

POPULISTS LIKE TRUMP AND MUSK ARE LIKE FIREWORK SPARKLERS. THEY BURN BRIGHTLY, FURIOUSLY AND THEN GO OUT.

This article looks forward to Trump's inauguration and his first days in office. Never before has a president promised so much to so many so quickly. Or should we say never has a would-be-president fooled so many so completely. Will he end the war in Ukraine, will he purge migrants from the country, will he erect a tariff wall or simply use his first few days to establish his autocratic rule?

In every way Trump will personify the limits of US imperialism. And because these limits are tight, given the decline of US imperialism, his rule must necessarily be autocratic. He knows he has overpromised and will underdeliver which will create a backlash. Not so much the art of the deal as the fart in the face deal, and he needs to contain the stench.

Trump is playing with fire: fool me once, shame on me, but fool me twice, shame on you. He has had an early foretaste of this with Musk. Already, there is civil war within the ranks of MAGA potentiating MEGA trouble, and this even before inauguration day. It is beginning to dawn on the MAGA base who voted Trump in, that his gang are not nationalists but globalists, that they will not drain the swamp because they are the swamp, that while the oligarchs who funded Trump and these voters may be Americans there the similarity ends. What the base wants would be good for them but bad for profits and what the oligarchs want would be good for profits and bad for them. That it is an irreconcilable class issue. You can try to drown the term - class - but it always bobs to the surface, because reality cannot be systemically denied.

All of this is concentrated around Musk whose brain is vacationing in his mouth or on his phone. This racist white ex-South African is in fact an [illegal migrant](#) who overstayed his student visa. Obviously that experience was so unsettling that he has gone out of his way to sponsor legal migrants coming to the country. To make way for them he recently fired born and bred Americans working for Tesla to create the opportunity to [hire H-1B workers](#) to replace them. Such kindness shown to indentured workers suffering higher rates of exploitation may not bring tears to one's eyes but it will bring lots of cash to the coffers at Tesla. And Musk needs every cent as his company faces the heat of Chinese competition protected only in the US by a tariff wall. That's why he has told his critics to *fuck themselves in the face* while he argues for lifting the cap on H-1B visas for the benefit of Tesla and his shareholders.

To rub salt in the wound, [Tesla and Musk do their best to avoid paying US taxes](#). Surely the definition of a patriot is someone who pays their taxes their country so that their country can thrive. There is a word for tax-dodgers; traitors. And in time Musk and Trump will be outed as traitors

Trump and gang are beginning to realise they have created a monster, and if not created it, then saddled it up. They are not the first, the richest family in the world, the Koch brothers who funded so many right wing causes and organisation learnt to their horror that many were in fact antisemitic. Now Musk is learning that the audiences he danced in front of are narrow minded racist-nationalists who have sussed him out. It is likely that Trump would like to bust Musk but he can't. Firstly, rejecting Musk would wipe hundreds of billions off Tesla's share price which could become a black swan for the bloated share market, and secondly, busting him before he takes office will be humiliating for Trump who does not do humiliation. If Trump is mistakenly known for his loyalty, it's because he does not like being humiliated by having to U-turn.

What is interesting and what everyone has read incorrectly, is why Trump is posturing over the Panama Canal, Canada, Greenland and the Gulf of Mexico. There are two interpretations. The first one which I do not agree with is that Trump is seeking to reinstate and re-imagine the Monroe doctrine creating a US dominated sphere of influence from the Arctic down to Cape Horn at a time when the BRICS are encroaching on the Western Hemisphere with Brazil a member and now Cuba an associate member.

The second interpretation is more likely. That this is mere deflection and distraction. Trump cannot address the main course, so instead he is focusing on the crumbs under the table and directing attention there. The main course is of course prices, tariffs, the border and tax. If this interpretation is the correct one it is an indicator that he is in the process of adulterating many of his major pledges while people are distracted by his muscle slaps. If Trump was a poker player he would have lost his shirt a long time ago. He is so easy to read, but then all comers are.

Let us now turn to his individual promises or better still boasts because election pledges need substance otherwise they are simply boasts.

Ukraine.

The Russian media have a different take on Trump reasserting the Monroe Doctrine extending it to cover the entire hemisphere. They see it as a defensive move sparked by the defeat of US ambitions in Ukraine which has had international consequences, weakening not only the USA but Europe as well. In turn it has emboldened the Global south. They see Trump, to use a pioneer analogy, circling the wagons around the western hemisphere preparing for the inevitable.

The Russian offensive in Ukraine is speeding up. No doubt by January 20th Putin and his government will want the Ukrainians pushed out of Kursk completely, and Chasiv Yar, Toretsk, Liman, Seversk and possibly Luhansk taken. It's why Zelensky was willing to throw a few more thousand troops into the Kursk cauldron to try and hold on to this backwater until the 20th. With these crucial hubs captured, Russia will have won the war strategically and undeniably.

Thus Putin will have presented Trump with a *fait accompli*. It will be a reality check for Trump exposing the weakened state of US imperialism. I deliberately chose the analogy of 1905 to describe the *Ukrainian Adventure* which revealed the industrial wasteland which is the US today. This was the first war since WW2 where the US faced an equal adversary and was found wanting. In the end it is not software that wins wars but hardware and plenty of it, most of which the US can no longer produce.

Putin will not take kindly to Trump's fake promises, bombast and grandstanding. Nor will he be beguiled by the promise of a summit with Trump. Russia has been the victim too long of US machinations, betrayals and deceitful conduct going back all the way to the 1990s. He has been burnt too often by US imperial policy which in the end had but one purpose, to do a Yugoslavia on Russia, that is to tear it apart in order to plunder its riches. Russia is in the driving seat and there is very little Trump can do to unseat Putin. What better proof of this can there be than Zelensky, who like Hitler in his bunker at the end, is throwing tantrums as the bad news rolls in.

Russia will require a treaty which cedes the four Oblasts where Russian speakers and identifiers live in the majority; where Ukraine agrees never to join NATO; where new elections are called in Ukraine because constitutionally Zelensky is no longer president, and finally where what is left of the battered Azov brigades are demobilized. Putin and Lavrov have not wavered from these goals since the war began. Should Russia

succeed in imposing these terms it will have rolled back the Western Assault on the country through having established a new balance of power. The political consequences will be immense for the West. While Putin will not seek to humiliate Trump he will make it clear that Russia can and will stand up to the West.

Trump has always been on that wing of the US imperial class which opposed a war on Russia to focus on China. He always sought to neutralize Russia in this conflict by weaning Russia away from China isolating China that way. On the other hand, the main arrogant wing of US imperialism sought to kill two birds with one stone. To first defeat Russia militarily in order to isolate and surround China and then to exploit Russia's riches. They understood a Sino-Russo alliance would disadvantage the West and likely make China unassailable. Since Trump's first term in office the world has changed. China and Russia are more closely aligned and the US and Europe have been more weakened by this war than any other since 1945. Trump is unlikely to wean Russia away from China and the BRICS who are growing in strength.

Trump has therefore to navigate the narrowest of paths. What does Trump have to gain from a peace? His ally is defeated and Trump recognises this. He is unlikely to drive a wedge between Russia, Iran and China. All he can achieve is to refocus the US pivot to China by distancing the US from Ukraine. This leaves him the onerous task of selling this threadbare peace, which is likely to take the form of him threatening Armageddon unless Putin makes some concessions, concessions which will no doubt be cosmetic. What is unlikely is that Trump will withdraw all the sanctions and return the loot which the West has stolen back to Putin, because US imperialism needs to keep Russia weak.

The difference between Biden's dementia and that of Trump can be explained in one sentence; whereas Biden lost his thread, Trump is punching the air and raging at the world while pointing his finger in the face of his allies. Who would be attracted to this raging display. No one, certainly not the Global South, who sees these empty threats for what they are, a sign of growing US powerlessness. This does not however make Trump less dangerous; it makes him more dangerous.

And the same decay applies to Europe itself. The talk around European dinner tables is no longer whether the EU will be expanding but whether it can hold together. The EU is becoming less attractive by the day. In contrast, the Eurasian project centered on the BRICS is beckoning. More East European countries who are feeling the pain of economic decline forced on them by EU strictures are getting restless and more willing to disregard Brussels.

Tariffs.

The leading pledge, which even trumped his promise to boot out the *illegals*, was his promise to ease the pressures on standards of living by reversing price rises through cheap energy and deregulations. It was this single boast what won him the election. On the other hand he also promised to provide jobs by setting up a barrage of tariffs aimed at all importers but particularly those from China and Mexico.

The specter of these tariffs has disturbed Trump's entourage who have been briefing the press that the tariffs will not be as draconian as previously announced. Within hours Trump rebuffed them causing the markets and the dollar to fluctuate. Clearly trying to reign in the second demented President in a row is proving difficult. (One wonders if his handlers will be forced to do a *Mia Culpa* as Biden's were forced to do towards the end of his term in office.)

Trump could enact tariffs without Congressional approval in one of two ways. Firstly by using the *International Economic Emergency Powers Act (IEEPA)*, as he threatened to do against Mexico in his first

term, or he could use Section 301 of the Trade Laws which deals with security matters. Unrestrained, no-one can predict what Trump will do. Some say he using these threats merely as a bargaining tool to exact concessions from competitors others describe his intentions as unwavering.

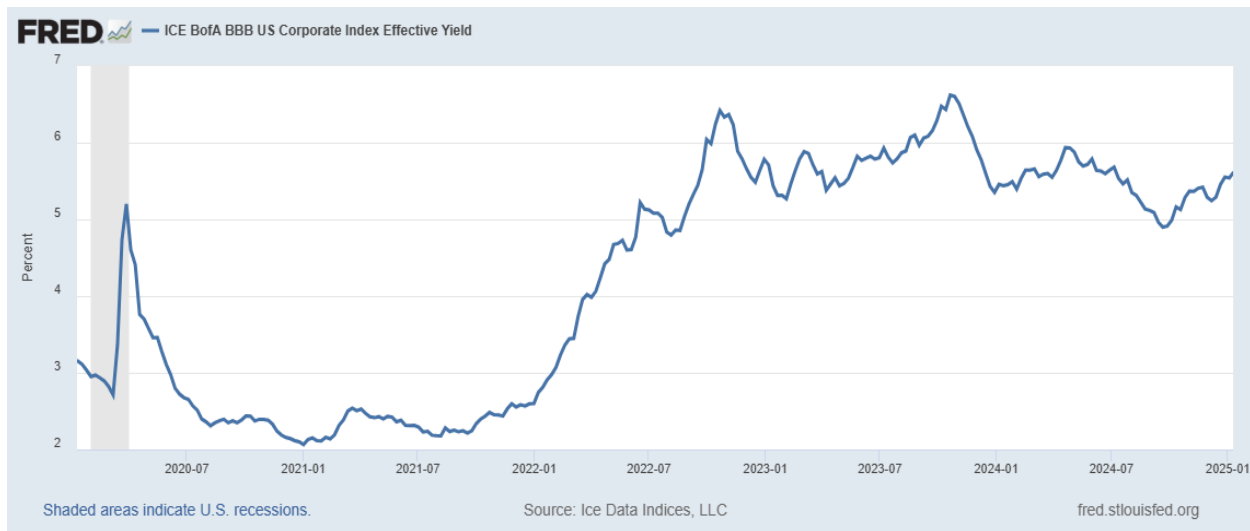
Two things are clear. Firstly, a US tariff wall will be devastating for the fragile world economy because the [US is the world's biggest importer](#). And it will be devastating for US consumers as most of the cost of these tariffs is likely to be passed on to consumers. This would cost lower paid households [at least \\$1,900 p.a.](#) That's the equivalent of what these households pay for their gas and electricity bills, which an increasing number, [21 million households](#) and rising, can no longer afford to do.

Now it must be noted that Trump's reaffirmation of his tariff pledge is coming at a time when many of his MAGA supporters and voters are beginning to twig that all is not well with Trump's economic policies and promises. They are beginning to realise that Tariffs are not a magic bullet but something which could hurt them. Add in the mixed signals about the Affordable Health Care Act, with a number of supportive elements expiring in 2025, and concern is growing.

Tax Cuts.

Here Trump is going to forge ahead. But again he is constrained. Fear of a rising Federal Budget Deficit due to his proposed tax cuts is inter alia driving up US Government Bond Prices with the 10-year rate poking its head above 4.7% which is above the FED rate of 4.25 to 4.50%. Ominously the long bond yield is moving in the opposite direction to the FED rates. These high rates are already unmanageable for many sectors of the economy from housing to personal and corporate debt. Below we can see how BBB rated bond yields are starting to pick up again despite the FED cuts. Ominously, BBB rated bonds represent half of all US corporate bonds and [nearly 40% worldwide](#) making it the most popular investment grade (just) bond.

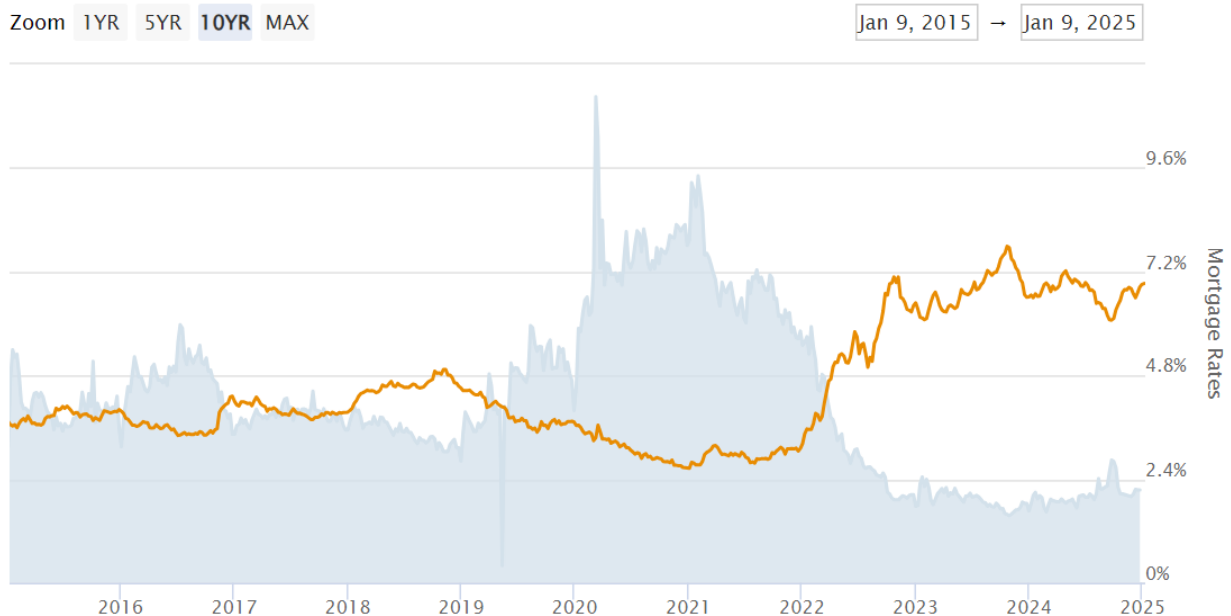
Graph 1.



It is the 10-year yield that sets most swaps and other lending rates such as mortgage rates in the USA. Theoretically cuts to FED lending rates should lower mortgage yields but this relationship is breaking down once more due to the behaviour of the 10-year yield. As we can see below, [mortgage rates](#) are being driven up making housing unaffordable, collapsing mortgage application demand. Mortgage rates are up by half from pre-pandemic and applications are only half of their previous level.

Graph 2.

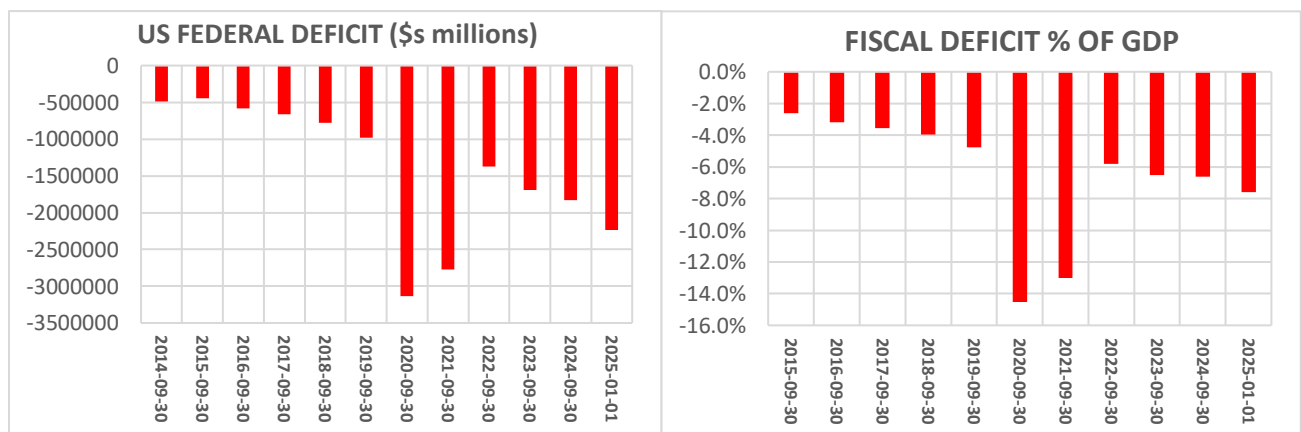
Composite Index vs 30 Yr Fixed



Whatever Trump has promised about making *owning your own home more affordable* through deregulation (the quality of housing is already worse), opening up federal land, kicking out migrants, all of this has been cancelled out by rising mortgage rates. The opposite of what Trump had promised before the elections. Once again we have Trump promising to bring one thing down without admitting it would cause something else to go up. He really is engaged in see-saw economics and no doubt given the severity of the see sawing some of his followers are bound to fall off. And not only fall off but be bankrupted as [foreclosures start accelerating](#) due to unfordable mortgage payments.

The fact is that further tax cuts are unaffordable. This is what the bond markets are telling Trump in no uncertain way. Already the projected deficit for fiscal year 2024/5 is over 7%.

Graphs 3A & B.



For an intelligent view of where the cuts may fall, read this [Forbes](#) article. It shows that most of the cuts will hurt spending which assists the vulnerable and on education, and this at a time when like Healthcare, US education is below-par standing at 13th in the PISA rankings. Perhaps that has something to do with teacher vacancies and salaries which have flatlined for ten years. *"[The average base salary for full-time public school teachers in 2020–21 was not measurably different from 2011–12, in terms of constant 2020–21 dollars \(Characteristics of Public School Teachers\).](#)"* It seems the problem in education is not ideology Mr. Trump, but workers fed up with falling standards of living and falling down school buildings.

Once again the claims of a bloated state is nothing more than the rant of the oligarchs intent on getting their bloated hands on tax cuts. As in his first term, Trump's tax cuts will mainly benefit the rich, on those who can afford to pay more taxes to rehabilitate the country's infrastructure and services.

Migrants.

On the one hand Musk is seeking to reduce spending by the government to allow for tax cuts and on the other Trump is determined to purge migrants. Like Trump, Musk boasted that he intended to cut two trillion \$s from the federal budget through his new agency DOGE, until it was pointed out to him that the maximum discretionary spend by the government only came to \$1 trillion, forcing him to retract his boast. There can be two interpretations as to why Musk did not even seek advice before making his claim. One is that he is incompetent. Secondly that he is not serious about cutting. I am drawn to the second view. DOGE is really DODGY. Musk and his entourage are more concerned about pillaging (privatizing) the state and extracting contracts than actual efficiencies, because efficiencies will be hard to find in a government where most workers are already underpaid and overworked, in contrast to the tripe put out by the alt-Right media that they are feather bedding.

Which brings us back to the issue of migrants. Trump insisted that kicking out migrants has no price tag. But it does. Various bodies and evidence to Congress suggests that any large scale deportation programme will cost at least \$86 billion and more likely over \$300 billion over the four years Trump will be in office. Thus discretionary spending, despite Musk's best efforts, will go up rather than come down, were this to happen. And all of this before the impact of the losses to the capitalist economy itself which gorges on cheap unregistered labour.

Thus Trump's emphasis will be on preventing migrants entering the USA coupled to symbolic deportations particularly through a few high profile workplace raids. Not that Biden has been idle: *"[Immigration and Customs Enforcement](#) deported 271,484 noncitizens to 192 countries in fiscal year 2024, surpassing the previous record set by the Donald Trump presidency."* [Other observers](#) put the figure of deportations higher citing Department of Homeland Security data. *"2.5 million people have been released into the U.S. and 2.8 million have been removed or expelled."* This has not stopped the Republicans claiming that Biden has been *soft* on immigration by releasing up to 8 million migrants from ports of entry into the interior. The Democrats, to maintain their liberal credentials have kept relatively quiet about their record of deportations. To be candid, the capitalist bosses have never allowed unregulated migration under any president, they have always weighed up the benefit of topping up the reserve army of labour against the costs to government of an enlarged population. They have never allowed migration to overflow their needs.

No doubt the same processes used by the Biden Administration will be adopted by Trump but with this difference, instead of the tag *soft* being attached to the numbers, the word *hard on migrants* will be

attached. There will be more deportations but not that many more. But they will be harsher to confirm his determination to expel all 'illegals'. Trump may even go as far as seeking to end *birthright citizenship* knowing that Congress will defeat it and if not Congress then the Supreme Court because it is unconstitutional as this violates the 14th Amendment going back to 1868. And no doubt Trump will complete his wall which of course without anti-personnel mines is scalable. Alongside this there could be the high profile clearing out of the homeless from urban areas and their deportation beyond the city limits. Like all proto-fascists Trump seeks to eradicate the homeless and unfortunates from view which is the first step to eradicating them from existence. Under Trump the US will become an even uglier place.

Trump the autocrat.

It is likely that Trump's first order of business will be to wield more power through Executive Orders loosening the traditional checks and balances on the President. Already Trump comes into office protected by a Supreme Court ruling that grants significant immunity for official acts by the President. But Trump has a problem, despite him winning by a 'beautiful' majority (translated actually [below 50% of the popular vote](#)) the [lower House of Congress](#) is more or less evenly split between Republicans and Democrats and some Republicans when measured against Trump, are more Democrat than Republican.

Trump seeks to reshape the federal government, but unlike Musk, not because they are allegedly indolent, but because of their liberal political beliefs. The foremost lever to enable Trump to reshape the federal machine is the power to hire and fire Federal Managers, but not only Federal Managers, also Agency Managers normally outside the purview of the President. Normally this is called a purge where the management of the country is replaced by Trump thinkers or shall we say *Project 25* debutants.

Like all autocrat's, education is important to him although we would spell that 'indoctrination'. He plans to scrap the Department of Education as he considers it to be a bastion of left-wing thinking contaminating the minds of the children of the USA. And to prevent the media contaminating the minds of adults he seeks to bend the media to his will as well. Already [Zuckerberg](#) has crawled on his knees from his private jet to the lawns of Mar-el-Lago to supplicate Trump by abolishing fact checking and changing Meta's privacy policy. Like X this is not only political but economic, an excuse to fire all those fact checkers to raise margins. Meta has a case study on this, X only survived by culling factcheckers and moderators as it lost advertising revenue. Seems the bottom line is more important than freedom of speech.

And finally Trump will crack down on civil disobedience and the right to protest. Not that Biden did not. His attack on *anti-Zionist* student protests on University Campuses was just as severe as Trump's crack down on *Black Lives Matter* protests. [The American Civil Liberties Union](#), always more critical of Republicans, sets out the road map how Trump can restrict the right to protest and how far he will go to mobilise the state and its oppressive arm to stifle dissent. "*A second Trump administration threatens to use executive authority to further limit First Amendment freedoms, surveil Americans and undermine democracy.*"

Conclusion.

Economically Trump is hemmed in. He inherits a fragile economy not a resilient one as we are told at every opportunity. The economy cannot afford Trump and because of this neither can the stock markets. This is an over-indebted economy with tens of millions impoverished and which is kept aloft by a love-in with AI and fiscal deficits. However, there is one indicator that the hype around AI is coming to an end and that is

the cheering of future wow developments by every tech leader whether it is Huang of Nvidia, or Altman of OPENAI or Nadella of Microsoft etc, all of whom are facing towards the future open-mouthed about the dramatic and escalating possibilities of LLMs.

A.I. it seems is about to handshake humanity, but is it? Here is the rub. If High Tech is telling us to prepare for future breakthroughs it means the present ain't so good after all. Its like all that marketing hype on the box, our soapsuds are new improved, which means the previous product had to be, well, ordinary. And so it is with the present A.I. which is still patchy and elusive. Yes LLMs are smart mimics capable of shouldering some workers out of their jobs, but beyond that, nada. Its now 24 months since CHATGPT was launched with much fanfare, but the much expected killer application is yet to materialise in the immaterial world. Worse the latest iterations may be cleverer, but they are also less manageable which makes them more labour intensive not less labour intensive, negating the goal of them running unsupervised as independent agents, the so called next big thing.

If this prognosis is correct then AI will fall to earth and the markets onto the floor. This will further hem Trump in, not to mention relegating Musk from being the richest man in the known galaxy.

Thus it is likely that Trump will focus on geo-political issues trying to set the world to rights after what he considers to be the Biden administration's failures. He will use the Oval Office and the Whitehouse lawn, weather permitting, to threaten friend and foe alike. The president who boasted he never started a war, not true, seems intent on threatening them. Of course he will focus on China, because as could be seen in his most recent vitriolic and bizarre press conference, he sees the China threat all around him: *"Look, the Panama Canal is vital to our country, it's being operated by China, China. And we gave the Panama Canal to Panama, we didn't give it to China,"* (Watching Trump, if it was polite to spit when uttering the word - China - he would have done so in this sentence.) But he will also have a lot to say about Europe, the Middle East and the Ukraine.

With regard to his best friend Netanyahu recent developments have shown a cooling of the relationship and a departure from the Biden Administration's indulging of Israel at every turn. With his fixed-focus attention on China, Trump does not want to be distracted by Israel. Trump recognises that the Ukrainian debacle has weakened the US, and therefore that the US cannot afford another Ukraine in the Middle East by going to war with Iran as this would cripple US military efforts to tackle China. His way of resetting the relationship, where the how and the when will be decided by the Pentagon, not Tel Aviv, has been to publicise and therefore endorse the words of [Professor Jeffrey Sachs](#) who is anti-Zionist and who has been lamenting the fact that US foreign policy in the Middle East, to the detriment of the USA, is being dictated by Israel via APAC the Zionist lobby group in Washington.

Only once Trump's bombastic global repetitions become stale, will he be forced to address the economy. And then his MAGA followers will find all his promises disappointingly watered down. Trump will then find to his dismay and discomfort, that not only has he made enemies abroad, but he has also made enemies at home. He will recognise that amassing Executive Powers was not a goal in itself, but a necessity, a means to deal with the fall out from his betrayals.

Trump will go on and on about making America Great Again. But the cracks will appear more quickly than he anticipates. His lies will come undone as is the case already with the fires in Los Angeles. Trump is not only lying about smelt fish, about the lack of fire preparation, about the dumbing down of the forestry

commission but he is doing so while wining and dining Californian Republicans in his Palace in Florida thousands of miles away from the smoke.

The left is *despairing* about the rise of the right, they should instead be *preparing* for its inevitable fall. As history speeds up so the world has become too unforgiving of bullshitters like Trump. The arrogance of the oligarchs borne out of the prior passivity of the working class will in the end be their undoing. The working class is restless, the inertia of passivity is being overcome, their temporary support for populists and their easy answers, is proof positive of this. The dialectical pendulum is in motion and we need to lay the ground now to take advantage of this through exposing the lies of the populists and providing solid historical solutions to the predicament and despair workers find themselves in.

Brian Green, 13th January 2025.