The Decline of U.S. Imperialism

Why Trump Can't "Make America Great Again"

At the end of World War II, the U.S. was by far the strongest imperialist country in the world. Its former enemies, Nazi Germany, fascist Italy and militarist Japan, had been defeated militarily and their economies had been destroyed. Not only that, but its "allies," particularly Britain and France, were much weakened by the war, and under the Marshall Plan they would have a certain economic revival, but as junior partners of the U.S. Most of their colonies would declare their independence over the next two decades, and many became neo-colonies dependent on the U.S. Its only fear was the socialist Soviet Union and the people's democratic camp that it led.

The U.S. also had the largest capitalist economy in the world. It was the largest producer of steel and automobiles, two major indicators of economic strength. By the end of France's war in Indochina in 1954, the U.S. was already financing 80% of the French war effort. With the formation of Israel in 1948, the U.S. already took over from the British Mandate as its main sponsor.

By about 1975, U.S. imperialism was at the peak of its power. This was when U.S. steel production was at its peak.[1] U.S. car production had already peaked in 1965, although U.S. commercial vehicle production (including small trucks, SUVs, etc.) has continued to grow.[2] Further, many of the cars produced in the U.S. are by foreign automakers with plants in the U.S., particularly Japanese and German manufacturers. Overall, U.S. manufacturing peaked in 2007.[3] At the same time, much of U.S. companies' manufacturing went to dependent countries overseas, where labor power is cheaper and consequently profit-rates are higher.

Interestingly, 1975 was also the year of the historic defeat of the U.S. in Vietnam. For several years, the U.S. could not launch any new invasions, until 1983, when it occupied the small Caribbean country of Grenada. It has carried out many invasions since, particularly of Iraq and Afghanistan. However, it has tried as much as possible to limit the number of U.S. troop casualties (of course not being concerned about the civilian casualties in the occupied countries), using drones and other high-tech military equipment as well as contract soldiers. This did not prevent it from being unceremoniously expelled from Afghanistan in 2021, leading to some 7,500 deaths of U.S. and allied soldiers, and at least 170,000 total Afghan deaths as well as some 67,000 deaths in related actions in Pakistan. The war in Afghanistan also cost the U.S. some $2.3 trillion (not including the cost of supplying Islamic forces fighting the pro-Soviet government that was in power from 1979 to 1989).[4]

Today, the U.S. is moving towards becoming a second-rate power. While the U.S. still has the highest Gross Domestic Product – GDP ($25 trillion in 2022), it is closely followed by China with a GDP of $20 trillion. Its share in the world economy fell from 24.6% in 1980 to 19.5% in

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[1] See https://upload.wikimedia.org/wikipedia/commons/8/89/USGS_Iron-Steel_1900-2014.png

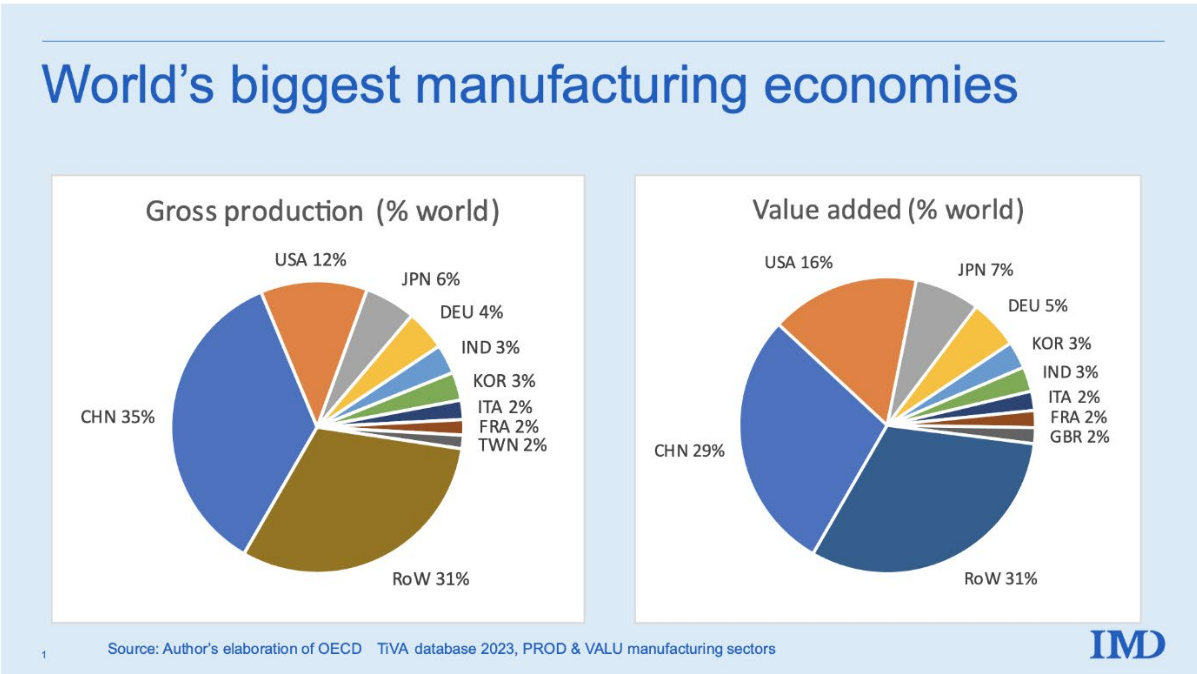
[2] See https://www.bts.gov/content/annual-us-motor-vehicle-production-and-factory-wholesale-sales-thousands-units

[3] https://fred.stlouisfed.org/series/PRMNTO01USQ661N

[4] https://www.usip.org/publications/2022/11/afghanistan-was-loss-better-peace

2011.[5] Its Foreign Direct Investment (FDI), the amount of capital invested in another country: US still way ahead of China: U.S. $6.58 trillion[6]: versus China: $147.85 billion.[7]

In 2023, China already had almost three times the amount of manufactured products as the U.S., shown here in terms of share of world production. [8]



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[9]

Meanwhile, U.S. total debt (mostly in Treasury bonds) is $35.34 trillion dollars. China is the second largest foreign country (after Japan) that holds U.S. debt. China recently sold off $53.3 billion of these bonds, on top of an estimated $300 billion between 2021 and 2023[10]. This is part of a global trend away from holding reserves in U.S. dollars, weakening the value of the dollar.

Further, deficit spending, especially on the military, is considered to be the most important reason for the decline of a great power. The wars in Iraq and Afghanistan cost as much as $4.4 trillion as of 2017, and already by 2011 total military spending, as high as the rest of the world combined, was higher than any time since World War II.

It is the workers in the U.S. who pay for this, while the corporations rake in the profits. The ratio of average CEO earnings to average workers' pay in the U.S. went from 24:1 in 1965 to

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[5] See https://en.wikipedia.org/wiki/American_decline#:~:text=American%20decline%20is%20the%20idea,financially%2C%20economically%2C%20and%20technologically

[6] https://www.statista.com/statistics/188571/united-states-direct-investments-abroad-since-2000/

[7] https://www.statista.com/statistics/858019/china-outward-foreign-direct-investment-flows/

[8] https://cepr.org/voxeu/columns/china-worlds-sole-manufacturing-superpower-line-sketch-rise

[9] https://cepr.org/voxeu/columns/china-worlds-sole-manufacturing-superpower-line-sketch-rise

[10] https://markets.businessinsider.com/news/bonds/china-dollar-dominance-dollarization-treasury-bond-yields-gold-buying-spree-2024-5

262:1 in 2005. In 2018, income inequality reached the highest level recorded by the Census Bureau.[11]

Clearly, over the lest decades there has been a change in the strength of the various imperialist powers. At one point, the European Union was created as an offset to the power of the U.S., but now it has become its main ally. However, recently, the strength of China has clearly grown much faster than the EU, once again making these European countries junior partners of the U.S. China, which is much weaker than the U.S. militarily, is allying with Russia, which is basically on a par with the U.S., especially in nuclear weapons.[12]

[Lenin pointed out that "any other basis under capitalism for the division of spheres of influence, of interests, of colonies, etc., than a calculation of the *strength* of the participants in the division, their general economic, financial, military strength, etc., is *in*conceivable. And the strength of these participants in the division does not change to an equal degree, for the *even* development of different undertakings, trusts, branches of industry, or countries is impossible under capitalism. Half a century ago Germany was a miserable, insignificant country, as far as her capitalist strength was concerned, compared with the strength of England at that time; Japan was the same compared with Russia. Is it "conceivable" that in ten or twenty years' time the relative strength of the imperialist powers will have remained *un*changed? Absolutely inconceivable."

Between World War I and World War II, Britain and then Germany were the main imperialist powers. After World War II the U.S. was the main imperialist. Now China and Russia are contending with the U.S. allied with the EU for first place.

There is no question that this rivalry has already led to wars. The U.S. is contending with Russia in a proxy war over Ukraine.

Again, Lenin pointed out: "The capitalists divide the world, not out of any particular malice, but because the degree of concentration which has been reached forces them to adopt this method in order to obtain profits. And they divide it "in proportion to capital," "in proportion to strength," because there cannot be any other method of division under commodity production and capitalism. But strength varies with the degree of economic and political development. In order to understand what is taking place, it is necessary to know what questions are settled by the changes in strength…. The question as to whether these changes are "purely" economic or *non*-economic (e.g., military) is a secondary one, which cannot in the least affect the fundamental views on the latest epoch of capitalism. To substitute the question of the form of the struggle and agreements (today peaceful, tomorrow warlike, the next day warlike again) for the question of

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[11] https://en.wikipedia.org/wiki/American_decline#:~:text=American%20decline%20is%20the%20idea, financially%2C%20economically%2C%20and%20technologically.

[12] We will not here attempt to prove once again that China is an imperialist country. There are three recent books and articles that make this clear. They are: *Is China an Imperialist Country*, by a collective led by N.B. Turner; *In China, Capitalism Is Being Consolidated, Not Socialism*, by the Communist Party M-L of Ecuador; *and The Class Nature of China Today*, by the present author. All are available from Red Star Publishers, at www.RedStarPublishers.org, for free download or purchase.

the *substance* of the struggle and agreements between capitalist combines is to sink to the role of a sophist."

Of course, one of the vital questions is whether the contention between the U.S. and its allies and Russia, China and their allies, will lead to a third world (probably nuclear) war. Both the U.S. and Russia have been talking about the possibility of using nuclear weapons.

It is our task to do what we can to undermine "our own" imperialist country, U.S. imperialism. This is the only way we can move to prevent a new world war.]

Trump Cannot Reverse This Situation Today

Trump claims that he will bring better-paying manufacturing jobs back to the U.S. Though there was some increase in manufacturing jobs in his first term, these were no more than under Obama before and Biden after. Besides, under capitalism always goes to where labor power is cheaper and profits are higher. Trump claims he can counter this by raising tariffs on products imported from abroad. But this will only increase the prices of these products in the U.S., which will hurt workers in the U.S. by lowering their real wages.

Trump's attacks on migrant workers will also not help U.S.-born workers. Today, most new jobs are service jobs, which barely even pay the minimum wage (and often less than that). Yes, it may open up a small number of low-paid service jobs to workers who are U.S. citizens or green-card holders. But it will also push the undocumented immigrants further underground. This will deepen the split between documented and undocumented workers. Only a united working class can lead the fight for better conditions for all workers, and in the long run prepare the way for a socialist revolution in which the workers take power.

Trump to Workers: "You're Fired!"

Trump is not in favor of any workers, documented or undocumented. He talked with his friend, Elon Musk, whom he recently appointed co-leader of the Department of Government Efficiency, about firing workers who go on strike.[13] Musk, when he took over Twitter (now X), fired half of the work force. This is what they mean by "governmental efficiency." Trump has also called for large-scale layoffs of federal employees when he gets into office. While firing striking workers is illegal, in his first term Trump appointed union busters to the National Labor Relations Board. If a case goes all the way to the Supreme Court, one can be sure that the three Trump-appointed justices will join with the other reactionary justices to support Trump's moves, as they did with overturning Roe vs Wade.

Further, in his first term, Trump passed the Tax Cut and Jobs Act. Among other provisions, it reduced top corporate tax rates from 35% to 21%, as well as reducing tax rates for those in the highest tax brackets. Workers need to see that there is no way billionaires or their agents, from either the Republicans or Democrats, can ever represent them.

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[13] https://cwa-union.org/news/donald-trump-says-striking-workers-should-be-fired