

The Democrats adopt Trump and Bannon's economic nationalism

Josh Varlin
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The Democratic Party unveiled a new portion of its “Better Deal” program Wednesday, August 2, in which it adopted wholesale the economic nationalism of President Donald Trump and his fascist adviser, Steve Bannon. Many of the proposals are implicitly or explicitly directed against China, the main target of US imperialism in the Asia-Pacific region.

In a supplementary document, “A Better Deal on Trade and Jobs,” the Democratic Party adopts the economic nationalist demands promoted by Trump, the trade unions and Senator Bernie Sanders, including cracking down on countries that allegedly manipulate their currency (mainly China) and renegotiating the North American Free Trade Agreement (NAFTA).

“A Better Deal,” as the *World Socialist Web Site* wrote after its unveiling, “is a transparent exercise in empty sloganeering and threadbare rhetorical populism.” It combines the weakest “reforms” imaginable, such as a \$15 hourly minimum wage that is unlikely to be implemented and would still be wholly inadequate, with blatant pro-business measures, including tax credits for businesses to train and hire workers.

At the unveiling on July 24, “progressive” Senator Elizabeth Warren called the Democratic Party’s new policies “pro-market.” In many ways, the economic-nationalist elaboration on the plan released last week is even more pro-capitalist.

The concrete proposals amount to trade wars against competitors—especially China—and open defiance of World Trade Organization (WTO) rules and arbitration. “A Better Deal on Trade” calls for a supposedly independent trade prosecutor to receive petitions from businesses and unions and unilaterally punish countries “without authorization from the WTO.”

The plan also says that the trade prosecutor would

examine WTO decisions and determine “to what extent the US should comply with the WTO decision.” Implementing such a program would represent a dramatic breakdown in economic relations and spark the outbreak of trade wars.

The other six main proposals are equally reactionary. In calling for the creation of an “American Jobs Security Council,” the supplement denounces Russian and Chinese state-owned enterprises (SEOs), and demands that any purchase of US assets by certain countries—most likely including China—be heavily scrutinized by this council.

Discussing the renegotiation of NAFTA, the plan denounces “unfairly traded and dumped products from countries outside the [North American] region” and calls for a “more balanced trade between the three countries [the US, Canada and Mexico].” This is the language used by Bannon and Trump to justify their economic nationalism and demagogically posture as defenders of “the forgotten man” and “the American worker.”

Moreover, “A Better Deal on Trade” adopts the longstanding demands not only of Trump, Bannon and Sanders, but also of large sections of the trade-union bureaucracy. Since Trump’s election and inauguration, the trade unions have pledged to collaborate in efforts to line up American workers with the Trump administration and corporate America, including a “Buy American” and “Hire American” campaign.

In December, AFL-CIO President Richard Trumka urged Trump to work with the unions in enacting his right-wing “America First” agenda. The United Steelworkers union and its president, Leo Gerard, have demanded trade-war measures against China for alleged overproduction of steel.

The Democrats’ “Buy American” campaign would

apply to federal tax dollars spent on public works and infrastructure projects, requiring that the funds be spent with US firms. Given the highly integrated nature of the global economy, this proposal is both reactionary and impossible. US firms often manufacture goods in other countries, foreign firms often manufacture goods in the US and almost every product is made with a combination of US and non-US inputs and labor.

It also calls for “restrict[ing] the use of waivers of Buy America rules for products from non-market economies.” China is the most commonly mentioned country that supposedly has a “non-market” economy, due to the government’s residual role in the economy through some major SEOs remaining from the Maoist period.

“A Better Deal on Trade” also proposes “[a] tough currency manipulation law that punishes countries, like China, that unfairly manipulate their currency.” Such a law would allow the Department of Commerce, currently led by billionaire asset stripper Wilbur Ross, to levy duties against countries supposedly manipulating the currencies, essentially announcing that the US can use currency manipulation as a pretext to start trade wars.

Finally, the plan includes levying tax penalties on companies that outsource jobs while granting tax credits to companies that move jobs into rural areas or “insource” back into the US. This measure would include a 20 percent tax credit on “the cost of relocating production and jobs back to the US.”

The embrace of economic nationalism by the Democratic Party, as well as sections of the Republican Party represented by Trump and Bannon, should be taken as a stark warning to workers in the US and internationally. Just as the world is more economically unified than ever before, and when workers in the US must unite with their class brothers and sisters in other countries to defend their interests, both big-business parties in the US, along with the unions, are dividing workers along national lines.

The prospect of a trade war with China—which could very well lead to a shooting war between nuclear-armed powers—cannot be ruled out, especially now that the Democrats have signaled their support for such measures. The trade unions pioneered the economic nationalism now endorsed by the Democratic Party leadership.

The supplement on trade underscores the reactionary nature of “A Better Deal” as a whole. The paltry “reforms” included in the program, including the \$15 hourly minimum wage, are unlikely to be implemented by a Republican or Democratic Congress. The proposals most likely to be implemented are the right-wing ones, including tax credits for businesses and the newly announced proposals along economic-nationalist and trade-war lines.



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