

What does Trump want? What motivates him?

Trump seeks glory and believes that it can be achieved by making America great again. He wants to do it his way.

He found it unacceptable that a black man was President. He has never accepted the legitimacy of the Obama Presidency holding that Barack Obama was not born in America (he was, in Hawaii). His response to this apparent aberration in American history is to undo all that President Obama did during his term in office, to rewrite American history. That means rolling back Obamacare, rolling back Dodd-Frank and Consumer Protection Act, cancelling the Iran Nuclear deal, among other things.

Trump wants to make America great again if it means making everyone worse off, in fact, in his constant sum calculus, this might be preferable.

He wants to be a hero, a saviour of America. He sees America as having been taken advantage of by friends and enemies. He sees America as the injured party, always at the losing end of the bargain, and he intends to correct that.

He wants America to be first and best and sees China as a threat. He will not only maintain America's lead by advancing America but by confronting and containing China. There are some important implications of this. One is that he will not deal with China in good faith regardless of whether China deals in good faith or not. It is entirely possible that neither side will deal in good faith. The risk of escalation is therefore high. No deal will be good enough.

He is aggrieved that Europe and his other allies are not helping America with the fight against China and other perceived and real enemies. He considers them pacifists and it

irritates him no end that he has pacifist allies. He has no qualms punishing allies who are uncooperative or whom he considers guilty of treachery. It is a fine line between regarding an ally as weak and pacifist and regarding them as colluding with the enemy. We may be past that point.

He sees trade as a zero sum game and he wants to reverse America's trade deficit with everyone. He cannot understand why America has so many great companies making so many great products yet manages to run a deficit with China and Europe. It is unlikely that Trump does not understand the logic of comparative advantage but that he does not accept its conclusions. Trump only accepts his own perspective and conclusions and will only accept a zero balance of trade as evidence that the playing field is level. At worst he ignores the globally integrated nature of corporate American supply chains, at best he expects corporate America to restructure them along national lines.

Trump regards a non-negative trade balance as evidence of free and fair trade. Even if all supply chains were fully domestically re-shored, this is a difficult task. It would require America to save more and Europe and Asia to save less, tendencies which are in part culturally influenced.

He sees Canada and Mexico as irresponsible neighbours who are not with America in the global competition. He regards them as porous borders through which European and Asian exports find their way, unfairly, into the US. Again, a fine line separates regarding them as naïve victims of America's economic rivals and outright profiteering colluders.

He sees all American opposition to his rule as a personal slight and betrayal. He regards his American detractors as pacifist allies at best and at worst, traitors to the American cause. This applies to the Democrats, the media and a good proportion of moderate Republicans. Any American who does not support him is betraying America and himself personally. The

law and the constitution are not principles to be upheld but constraints to his modus operandi and where they can be circumvented, will be.

He believes that the ends justifies the means. He cannot understand why this is a problem. In his business career, this has been his guiding principle. The US is currently the most powerful country in the world, economically and militarily. Trump has no qualms about using that economic might to achieve his objectives. He will comply with the letter of the law but will continue to interpret it to his convenience to further his agenda.

Trump will make policy that most advantages himself and his peers. This is unremarkable as it is a natural tendency of any government. However, Trump's lack of empathy may lead to more extreme outcomes. This is already evidenced in a more regressive tax code which could become even more regressive going forward. Regulation has also been relaxed to make conditions more business friendly. All this while the US economy is in late stage expansion and at full employment. These policies will likely prolong the cycle but also increase the amplitude of mean reversion at the end of the cycle. Fortunately, the two term limitation on the Presidency will ensure a new president deal with the consequence of the current profligacy.