

# TRUMPISM DISSIPATES WHILE DISCONTENT INTENSIFIES.

*I predicted Trump would be pitch forked out of the White House a divorcé. However, it seems I was wrong about the class that would do the pitch forking. Not the workers he betrayed but the ruling class who he roiled by tampering with their precious electoral system. However, when the dust settles and the country comes back to its senses, history should remember him more for his reckless endangerment of the country amidst a pandemic, than for exhorting his supporters on that fateful 6<sup>th</sup> January 2020. This will emerge when Trump's mismanagement has been contrasted to the future Biden management of the epidemic.*

Trumpism is dissipating. The latest Pew opinion poll shows his approval rating has fallen to 29%, the third lowest in in history for a departing President. Only Truman and George W Bush on 28% and Nixon on 24% had lower ratings. This compares to his 43% rating at the time of the elections in 2019. This said, Trump's support remains solid at about 25% of the population. [Biden Viewed Positively, Trump More Negatively After Capitol Riot | Pew Research Center](#)

Trump was the glue holding the large right-wing movement in the US together, a product of its economic decay. This can be summed up in one sentence taken from a letter written to the Pentagon by 800 retired generals and admirals: "As you know, 71 percent of young Americans between the ages of 17 and 24 are currently ineligible for military service, primarily because they are too poorly educated, too overweight, or have a history of crime or substance abuse". [Retired generals say young Americans are too fat and it's a national security issue | American Military News](#) American Military News Thus three out of four young people are unfit to be cannon fodder for the military because of the degeneration US society. This single sentence, which captures the tragedy unfolding in the USA, explains how Trump rose to prominence in the absence of a left alternative which challenged rather than exploited this tragedy.

From the religious right, through the white supremacists to actual fascists, Trump cohered a single movement in opposition to the multi-cultural swamp or in common language, the establishment. Trump did not invent this discontented movement, but he gave it a voice, direction and leadership. What is unique about Trumpism is that it was couched in the language of a businessman promising to do capitalism better, thus reviving the economy and uplifting the ordinary man and woman by doing so.

Instead, of course it did not. All it ever did was uplift the fortunes of the truly rich. In sum it amounted to tax cuts for the rich and through cuts to federal regulation, dirty water for the poor. Oh yes, it will all come out if the Democrats are smart. Not only did he imperil ordinary North Americans with his manipulation of the pandemic he also imperiled them by abolishing environmental and consumer protections to favour his corporate mates.

Turning to the insurrection lite on the 6<sup>th</sup>. On the day Trump talked tough when pointing his followers towards the Capital. Within days he called for those who took him literally and invaded the Houses of Congress to be punished. On his way to the Mexican Wall, he again talked tough saying his words on the 6<sup>th</sup> January were "appropriate". Then he released a video calling on his Muppets to obey the law and be peaceful up to the 20th. Appropriate language seems to be very elastic in Trumps vocabulary. This vacillation reflected weakness, a previously confident and sure-footed politician now unsure of his footing.

Trump finally realised the game was up. The capitalist class has closed ranks against him, his family and commercial interests. Many of his aides and confidants will be unemployable. He is caught in no man's land, having been expelled by the capitalist class and having betrayed his supporters. Isolated, therefore vulnerable, once he steps out of the White House, he is liable to be ensnared in litigation and prosecution. He follows the long line of populist leaders who forgot their place, stumbled and ended up groveling.

Just as well the White House has such a large garden. Otherwise, the neighbours' would be complaining about all the shouting. Seems the disarray has spread to his family. It appears that the brightest of his kids, Ivanka the Trump clone, had a stand-up shouting match with her dad when she revealed she intended to attend Biden's inauguration. Her reason for doing so, to endear herself to the establishment so she could further her political career in a post Trump world. Donald saw this as a personal betrayal. After all populist families are supposed to band together right up to the bitter end even if the appearance of unity belies the truth.

Someone should have told Melania. Her White House posting after the 6<sup>th</sup> had all the hallmarks of somebody who had suffered personal political abuse. Ah the bejeweled and golden cage, the innocent kidnappee who willing let Donald in and followed him out. With her aides having fled, the shattered first lady, while disassociating herself from the violence also disassociated herself from the President by claiming that she too was a victim of the 6<sup>th</sup>. Her opening sentence is not about the 6<sup>th</sup> but the pandemic, the one her husband denigrated. It is worth reading her full statement. While many have correctly branded her as Trump-like, she has now decided it is time to carve a new path for herself and to salvage as much of her family as she can. So farewell Donald, loser. [First Lady Melania Trump: Our Path Forward | The White House](#)

### **The Republican Party.**

It is always foolish to analyze politicians, their motivations and behaviour, psychologically. Trump was a smart political operator who knew exactly what he was doing. It was reality television transferred to the political stage; a stage previously prepared for him by events that began to shape the party as far back as the 1980s. Long before Trump conquered the Republican Party it had become colonised by the far right. The first Trump was Newt Gingrich. Then followed the Tea Party.

The reformation of the Republican Party was made possible by two external factors which the party relied on. The first is the absence of universal suffrage in the USA coupled to an archaic electoral system. No other modern capitalist country allows for the sort of voter suppression which is found in the USA both above board and below board involving scams and voter intimidation. Its purpose to enhance the white vote. Then there is the gerrymandering of districts which favours rural areas. Then there are the electoral college votes which annuls the popular presidential vote. Finally, there is the absence of a uniform federal electoral protocol for voting allowing for a high degree of variation in voting protocols between states. This explains why, out of the 6 Presidential elections this century, 2 or one third of them were Presidents who had lost the popular vote. Of course, both were Republicans.

The second factor was the abandonment by the Federal Communications Committee of the Fairness Doctrine in 1987 which required radio and television shows to present both sides of a political issue. From 1988, long before social media with all its fake and conspiratorial content, there was a proliferation of conservative talk radio shows. With the arrival of Murdoch and Fox news that spread to television as well. [Impeachment Alone Can't Rid the Republican Party of Trumpism | Time](#) Trump may have boasted about

the “Art of the Deal”, but it was Murdoch who honed the “Art of the Lie”, something which his son James blasted as toxic this weekend. Seems Rupert Murdoch will not die with a satisfied smile on his face knowing that history is already judging him harshly. (F.T. interview with James Murdoch 16<sup>th</sup> January.)

Objectively, there is more to the remoulding of the Republican Party than this. The ending of the post war boom, really the USA’s golden age, was to reshape US society. To drive up the rate of profit, whose fall had bled the post war boom, the USA home to much of global industry, had to undergo a massive phase of “creative destruction”. This destruction of perfectly good factories and infrastructure resulted in the emergence of what came to be known as the “rust belts”.

Tens of millions of well paid industrial and allied jobs were lost. Indeed, so deep was this loss that the concept of the semi-skilled single worker, generally the male, earning enough to support themselves and their families was lost. This amounted to a tectonic cultural shift. Politically the US ruling class whose ambitions were global were now confronted by a surplus population at home. The USA had suffered a surplus black population for decades, mainly rural, now it suffered not only an urban black population surplus, but additionally a surplus white urban population.

The challenge was how to control and co-opt these surplus whites and blacks. Essentially, the war on drugs was a war on African American communities in which control was exercised through a massively expanded prison service. However, such brutality against white workers would have driven them closer to black workers so the preferred route had to be ideological entrapment. The bigoted Republican Party was the chosen instrument for containing the degenerating white working class robbed of their jobs and dignity. They were to be fed a diet comprising patriotism and racism to deflect their anger sideways against black workers and immigrant workers. This divide served only one class, the capitalist class.

Had the Democratic Party adopted pro working-class policies which directed anger upwards, this corralling of sections of white workers by the Republican Party would not have been inevitable. But the Democratic Party had long since been domesticated by Big Business. The last thing it wanted to bring to the fore was class politics, so instead it fostered tolerance, multi-culturalism, the urban areas and orientated towards those sections of society that either benefited from globalisation or at least still held onto their jobs. Later this decayed further into personal politics. The great divide in US society, the class divide, was politically subsumed by another cleavage, that between the section of the economy integrated into the newly restructured global economy and that section that had lost by it and never recovered.

On the other side of the Pacific Ocean history’s biggest gang master emerged, the Chinese Communist Party. It was to provide a workforce making the subsequent restructuring of the global economy possible. In this way a conduit for capital to be diverted from the USA to China was established where it found a workforce forced to work for a wage that was one thirtieth that of the US wage, or three cents compared to every dollar. However, the secretive Chinese Communist Party was more far sighted than the imperialists investing in their country whose motives were driven by short term profits. Playing the long game, the CCP knew that by selling the labour power of hundreds of millions of Chinese workers, they would be able to accumulate sufficient capital to ultimately challenge their US, European and Japanese competitors, a goal which they have accomplished.

With Trump, these two forces coalesced under the slogan “Make America Great”. In every way Trump was the culmination of the political path hewn by the Republican Party. That this path was to lead to a cliff edge was equally inevitable. The US ruling class, especially the least enlightened section with many

still benefiting from traditional industries, saw the Republican Party as the tool to best further their interests. Their holy trilogy was low taxes on the rich, a small state and deregulation. The Republican Party, they knew, was best placed to deliver these goals because it was better at hoodwinking its electoral base through the toxic mixture of patriotism, racism, religion and tradition.

But such toxic mixtures are also volatile as the events around the 6<sup>th</sup> of January showed, which in the language of a famous president will be “a date which will live in infamy”. The problem facing the capitalist class is that the base of the Republican Party is suffering from an expected but dangerous side effect generated by this endless hoodwinking; a fundamental distrust of the establishment, call it the swamp, call it the deep state, call it the metropolitan elite, but in the end, it will be identified with a little bit of help, as the capitalist class.

This distrust is fissile. Trump tried to trick the base into believing the Republican Party was the anti-establishment party, but when his condemnation of the events of the 6<sup>th</sup> echoed that of the grandees of the GOP, that myth was shattered. It is difficult to manage an establishment party where much of its base is in revolt against the establishment itself. Whether or not the leadership will admit to it, the Republican Party is at war with itself. Such a Party is of little use to the capitalist class. They have got what they wanted from it, low taxes, deregulation and a small state, only these ambitions have not led to nirvana but to the edge of the cliff.

Now they will have to cut their losses. Their financial strangulation of the Republican Party will temporarily drive it into the political wilderness. It may split with or without Trump’s help, knowing that if it does, it will never regain political prominence again. But the alternative is worse, a party driven by its base, held captive by its base, whose next leader may make Trump look like a sparkling democrat.

On the other hand, if the base is purged two effects may occur. Its most extreme elements will decay into individual domestic terrorists, a form of right-wing anarchism unknown for a century. While the rest may reconstitute themselves as a proto-fascist party. As a result, the low-grade civil war already in progress may be ratcheted up. The greedy Republican Party leadership deserves all these ugly alternatives.

What the USA needs is a revolution. Seventy to eighty percent of the population have nothing to gain from the preservation of a system which continuously fails them. But instead of revolution, war with China looks more likely, because such a war will not only maintain US hegemony, it will also serve to foster national unity amidst a national emergency.

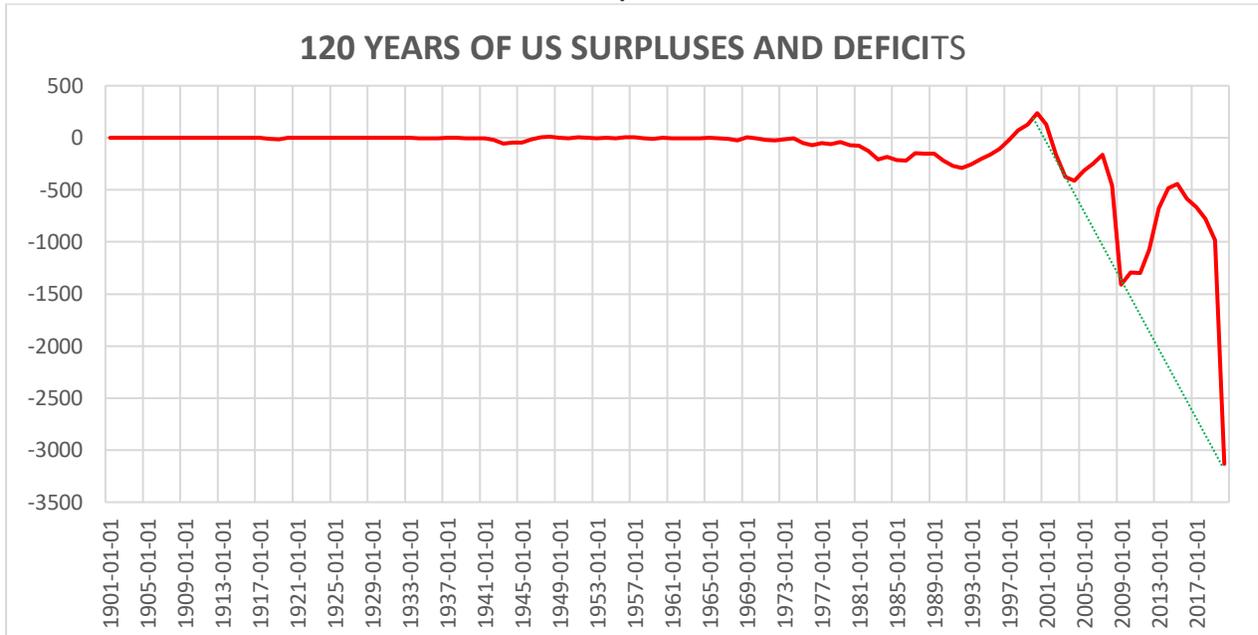
### **It all falls to the Democratic Party.**

The safety and sanctity of capital now rests on the shoulders of the Democratic Party, the last functioning bourgeois party in the USA. Though Biden has a wafer-thin majority in the Upper House, decision making should not be so cumbersome this time round. Given the demise of Trumpism, there may even be more bipartisanship evident.

The Democratic Party has ushered through a \$900 billion relief package, with another \$1,900 billion package in the wings. It is likely to be passed shortly after Biden’s inauguration as the vaccination effort depends on it. Given the failure of the Trump vaccination effort and that of the GOP Party at state level, they are unlikely to offer much resistance to the Bill because they will be damned for holding up the vaccination effort upon which everything depends.

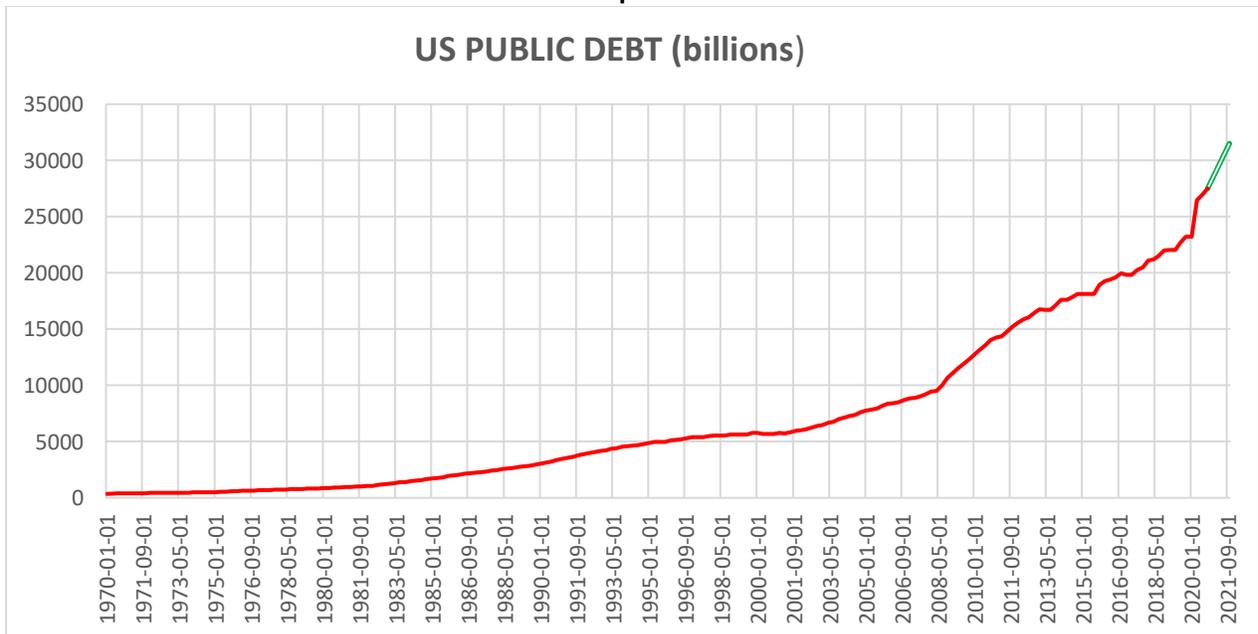
How well placed are the Democrats to advance their spending. Graph 1 below demonstrates the parlous state of US public finances. This graph shows the illegitimacy of neo-liberalism. Sure, the Neos' want a small state, but not a small Treasury. Their tax cuts for the rich has bankrupted the state. In the 21<sup>st</sup> Century budget deficits have soared. They have averaged \$767 billion p.a. Clearly capital is now dependent on the financial crutch provided by the Treasury.

**Graph 1.**



The subsequent growth in public debt is detailed in Graph 2 below. The green extension is my projection up to the end of 2021. It shows a \$21 trillion increase since 2008 or a 6-fold increase this century.

**Graph 2.**

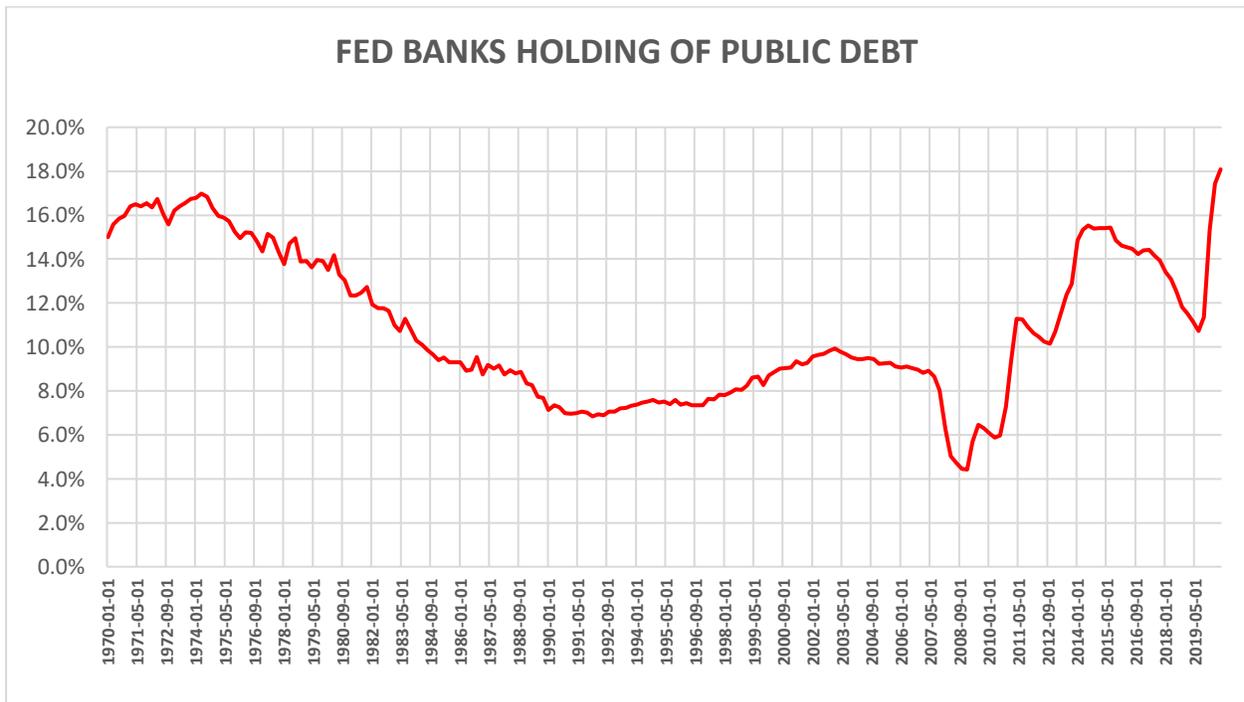


The sources for the data are FRED Table FYFSD for the 120 year series and for the deficit the Treasury Report which can be found on this link [Monthly Treasury Statement](#) The current debt for the 3<sup>rd</sup> Quarter is \$26945.391 billion according to the latest FYFSD. I have added a figure of \$572 billion for the fourth quarter obtained from the CBO January report giving an end of year total of \$27517.391. [56953-MBR.pdf \(cbo.gov\)](#) Based on the damage to the economy together with the \$2.8 trillion relief packages already in train together with imminent infrastructure commitments it is likely by the end of 2021 that figure will have soared to \$31.5 trillion.

These are truly massive figures amounting to 150% of GDP by the end of this year. One of the supports for this scale of spending is support for the Treasury by the FED. The FED is buying much of this debt issuance. For example, in the calendar year 2020 when the deficit grew by \$3.348 trillion, the FED scooped up \$2.237 trillion of that debt. In other words, for every \$3 of debt issued, the FED bought \$2. It is likely to do something similar in 2021 when at least as much debt will be issued.

The scale of FED buying is registered by Graph 3 below. The Graph below shows that FED purchases of debt is not new. FED holdings of government debt needed to support the war effort in 1973 was still higher than in 2015. It has only been exceeded last year. The difference of course is that proportionately, debt now as a share of GDP, is much larger than it was in the 1970s. In fact, it is four times bigger than the 32% of GDP found in the first half of the 1970s. (It is also worth noting that excluding lost production, the relief funds will equate to nearly ten years of military spending.)

**Graph 3.**



The acid test of course is interest rates. Can the suppression of interest rates continue to hold under the pressure of COVID spending plans? It appears not, at least in the USA. The final graph below plots the trajectory of the all-important 10-year Treasury rate. Since the middle of the year it has doubled, breaking through the 1% barrier and now standing at around 1.1%.

Graph 4.



This 10-year rate is the key rate for US treasuries. Most other interest rates such as mortgages are tied to it. Additionally, the behaviour of Stock Markets is predicated on its movement. The higher it rises, the more it impacts share prices as the gap between dividend yields and interest rates narrow. Its rise accounts for the nervousness found on Wall Street in recent weeks. And finally, this rate influences rates around the world because of the sheer scale of US Treasury issuances. According to the Bank of International Settlements privately held US Treasuries, excluding China, amounts to over 50% of treasuries issued worldwide. [c2.pdf \(bis.org\)](#)

Thus, in the competition for globally held funds, the attractiveness of US yields impacts the yields offered in other countries. The question is, can the FED arrest the upward movement in yields through increasing QE? We have seen that FED QE is currently responsible for mopping up 2 out of every 3 dollars of issuance. But that still leaves over \$1 trillion to be bought up by private lenders. To put this in perspective, that is bigger than the entire US Federal deficit in calendar 2019 which amounted to \$1.022 trillion. That deficit was sufficient to force the FED into the markets in October of that year to buy treasuries due to the financial sewers clogging up, oops I mean plumbing.

There is a further hidden consideration. GDP data and corporate profits obscure the fact that less surplus value is being produced. GDP and profits are inflated by the COVID relief packages that feed back into the economy. Literally, the US government is giving money to capitalists through these relief funds to lend back to it when it repurchases any newly issued Treasuries. This comrades is MMT in motion for the rich, circularity, but at the expense of raising government debt as a share of GDP while providing a steady

stream of interest to “coupon clippers”. The extent of this distortion in GDP and Profits was comprehensively investigated in an article on this site in late 2020 and the link is <https://theplanningmotivedotcom.files.wordpress.com/2020/12/breaking-america.pdf> Ultimately, this lack of actual surplus value production will impact loanable funds.

The chatter in the markets is about the return of inflation given the scale of the fiscal interventions unleashed in the US, China and Europe. Certainly, if the spike in the prices of oil, copper and iron ore are anything to go by, demand led inflation is now a real possibility. This will restrict the FED’s room for manoeuvre and its ability to suppress interest rates. From leading on monetary policy, the FED may now have to tail fiscal moves. Thus, the markets are now entertaining a QE taper this year. However, Powell has restated the FED’s commitment to intervene when necessary, but the markets are concerned that any intervention will now be subject to the law of diminishing returns in this new fiscal environment. In sum, a heightened degree of uncertainty is beginning to envelop the markets.

### **Censorship.**

It is worth adding in a brief review of the censorship of Trump by the main social media sites hosted by Facebook, YouTube Twitter and Amazon. The First Amendment allows for free speech, which meant the US State could not block Trump. This fell to the owners of the media sites mentioned. Marxists cannot support this kind of censorship. If it can be used against a President, then it can and will be used routinely against the left. The Chinese must be laughing.

The Far Right has now decamped to more obscure and encrypted sites such as Telegram and Signal in the belief they are safe from eavesdropping, if only. Most likely many of the more important, militant and larger groups have already been infiltrated by the secret police including the FBI. Thus, if these agents are sitting inside the encrypted tents, they will be feeding their handlers all the information circulating within these sites.

The point being made is that the internet could be a great disseminator and pollinator of ideas. The capitalist class is just as aware of this as we are. They gain from the flooding of the internet with false news, not fake news to bury the real clash of ideas. The term false news is not the same as fake news. False news is consciously organised misinformation with the purpose of obscuring or deflecting objectively verifiable and practical news and information. Fake news is much broader and includes everything from daydreaming on the keyboard through to malicious and malevolent gossip and opinion.

However, we cannot rely on the internet. In many countries the authorities have taken it down during moments of acute political crisis. Thus we should use the internet when we can and resort to more traditional means such as leaflets and pamphlets when we cannot.

### **Conclusion.**

We should not be overawed by the 74 million who voted for Trump. Many of these votes were anti-establishment votes or what is the same thing, anti-Democratic Party votes because that party is identified with the establishment. The moment Trump turned against the protestors echoing the words of his Republican Party grandees, he became part of the establishment. Clearly those protestors who are facing prosecution and pathetically calling for a presidential pardon, especially if they flew by private jet from Florida to Washington, will find their calls going unanswered. Trump has inherited the worst of both worlds. Had he accepted the vote prior to the 6<sup>th</sup> and stopped all attempts at overturning it, he would

have been the preferred Republican candidate for the 2024 Presidential Election. Had he continued to “love” rather than betray his movement, he would have retained their loyalty. But he miscalculated on the former and bottled the latter, which is why it is now accurate to talk about a post-Trump USA. The late president, not the great president.

We do not know how long this pandemic will endure, whether there will be repeated mutations making catch up re-inoculation necessary, because bodies around the world are so malnourished, metabolically disturbed and polluted. A bonfire for the virus. By the month of May, the picture will be much clearer. Whatever the case, the new administration faces the biggest challenge to any President since the Great Depression before the War. The markets may be expecting a bounce back and a repeat of the roaring 1920s, however, it is likely they will be facing the burning 2020s.

After his second impeachment, Trump warned the Democrats to be careful of what they wished for. Similarly, with Biden and Harris. They should be careful of wishing to become President and Vice-President in these turbulent times. Biden’s platform will be national reconciliation. He would be wiser to instigate national enquiries with prosecutive powers into the behaviour of Trump and the GOP covering their reckless endangerment of voters for narrow party-political purposes during the elections. Such investigations will permanently diminish the GOP. But hey, the Mandela factor will prevail.

The US is a severely damaged and decaying economy and society. Its rate of profit, its’ life force, is ebbing, meaning the economy is being kept alive on the cheap money ventilator. In the round Biden’s Federal Credit Card is maxed out. His room for manoeuvre constricted. Debt all round is very fragile, including corporate debt. Michael Roberts has elaborated on this in his blog with good effect. So far, a financial crisis has been averted, as well as a second stock market crash. But everything is treacherous and in the balance. Biden will have to mind his step, not that he would hesitate to step on the heads of workers if this helped capital. Biden may preach national reconciliation, but he will have his hands full holding together the various factions within the Democratic Party as he does the bidding of capital.

At some point fear will give way to anger. Political restlessness will pervade the left and right challenging past loyalties. As revolutionaries we should not ignore the workers held captive by the Republican Party. They have had their lives wrecked and if not wrecked then blighted by capitalism. They can be won to an anti-capitalist programme. The division between workers in the metropolitan areas and the hinterland, between black, white and Hispanic can and must be overcome.

The age of populism is over. Fascism is not inevitable. The working class is not yet rebelling. The capitalist class are currently repelled by the far right after events at the Capital rather than drawn to it. There is no Stalin to prepare the grounds for the triumph of a fascist dictator. The situation is serious, but not critical. The left has much ground to make up, but we can. In the immediate future reformism will be the main obstacle.

We have now entered the white waters of history where everything is moving fast and furious and all that was solid and anchored is tumbling and cracking open. This maelstrom can be summed up as follows: war or revolution, climate catastrophe or revolution, disease or revolution, mass hunger or revolution. This will be the decade when society, finally, has arrived at the unavoidable cross-roads of history.

Brian Green, 16<sup>th</sup> December 2020.