

# Trump's Asia visit: Growing US economic isolation to fuel military push

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One of the most significant developments to emerge from US President Donald Trump's current Asia tour is the extent to which far-reaching changes in the structure of the world economy have undermined the once unchallengeable dominance of US imperialism.

This shift has far-reaching geopolitical consequences. It is the essential driving force behind the ongoing efforts by the United States to reverse its decline by military means.

Washington's increasing economic isolation was visible at every stage of Trump's visit.

In his address to the Asia Pacific Economic Cooperation (APEC) summit meeting in Da Nang, Vietnam, on Friday, Trump railed against the World Trade Organisation (WTO), saying it benefitted other countries at the expense of the US. Henceforth he would seek bilateral deals based on the principle of "America First."

After days of wrangling, however, the APEC summit statement pledged to "fight protectionism." It said ministers "recognise the work of the WTO in ensuring international trade is rules-based, free, open, fair, transparent in predictable and inclusive." It committed members to "cooperate to improve the functioning of the WTO."

A side meeting of the 11 remaining members of the Trans-Pacific Partnership (TPP)—the economic bloc proposed by the Obama administration from which Trump withdrew immediately upon taking office in January—agreed to try to secure an agreement without the US.

Full TPP agreement had been expected to be announced on Saturday but Canadian Prime Minister Justin Trudeau withdrew at the last minute. Canada is believed to have problems with sections of the agreement concerning "cultural issues" and proposed

rules governing Japanese auto parts sales. The Canadian position is also complicated by negotiations with the US over changes demanded by the Trump administration to the North American Free Trade Agreement (NAFTA).

The proposed TPP deal remains alive, however. Following the Canadian move, the TPP 11, led by Japan, said they had reached agreement on "core elements." Negotiations would continue on a Comprehensive and Progressive Agreement for Trans-Pacific Partnership, a title adopted at Canada's request.

Officials said they planned to sign a final agreement next year that would eliminate tariffs on 95 percent of goods traded in the bloc, covering 500 million people and \$10 trillion in economic output.

In a clear sign of the divisions with the US, Japanese Economy Minister Toshimitsu Motegi said: "This will send out a very strong message to the US and to other Asia-Pacific countries."

In Japan last week, Trump pointed to America's \$69 billion trade deficit with that country and called for more "reciprocal" trade. He suggested that Japanese automakers "try building your cars in the United States instead of shipping them over." The Japanese Automobile Manufacturers Association responded by pointing out that 75 percent of Japanese-branded vehicles sold in the US are built in North America.

Following Trump's visit, Japanese Finance Minister Taro Aso pointedly issued a statement that Japan would not enter a bilateral agreement with the US to resolve the trade imbalance.

In China, Trump railed against "out of kilter" economic relationships between the two countries, reflected in the \$347 billion trade surplus China enjoys with the US. Much of this surplus, however, results from US firms using China as a base for their global

operations, as well as the supply of Chinese materials to US corporations.

Conscious of Trump's desire to present his visit as a success, the Chinese regime accorded him red carpet treatment and facilitated a signing ceremony for some \$250 billion worth of corporate deals. It was largely an exercise in smoke and mirrors.

Bloomberg noted: "The headline number is impressive. A quarter trillion dollars' worth of deals from China that ... Trump can use to show he's creating opportunities for US businesses and jobs for his base. The reality, however, is that the roughly 15 agreements unveiled on Thursday are mostly non-binding memorandums of understanding and could take years to materialize—if they do at all."

Significantly, there was no agreement on giving US companies more access to Chinese markets or on opening up the Chinese financial system to the US—two key demands Washington has pursued for years.

Summing up Trump's Asia visit, one business leader cited by the *Financial Times* said: "I think everyone was polite to him and they want to make him think they are all chummy and willing to do things with him. But I have to think in some ways they are laughing behind his back, and certainly the Chinese are. I don't think any of them have any intention of getting into a deal with him, certainly not on the terms that he wants."

Michael Froman, the chief US negotiator for the TPP under the Obama administration, said the agreement of the TPP 11 to push ahead showed that "our allies and partners" continued to value tearing down trade barriers. "Clearly, as the US retreats, the rest of the world is moving on."

Trump's Asia visit has underscored the mounting problems US imperialism confronts globally on the geo-economic front.

The multilateral trade framework the US put in place after World War II, now enshrined in the WTO, is increasingly seen as working against its interests. This assessment is not just that of the Trump administration. It was also the essential motivation for the TPP, which the Obama administration developed as part of its "pivot to Asia" to counter China's rise.

At the same time, Trump's demands for countries to enter bilateral trade arrangements with the US are not going to be met. No country wants to place its head in the jaws of the lion for it to be bitten off under Trump's

"America First" program.

In others words, there is no economic avenue for the US to change its position within the present order. Hence the drive to assert its interests through military force.

Throughout Trump's Asia visit, the pressure continued against North Korea—in the final analysis aimed at China. And Trump's continued references to the Indo-Pacific, rather than the Asia Pacific, began to acquire flesh. A meeting was convened in Manila on Sunday between US, Japanese, Australian and Indian officials for "exploratory talks" on a regional "security architecture."

The proposal for such a "quad" was first raised in 2007 at Japan's instigation but receded into the background. It "has now bounced back with a vigour few would have expected just a year ago," according to Harsh V. Pany, professor of international relations at King's College, London. "The reason is simple: there is growing nervousness in the regional power centres in the Indo-Pacific about China's emergence as a major global power."

While the "quad" meeting was not at a ministerial level, the US is clearly pushing for a coalition of the region's supposed "democracies" as a strategic and military counterweight against China.

Notwithstanding its economic differences with the US, Tokyo evidently sees the "quad" as a means for pushing its strategic interests against China. India has similar motivations. Australia has been a frontline supporter of the US in every war over the past quarter century, both to promote its own interests in the region and because of its economic dependence on the US financial system.

The disintegration of the relations that regulated world capitalism, so palpably on display during Trump's Asia visit, mean that the US push to find a military solution to its mounting economic problems will accelerate in the coming period.



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