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America Threatens to Self-destruct if Other Countries don't Obey it

The problem facing the U.S. economy is that its regressive and pro-rentier policies favoring the Finance, Insurance and Real Estate (FIRE) sector has turned it into a high-cost financialized economy with privatized health care and public infrastructure. Yet President Trump dreams of enabling it to compete with mixed economies whose governments subsidize basic needs and services so as to keep down the labor costs that employers have to pay. The only way that the United States can succeed in this strategy is to make other economies equally high-cost and financially overburdened.

U.S. diplomats have focused their threats on more efficient mixed economies, above all China (having already imposed neoliberal policies on most of the eurozone). The aim is to threaten economies that have strong public subsidy of basic needs – or which, like Cuba, Venezuela and Iran, resist neoliberal policies and U.S. financial control of their key sectors – with trade and investment sanctions intended to prevent them from excelling in industries that U.S. trade strategists want to monopolize, above all information technology and military technology.

Other countries are defending themselves from U.S. financial aggression by creating linkages aimed at bypassing the U.S. economy. Such efforts necessarily start by avoiding the use of U.S. dollars, and aim ultimately at avoiding U.S. information technology in order to defend against U.S. Government agencies' routine methods of spying. These defenses require creating a common non-dollarized financial system, including their own alternative to the SWIFT bank clearing system. The U.S. attack on Huawei shows the need for countries to create and regulate their own IT systems. Finally, they must become self-reliant in basic food production, energy and other basic needs so as to protect their economies against U.S. tactics of “pulling the plug” by sanctioning their food imports, oil and gas imports or other basic needs.

This paper explores the main scenarios and how countries may protect themselves from the losing game that U.S. diplomacy is trying to impose on the world, and which it calls “the end of history.”