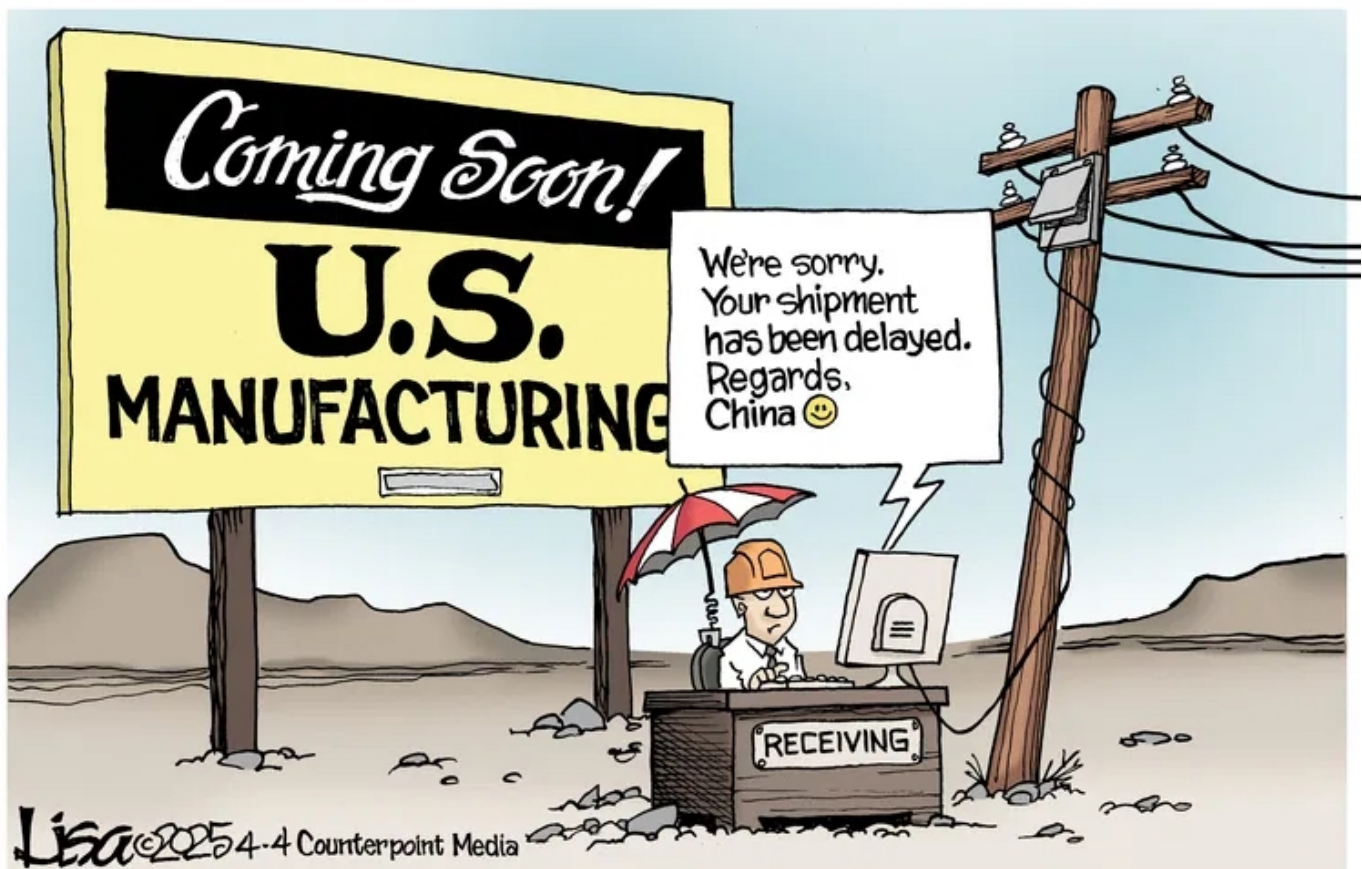


The failure of tariffs in a declining empire

written by Gary Wilson
May 15, 2025



Speaking to Congress after 100 days in office, President Donald Trump claimed that the new tariffs on imports are about reindustrialization, “making America rich again and making America great again,” he said.

Every declining empire built upon exploitation and conquest has clung to the dream of reviving the former glory and splendor of its golden age of robbery and oppression in one final, desperate attempt.

Executive orders and oligarchic rule

To impose the tariffs, the Trump administration has turned to oligarchic rule, the authoritarianism of the billionaires. Tariffs are a form of taxation that the Constitution explicitly reserves for Congress. Usurping the authority of Congress by invoking emergency executive powers to impose tariffs is part of Trump’s mode of autocratic governance, including defiance of judicial rulings and aggressive actions against immigrants and political opponents.

Why do Trump and his gang of billionaire oligarchs think that tariffs are necessary to encourage “reindustrialization”?

The decay of the profit motive

The root cause is the decay of capitalism’s core engine — the profit motive. At one time, the profit motive was the driver of economic development; now it has become an obstacle. Monopolies stifle competition, and filling shareholders’ pockets takes priority over expanded production, so unstable financial speculation now dwarfs productive industry.

Profit maximization has driven globalization. Banks and monopoly corporations often move production to countries with low wages to increase profit margins.

The monopolistic dominance that once secured U.S. global supremacy is now

paralyzing its capacity to compete. Even the capitalist class acknowledges that the profit-driven system cannot generate reindustrialization on its own, revealing a fundamental flaw in the capitalist system.

Tariffs: An admission of failure

The goal of reindustrialization through tariffs is not a solution but an admission of failure. It reveals that capitalism can no longer be fixed through its own mechanisms.

The reality is that capitalism's decline is irreversible. No amount of government intervention by Trump (or anyone else) can resuscitate a mode of production that prioritizes the extraction of profit over renewal, over developing and building what's needed.

Capitalism's fixation on profits has undermined its productive foundations.

What real reindustrialization would require

To "Make America Great Again," to reindustrialize and develop what's needed, would require policies and actions that are exactly the opposite of what Trump is doing.

Reindustrialization would require an expanding workforce, not Trump's anti-immigrant purge.

Reindustrialization requires skilled workers. The Reagan administration made substantial cuts in federal education spending, laying the groundwork for the neoliberal reforms of the Clinton administration, whose privatization mandates and emphasis on market-based solutions accelerated the erosion of the public education system.

The reindustrialization campaign pushed by the Biden administration led to Taiwan-based TSMC, the world's largest contract chipmaker, announcing in April 2024 that it would establish manufacturing facilities in Arizona. While there was a great deal of publicity when it was announced, the project remains in development with no certainty when production will begin.

The company has had difficulty finding skilled local workers, leading to delays in the project's timeline. To mitigate the skilled labor shortage, TSMC has brought in over 1,000 experienced workers from Taiwan to assist with the installation. Approximately 50% of the current workforce setting up the Arizona facility are Taiwanese workers.

The company has instituted a local educational program in reading and math for the tech skills required. The Arizona Academic Standards Assessment, or AASA, results show that only 40% of the students in the public school system passed the reading (English Language Arts) test, only 32% passed the basic math test.

The alternative: Production for need, not profit

Reindustrializing and building what's needed would require a system driven by production based on needs, not on profit — socialism.

