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The purge of April: Trump's new advisers pour on the gas

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One lesson coming out the debacle at the G7 Summit in Charlevoix is that this is no longer the Trump administration of a year ago.

In hindsight, it's clear that a purge occurred in April of this year that unleashed a frustrated president. And the changes are already affecting Canada.

The White House of Trump's first year — when the president was surrounded by moderating influences such as Rex Tillerson at State, H.R. McMaster as national security adviser and Gary Cohn as chief economic adviser — is gone.

Donald Trump has finally found the cabinet he wants — one made up of people more aligned with Trump's view of his presidency as a disruptive force, rather than the figures from the Washington and Wall Street establishments Trump saw as plants with a secret agenda to hem him in.

From Cohn to Kudlow

The change that has had the most obvious and direct effect on Canada is the departure of Gary Cohn, head of the National Economic Council.

Cohn probably was never cut out to be in the Trump administration. For one thing, he's a registered Democrat.

The mortified expression on his face as he stood behind Donald Trump on the day the president praised white supremacist marchers in Charlottesville as "very fine people" suggested he would rather be anywhere else than Trump Tower at that moment.

The economist who began his career with U.S. Steel fought tooth-and-nail against Trump's steel and aluminum tariffs. In March, after his boss cancelled a scheduled meeting with steel executives, Cohn saw that battle was lost and announced that he would be leaving.

He was replaced on April 2 by Larry Kudlow, an economist and TV personality who was once a free-trader but is now a booster of Trumpist protectionism.

Cohn's departure also saw the sudden rise to prominence of a man who was already in the administration, but whom Cohn had managed to marginalize: Peter Navarro.

'He's a charlatan'

Navarro is best known to Canadians for claiming Prime Minister Justin Trudeau's public criticism of the metals tariffs earned him a "special place in hell" — comments which he subsequently retracted.

He earned a PhD in economics from Harvard, then had an undistinguished teaching career in California until he came to Trump's attention for his activism on the issue of trade.

But Navarro was only a 'deputy assistant to the president', subordinate to Cohn — who ordered Navarro to copy him on all his emails and froze him out of important meetings.

That was how things stood until April, when Cohn left and Navarro was promoted from 'deputy assistant' to 'assistant', dramatically increasing his access to the president.

Together with Wilbur Ross, now Secretary of Commerce, Navarro wrote a white paper for the Trump campaign that became the centrepiece of its economic thinking. And at the heart of that doctrine is the following statement, widely dismissed by mainstream economists as mathematical nonsense:

"When a country runs a trade deficit by importing more than it exports, this subtracts from growth. To score the benefits of eliminating trade deficit drag, we don't need any complex computer model. We simply add up most (if not all) of the tax revenues and capital expenditures that would be gained if the trade deficit were eliminated."

"I've known (Navarro) for a long time," said Dan Ikenson, director of the Cato Institute's Herbert A. Stiefel Center for Trade Policy Studies. "He's a charlatan. He is absolutely saying things that 99.9 per cent of respectable economists would eschew."

"He says imports deduct from output, and he calls that accounting identity the 'economic growth formula'. He thinks that for every dollar we import, our GDP is reduced by a dollar."

"I don't know how he got his PhD at Harvard."

Trump's embrace of Navarro's theory

Navarro's economic theory makes no distinction between importing a million dollars worth of beer and popcorn — to be consumed with no lasting benefit to the economy — and importing a million-dollar industrial machine that will churn out products and create jobs.

A case in point is Canada's crude oil, which accounts for Canada's entire trade surplus in goods with the U.S. many times over. The oil is actually refined in the U.S., creating added value and

jobs before it is even ready to use. It is then used to power American industry. (The U.S. produces about 90 per cent of the energy it needs.)

"Half of the value of U.S. imports are intermediate goods, raw materials and capital equipment," said Ikenson. "If we were to cut ourselves off from Canadian inputs, we would raise the cost of manufacturing across the manufacturing sector.

"And on top of that, if we cut ourselves off through tariffs, and Canada responds with tariffs of its own, then the same manufacturers whose costs just went up are going to see their revenues fall."

Canada now finds itself defending its economy against Navarro's theory, which clearly has been swallowed whole by President Trump.

John Bolton's aggressive worldview

Standing next to Donald Trump in the now-famous photo of the G7 leaders was the walrus-mustachioed figure of National Security Adviser John Bolton, who replaced career army officer H.R. McMaster. He tweeted the picture out with his own caption.

Bolton was also at Trump's right hand during his belligerent news conference the next day, when he accused other nations of "robbing" the United States "like a piggy bank."

Trump's pugnacity may be his own, but Bolton's pitbull attitude was enough to deny him Senate confirmation when President George W. Bush nominated him to be ambassador to the United Nations.

State Department Director of Intelligence Carl W. Ford Jr. testified at those hearings that Bolton was a "serial abuser" of staff.

"I've never seen anybody quite like Secretary Bolton ... I don't have a second, third or fourth in terms of the way that he abuses his power and authority with little people."

Sixty retired diplomats urged the Senate committee to reject Bolton. CIA officers testified that Bolton had bullied them to embellish reports with inflammatory details not supported by evidence. Ultimately, President Bush was forced to give up on confirmation and make a "recess appointment".

McMaster had scrambled to save the Iran nuclear deal, working with senators on the Foreign Relations Committee to prevent Trump from pulling the plug. His departure from the White House was announced on Donald Trump's Twitter account.

Bolton, who had been sniping at McMaster from his own Twitter account, replaced him on April 9. The U.S. left the Iran deal exactly 30 days later.

Pompeo and the Tea Party

Former Republican congressman Mike Pompeo is the last member of the triumvirate of April appointees.

He took over the State Department from former oil executive Rex Tillerson — who, like McMaster, learned he was being replaced through a tweet from #realDonaldTrump.

Tillerson found it difficult to camouflage his contempt for his boss and never contradicted media reports that he had called Trump a "moron." He brought a sober and adult style to his job that never fit comfortably within the chaotic and personality-driven Trump White House.

Pompeo was a Tea Party congressman swept into office in the midterms of 2010, representing a deeply conservative Kansas district.

He won Senate confirmation on a narrow margin of 52-47 because of past comments about Muslims and gays that he appeared reluctant to disown during his hearings on the Hill.

Pompeo is an evangelical Christian whose views are still to be found on videos of talks he's given at Kansas churches. Addressing a congregation, he quoted a pastor saying that America had "worshipped other gods and called it multiculturalism. We'd endorsed perversion and called it an alternative lifestyle."

He's used apocalyptic language about the 'Rapture' — the belief held by some conservative denominations that the end times are approaching, when living and dead Christians will be lifted into Heaven.

"Be part of it," he told a 'God and Country Rally' at Summit Church in Wichita in 2015. "It's a never-ending struggle until the Rapture. Be part of it, be in the fight, ask for forgiveness, heed your pastor's call for action, and great things will be bestowed upon our nation."

He's also described the fight against Islamic extremists in religious terms: "They will continue to press against us until we make sure that we pray and stand and fight, and make sure that we know that Jesus Christ is our Saviour, is truly the only solution for our world."

Pompeo has perhaps emerged as the most stable of the April appointees, and was the only one who appeared to want to minimize Trump's recent attacks on Canada and other allies, rather than escalate them.

A more liberated, free-wheeling Donald Trump appears to be emerging with the support of these new advisers — more confident than ever in his own abilities and gut instincts, less cautious, and more focused on trade.

The gloves are off, as Justin Trudeau discovered following the G7 summit. And 2018 promises to be a year of more drama and awkward surprises out of the White House.