



Oops! With Putin by his side in Helsinki, Trump said “many years of foolishness and stupidity” on the US’s part had damaged relations with Russia. BLOOMBERG/CHRIS RATCLIFFE

STATES OF MATTER

Who would have thought?

From the Helsinki summit, it was a major climbdown for #Traitor Trump



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There were frequent occasions during his brash and bumptious circuit through recent diplomatic events, when US President Donald Trump went careening uncontrollably beyond the world of facts. For even the casual observer, there was nothing novel about his preference for an alternative universe constructed with the wilfulness of a child assured of adult protection from the worst consequences of denial.

A tipping point came last Monday, when Trump stood at a podium with Russian President Vladimir Putin in Helsinki. Seemingly nothing, not even his outlandish conduct with close US allies the previous week, had prepared public opinion for that moment.

In its years of imperial angst, the US has learnt that friends are a dispensable luxury. Enemies, though, are the one thing it cannot do without. Three decades after the end of the Cold War, Russia was being diligently outfitted for that role by the US strategic establishment. And here was a US President saying in the clear light of day, that relations with Russia had deteriorated in large part because of “many years of foolishness and stupidity” on the US’s part.

A former director of the US Central Intelligence Agency was quick with his judgement that Trump’s summit with Putin crossed the threshold of “high crimes and misdemeanours”. The hashtag #Traitor was soon trending on Twitter and legal experts had weighed in on Article 3 of the US Constitution, which deems it an act of treason to render “aid and comfort” to the enemy.

American exceptionalism involves an assertion of the presumptive right to meddle in the internal politics of any country, but recoils at the thought of the US electoral system being quarry for a hostile power. Trump’s very public intimacy with Putin came just days after the special counsel investigating alleged med-

dling in the 2016 US presidential election had indicted 12 top Russian operatives for hacking into the websites of the Democratic Party and its candidate Hillary Clinton.

The indictments came amidst a sharp partisan backlash in Trump’s favour and a frenetic effort by Republican Party faithfuls to tar the investigative agencies for ostensible bias. With his Helsinki press conference, Trump left his ardent partisans with no place to hide.

There may have been a partial congruence of interests earlier, which could withstand Trump’s shameful lack of propriety on the world stage. Storming out of a G7 meeting with dire imprecations of ill-intent against his host, Canadian Prime Minister Justin Trudeau, was boorish, but promised a likely economic dividend. Trump’s factually loose excoriation of NATO allies for failing to carry a fair share of the burden of mutual defence and his effort to coerce larger defence budgets out of them, potentially meant rewards for the US military industrial complex.

Trump even went on to rubbish UK Prime Minister Theresa May’s effort to find a pathway towards exiting the European Union. Caught between hardliners who insist on reading a narrow referendum verdict as mandate for a maximal agenda and pragmatists painfully aware of the costs of a sharp break, May had just worked out a delicate compromise. Two senior cabinet colleagues from the hardline wing resigned in anger, along with a number of lesser functionaries. Trump offered May little solace, rubbishing her hard-won deal as one that would earn the UK few trade benefits from the US. And in the next breath, he praised a colleague who had just quit May’s cabinet, as a very “talented” person who would make a great Prime Minister.

With his child-like assurance, Trump then

airily dismissed the report — based on an exclusive recorded interview with a tabloid owned by his friend and ideological soulmate Rupert Murdoch — as “fake news”.

As he campaigned for the top job with a litany of how the US had ended up being the loser from every one of its major global initiatives, Trump offered a promise that his leadership would bring “winning” on a scale that would almost be boring. Running a trade deficit is, in his perception, the equivalent of losing. It is a measure by which the US today is the loser in just about every relationship.

This grossly simplistic reading overlooks how the US external deficit and the counterpart surpluses recycled through the US financial system are, indeed, key to much of how the world economy runs today. With minor variations, that has been the consistent theme since the US went from being the world’s creditor to its biggest debtor in the 1980s.

Trump’s blunderbuss strategy of imposing punitive tariffs on imports from countries he sees as unfair traders, risks upsetting

global supply chains and disrupting this whole circuit of financial flows. When the uncertainty impels some of its biggest creditors to call in their IOUs, there could be a rapid unravelling in the US economy.

Trump paved his way to political office with a business career of many bankruptcies, a trail of unpaid bills and multiple breaches of contract. As President, he has proven averse to honouring bilateral and multilateral deals the US led the world in assembling. His crowning achievement may well be to lead the US into a dollar default that could plunge the global payments system into turbulence.

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