the United States. Now that China has become a Frankenstein, weakening Russia is not an option.

We should assume that behind the seemingly authoritarian and uncivilized words and actions of Mr. Trump and his administration officials lies a deep strategic thinking.

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