

If Trump wants to blow up the world order, who will stop him? op-ed in The Guardian

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Even before Donald Trump drove to tears of dismay NATO's leaders, Theresa May, the EU's officialdom and Washington's own 'intelligence community', the writing was on the wall: Trump is methodically dismantling a world order that he no longer believes to be in the interests of the United States' ruling class.

As horrified as we may be at Trump's uncouth antics, it is important to understand the tectonic shifts underpinning them



▲ 'Trump takes a look at the trade flows with the rest of the G7 and comes to an inescapable conclusion: he cannot possibly lose a trade war.' Photograph: Evan Vucci/AP

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Donald Trump's early departure, and his subsequent refusal to endorse the G7 communique, has thrown the mainstream press into an apoplexy reflecting a deeper incomprehension of our unfolding global reality.

In a bid to mix toughness with humour, Emmanuel Macron had quipped that the G7 might become the ... G6. That's absurd, not least because without the United States, capitalism as we know it (let alone the pitiful G7 gatherings) would disappear from the planet's face.

There is, of course, little doubt that with Trump in the White House there is an awful lot we should be angst-ridden about. However, the establishment's reaction to the president's shenanigans, in the United States and in Europe, is perhaps an even greater worry for progressives, replete as it is with dangerous wishful thinking and copious miscalculation.

Some put their faith in the Mueller investigation, assuming that Mike Pence would be kinder to them as president. Others are holding their breath until 2020, refusing to consider the possibility of a second term. What they all fail to grasp is the very real tectonic shifts underpinning Trump's uncouth antics.

The Trump administration is building up a substantial economic momentum domestically. First, he passed income and corporate tax cuts that the establishment Republicans could not have imagined even in their wildest dreams a few years ago. But this was not all. Behind the scenes, Trump astonished Nancy Pelosi, the Democrat's leader in the House of

Representatives, by approving every single social program that she asked of him. As a result, the federal government is running the largest budget deficit in America's history when the rate of unemployment is less than 4%.

Whatever one thinks of this president, he is giving money away not only to the richest, who of course get the most, but also to many poor people. With demonstrably strong employment, especially among African American workers, inflation under control and the stock market still buoyant, Donald Trump has his home front covered as he travels to foreign lands to confront friends and foes.

The US anti-Trump establishment prays that markets will punish his profligacy. This is precisely what would have happened if America were any other country. With a fiscal deficit expected to reach \$804bn 2018 and \$981bn in 2019, and with the government expected to borrow \$2.34tn in the next 18 months, the exchange rate would be crashing and interest rates would be going through the roof. Except that the US is not any other country.

Armed with the exorbitant privilege that owning the dollar presses affords him, Trump then takes a look at the trade flows with the rest of the G7 and comes to an inescapable conclusion: he cannot possibly lose a trade war against countries that have such high surpluses with the US (eg Germany, Italy, China), or which (like Canada) will catch pneumonia the moment the American economy catches the common cold.

None of this is new. Richard Nixon also confronted Europe's establishment in 1971 while Ronald Reagan brutally squeezed the Japanese in 1985. Even the language was not less uncivilised – recall the summary of the Nixon administration's attitude in the inimitable words of John Connally: "My philosophy is that all foreigners are out to screw us, and it's our job to screw them first." Today's US aggression toward its allies is distinguished from those episodes in two ways.

First, since the 2008 collapse of Wall Street, and despite the subsequent re-floating of the financial sector, Wall Street and the US domestic economy can no longer do what they were doing before 2008: that is, absorb the net exports of European and Asian factories through a trade surplus financed by an equivalent influx of US-bound foreign profits. This failure is the underlying cause of the current global economic and political instability.

Second, unlike in the 1970s, Europe's decade of mishandling the euro crisis has seen to it that the Franco-German establishment is now disunited and on the run – with xenophobic, anti-European nationalists taking over governments.

Trump takes one look at all this and concludes that, if the US can no longer stabilise global capitalism, he might as well blow up existing multilateral conventions and build from scratch a new global order resembling a wheel, with America its hub and all other powers its spokes – an arrangement of bilateral deals that ensures the US will always be the largest partner in each, and thus be able to exact a pound of flesh through divide and rule tactics.

Can the EU create a "Europe First" anti-Trump alliance, perhaps involving China? The answer has been given already, following Trump's annulment of the Iran nuclear deal. Within minutes of Chancellor Angela Merkel's statement that European companies would

stay in Iran, every single German corporation announced it was pulling out, prioritising the fat tax cuts Trump was offering them within the United States.

In conclusion, we have good reason to be appalled by Trump: he is winning against a European establishment that wallows in perfect ignorance of the forces undermining it and paving the ground for appalling developments. The onus falls on progressives in continental Europe, in the UK, and in the United States, to put on the agenda an Internationalist New Deal – and to win elections campaigning on it.

In my rare optimistic moments, I imagine an alliance of Bernie Sanders, Jeremy Corbyn and our Democracy in Europe Movement, DiEM25, giving the Nationalist International led by Trump a run for its money. A few years ago, a Trump triumph in the US, Europe and beyond sounded even more farfetched than this. It is worth a try.

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