

## Trumped

I joined Facebook recently and made all sorts of friends. (Some of you might think me *better late than never*, but I'm starting to think *my long reluctance may have been warranted*.) While some poignancy and profundity sneaks into my timeline, an awful lot of people on FB have very strong political views. Most seem to be rooting for one team or the other, and the overwhelming majority of arguments are half-baked, often wrong, but never in doubt.

Speaking of Donald Trump...☺

...the prospect of a more business-friendly political environment – the very landscape promised to reasonable self-identifying conservatives, the very one that rationalized support for Trump in the election – seems to be fading fast. His *policies* are not in question among pro-business constituents, however, the man's prickly personality and erratic behavior have been bitter pills to swallow. While Mr. Trump's support among those disappointed in government remains strong, Rockefeller Republicans are impassionate and their support seems tenuous.

Mr. Trump may be in jeopardy of becoming expendable to *the money*. To be sure, he and his pro-growth economic initiatives are seen as worth fighting for by the investor class when viewed against one alternative – the less-pro growth policies Democrats would theoretically impose were Trump out of the way. But that is not the alternative. *The immediate alternative is Mike Pence and a Republican congress.*

It may be too early to call pro-growth legislation dead, but it is not too early by much. Whether or not Mr. Trump is guilty of cavorting with the Russians or obstructing justice remains to be seen, but taking a couple years to figure it out is very inconvenient for impassionate special interests.

This is a very real issue about which pragmatic investors should be wary. New trade, tax, fiscal and regulatory initiatives put forth by the White House or Congress cannot succeed without a modicum of political currency with which to bargain. Donald Trump's political capital might just be negative already, and the majority leaders in congress are not far behind. Republicans may have won control over the three lawmaking bodies, but their pyrrhic win is starting to resemble rope necklaces for the 2018 mid-terms.

The blood sport that is politics ensures Democrats can be counted on to play four-corner defense for another few months and to then begin assaulting the President and congress about Republican inaction. Painting the G.O.P. as inept will not be tough to do; one need only plaster Mr. Trump's catchphrase "You're Fired!" over his picture. We should not be surprised if a prominent Republican declares very early that he or she is running against the president in 2020. This would make Mr. Trump and his economic platform lame ducks for three years and his pro-growth initiatives dead on arrival.

*For those that do not want to waste a Republican White House and congress and a pro-growth platform, it now makes sense to help accelerate Mr. Trump's ouster and replace him with the vice president. Look out if/when Wall Street turns on Donald Trump.*

The more toxic and ineffectual the political environment becomes, the more likely powerful counter-forces will fill the vacuum. A three-year lame-duck president and messy congressional mid-term election would wreak havoc on American-led international doctrines and treaties. We suspect this is the big fear at the National Security Council and among lifers at Treasury, State and Defense departments.

In terms of national security, global macroeconomics and US hegemony, Mr. Trump's term in office would be effectively finished if/when his lack of public confidence moves from an inconvenient hindrance to a bona fide threat. Public opinion and the blogosphere may not decide when this might be. Peaceful transformations of power come in all forms - usually voluntary, sometimes not. Nine out of forty-four presidents did not finish their terms in office. The odds do not seem long this one joins that small club.

Paul Brodsky

Macro Allocation Inc.

[pbrodsky@macro-allocation.com](mailto:pbrodsky@macro-allocation.com)

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