

**Trump-erialism**



**Trump 2.0**

During his campaign, President Donald Trump reminded the public he didn't start any wars in first presidency, and pledged the same in his second term. He even declared himself as the president who could "prevent World War III."

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Despite this, he is focused on an “America First” foreign policy, adopting ambitions resembling imperialism for his second term.

Notably, President Trump has expressed intentions to reclaim the Panama Canal and acquire Greenland, possibly through military means, and has suggested employing economic pressure to push Canada into becoming the 51<sup>st</sup> state of the United States.

This article examines the motivations behind President Trump’s “imperialist” agenda, and whether it represents a calculated strategy, an impulsive power play, or a bit of both.

## Greenland

Late last year, then President-elect Donald Trump declared on Truth Social that “ownership and control of Greenland is an absolute necessity” for America’s “economic security.” After World War II, the US briefly occupied the Arctic Island, but abandoned its bases soon after. Greenland, under Danish control since the 14<sup>th</sup> century, became a self-governing territory fully integrated with Denmark in 1953. President Trump first revived the idea of acquiring the island in 2018 during his first term. To signal his seriousness this time, he sent his eldest son, Donald Trump Jr., who landed his personal Boeing in Greenland’s capital, Nuuk, on a private tourist visit. But why would President Trump want to control Greenland? There seem to be two strategically calculated reasons behind this ambition.

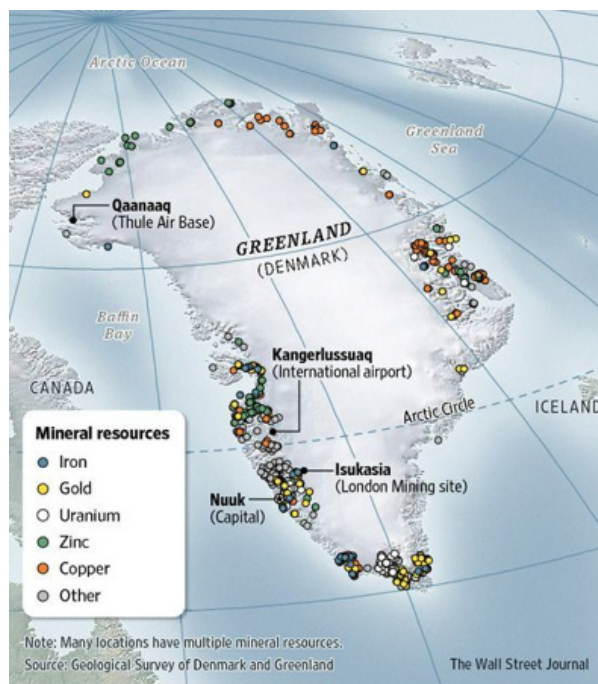
The first is its strategic shipping routes. Greenland, situated to the northeast of Canada and largely covered by the vast Greenland Ice Sheet, is the largest island in the world but is home to only about 60,000 people. A semi-autonomous territory of the Kingdom of Denmark, Greenland has its own elected government while remaining strategically significant on the global stage. Positioned between the US, Russia, and Europe, Greenland holds immense value for both economic and defence purposes. The melting of Arctic Sea ice has opened new shipping routes, enhancing its importance for global trade and military strategy and is also home to the northernmost US military base. “We need Greenland for national security purposes,” President Trump stated, “I’m talking about protecting the free world. You have Chinese ships everywhere, Russian ships everywhere. We’re not letting that happen. We’re not letting it happen.”



Source: MSN

The second reason is Greenland’s untapped wealth of natural resources. Greenland’s ice caps are melting at an alarming rate, losing 270 billion tons of water annually. It is estimated that the region could be ice-free during summer as early as 2030.

While this is a stark reminder of the accelerating climate crisis, it opens the door to previously inaccessible opportunities for resource extraction. The island is believed to be rich in oil, natural gas, and a wide array of valuable minerals, potentially up to 31 different types, including lithium and graphite. These materials are essential for producing electric vehicle batteries, making Greenland particularly attractive to industries such as those led by Tesla CEO Elon Musk. Currently, China dominates the global production of graphite, controlling 65% of the market, which underscores Greenland’s potential as a critical alternative supplier. Moreover, Greenland holds significant reserves of rare earth minerals, which are indispensable for cutting-edge technologies like semiconductors, artificial intelligence, and advanced military equipment such as the F-35 fighter jet. With 90% of rare earth production controlled by China and Russia, Greenland represents an opportunity for strategic independence in securing these materials. Rare earth demand is currently higher than supply, which has kept prices high.



Source: Politico

Four potential scenarios could emerge:

**Scenario 1:** President Trump loses interest, nothing happens. This could all be hot air. Some believe that his bold statements are simply a tactic to pressure Denmark into strengthening Greenland’s defences against growing Russian and Chinese influence in the Arctic.

**Scenario 2:** Greenland declares independence and seeks closer ties with US. Greenlanders have long viewed independence as inevitable, and if they vote to break away, Denmark will likely honour the decision. Greenland could then look to the US for support, perhaps through a free association agreement, like the Marshall Islands, Micronesia, or Palau.

**Scenario 3:** President Trump plays the economic card. President Trump’s economic tactics could become Denmark’s greatest challenge, with the US imposing steep tariffs on Danish or EU goods to force concessions over Greenland.

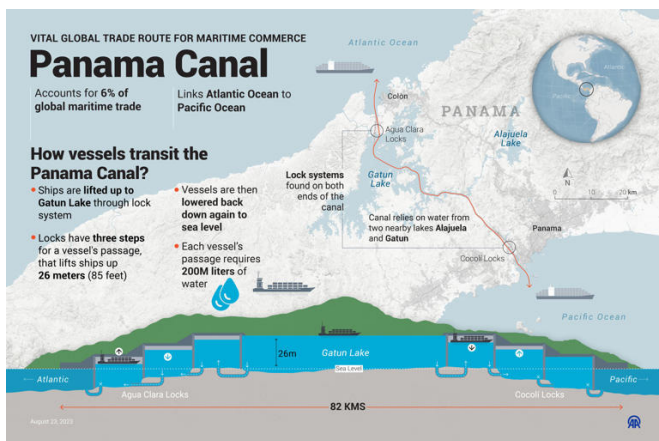
**Scenario 4:** President Trump sends in the troops. Though seemingly far-fetched, the possibility of military intervention cannot be entirely dismissed. With US military bases and troops already stationed in Greenland, President Trump’s refusal to rule out force keeps this “nuclear option” on the table.

## Panama canal

It's a strategic critical shipping route, with approximately 40% of US container traffic passing through it, according to CargoNOW. It connects the Pacific Ocean to the Caribbean Sea and, ultimately, the Atlantic Ocean, reducing considerably shipping time and fuel costs for international trade.

The canal, once managed by the United States for decades, was handed over to Panama on 31 December 1999, under a treaty signed by the late President Jimmy Carter in 1977. President Trump has since criticised the treaty, calling it "a mistake" and threatening to nullify it, while also (likely falsely) claiming that the canal is now operated by China. President Trump has argued that regaining control of the canal is critical for US "economic security," claiming it is being mismanaged. "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, and they've abused it. They've abused that gift. It should have never been made," he said.

However, Panamanian President Jose Raul Mulino has refuted President Trump's allegations. "There is absolutely no Chinese interference nor involvement in anything to do with the Panama Canal," he stated in December.



## The case of Canada

President Trump's expansionist ambitions have since extended to Canada, a long-standing ally of the United States. While he hasn't gone as far as threatening military action, President Trump has hinted at using "economic force" to pressure Canada into becoming the 51<sup>st</sup> state. Whether or not he's serious, his frustration with US spending on Canadian goods and military support is clear, claiming it brings no real benefits to the US.

Referring to former Prime Minister Justin Trudeau as a "governor", President Trump reiterated his desire to annex Canada. On social media, he claimed, "If Canada was to become our 51<sup>st</sup> state, their taxes would be cut by more than 60%, their businesses would immediately double in size, and they would be militarily protected like no other country anywhere in the world", he teased.

Former Prime Minister Justin Trudeau, however, won't be sparing with President Trump much longer. He resigned earlier this month after facing a collapse in popularity and pressure from his own party. Voters have turned their attention to Pierre Poilievre, the leader of the Conservative Party, who has emerged as the favourite to replace Justin Trudeau. Known for his push to protect Canadians' financial privacy and his advocacy for cash and cryptocurrency, Poilievre is seemingly someone President Trump will get along with. With that said, Poilievre has shown no signs of entertaining President Trump's rhetoric about annexation.

## A real threat or just negotiating tactics?

President Trump's undiplomatic remarks about reclaiming the Panama Canal, annexing Greenland, and even incorporating Canada as the 51<sup>st</sup> state have sent shockwaves through the global community. Panama's foreign minister firmly declared that the sovereignty of the canal is "not negotiable." Meanwhile, Denmark's prime minister, representing the NATO member that oversees Greenland, reiterated that "Greenland belongs to the Greenlanders." As for Canada, outgoing Prime Minister Justin Trudeau dismissed the idea, stating there isn't "a snowball's chance in hell" of a merger with the United States.

When it comes to President Trump, the real question isn't what he says, it's how serious he is. Democratic Senator Elizabeth Warren speculated that his bold remarks might be little more than a distraction, designed to steer attention away from his controversial cabinet picks and their confirmation hearings. Dan Hamilton, a foreign policy expert at the Brookings Institution, sees Trump's comments less as threats and more as a calculated tactic. He is likely seeking to counter China and other potential rivals, echoing the Monroe Doctrine, a 200-year-old policy in which the US warned Europe to stay out of the Western Hemisphere, claiming it as America's backyard.

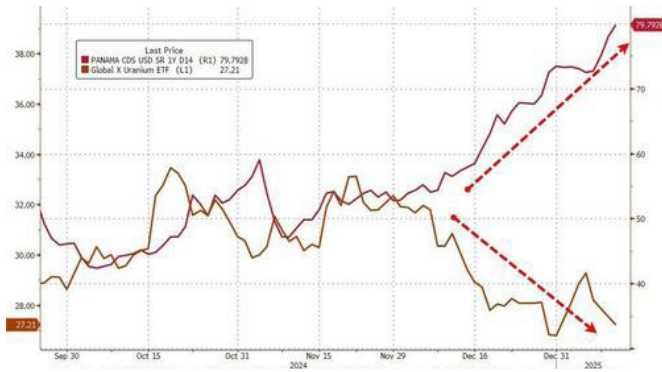
This approach recalls the "Madman Theory," a strategy famously used by Richard Nixon. By acting unpredictable and even irrational, Nixon aimed to confuse and intimidate adversaries like the Soviet Union and North Vietnam. His tactics ranged from veiled nuclear threats to secret military alerts, all aimed at delivering the image that he was crazy, keeping his opponents off balance and forcing them to the bargaining table. According to Hamilton, President Trump may be adopting a modern version of this strategy. NATO countries have long relied on the stability of US commitments, which makes his deliberate unpredictability even more unsettling. Hamilton suggests this chaos is no accident, because President Trump aims to keep allies disoriented, betting that if they want to stay in Washington's good graces, they'll have no choice but to "ante up."

It's also possible that Trump 2.0 is far more devoted to an extreme political ideology than was Trump 1.0. Having survived two impeachments, four indictments, two apparent assassination attempts, and even being rewarded with a Supreme Court ruling granting him near impunity, President Trump may be fuelled by a sense of invincibility, as he even claimed that he was spared by God to "save a broken country."



Source: Syz-Research-Lab, the White House

Meanwhile, it appears the markets are taking President Trump seriously. Panama CDS are surging, the Global X Uranium ETF (URA), which includes Greenland Minerals and Energy among its holdings has lost ground, and Bank of Greenland's stock is soaring, amid speculation over Trump's expansionist ambitions.



Source: ZeroHedge, Bloomberg

## Conclusion

President Trump's vision of annexing Canada or acquiring Greenland and the Panama Canal is unlikely to materialise, but it is fuelling a climate of tension. His real goal may be to strengthen the MAGA movement and ignite a wave of aggressive American patriotism. In the long run, however, this strategy risks creating more enemies and further destabilising an already fragile world.



Source: BofA

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