

## Trump's "righteous mission"

President Trump's mission to "make America great again for all Americans" continues with a 2018 focus on infrastructure, "fair" and "reciprocal" trade, together with more control of US borders



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### Year 1: Making America great...

President Trump stuck to convention in his first State of the Union Address, by reflecting on his first year in office before moving on to his plans for the coming year. True to form, he claimed the credit for the US strong economic performance and declared that he has pursued a "righteous mission to make America great again for all Americans".

He highlighted job creation and claimed that "after years and years of wages stagnation, we are finally seeing rising wages". Stock markets also got a mention and then there was the cutting of taxes and red tape (both were dubiously claimed as being the biggest-ever cuts), which will underpin US economic growth and mean "there has never been a better time to start living the dream".

### Year 2: Infrastructure, trade & immigration

Trade was expected to feature prominently given the ripping up of the Trans-Pacific Partnership trade deal, ongoing NAFTA discussions and the recent imposition of tariffs on washing machines

and solar panels. However, as with his speech last week in Davos, he sounded more moderate. He talked of “fair” and “reciprocal” trade, stating that “we will fix bad trade deals and negotiate new ones”. This offers some hope that the US will not imminently rip up the NAFTA deal with Mexico and Canada.

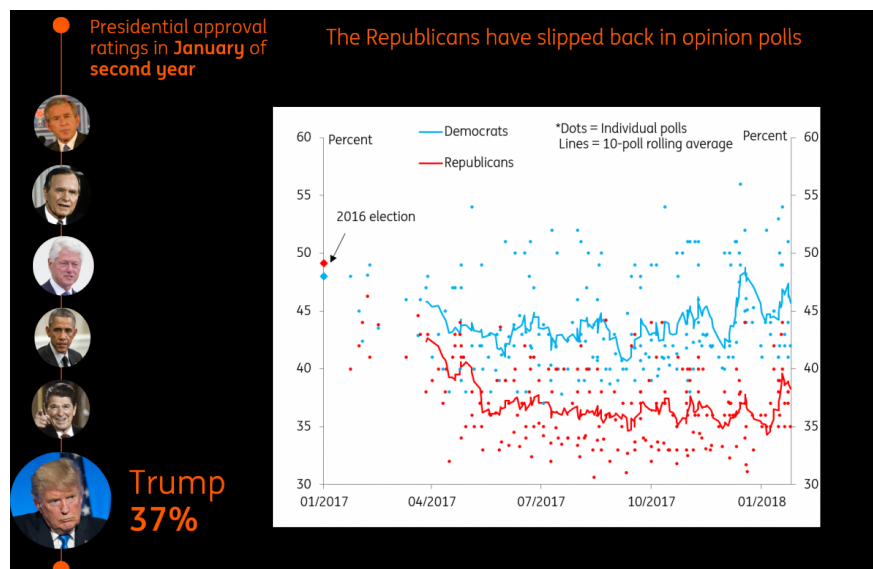
His big push this year will be infrastructure. He is seeking a bi-partisan agreement to “produce a bill that generates at least \$1.5 trillion for the new infrastructure investment that our country so desperately needs”. He added that “every federal dollar should be leveraged by partnering with state and local governments, and, where appropriate, tapping into private sector investment, to permanently fix the infrastructure deficit”. Within this public-private partnership, reports suggest only \$200bn will be Federal spending. To pass, it will require 60 Senate votes, hence the need for bi-partisan support.

Trump is also looking to speed up the process of infrastructure building by cutting the time it takes to get construction permits, highlighting that it only took a year to build the Empire State building, “but it can now take 10 years just to get a minor permit approved for the building of a simple road”.

He also appears to be making moves on immigration issues. In return for funding of the border wall with Mexico, he will work with the Democrats to pave the way for the 1.8 million “Dreamers” – children of illegal immigrants – to become US citizens. He also wants to change the lottery system for green cards to a “merit-based immigration system”, based on skills.

Unsurprisingly, the Russia probe did not feature...

## Ratings remain an issue



## Saying is one thing; doing is another

Trump, true to form, has promised big. But he is going to need to move quickly if his plans are to become a reality. Despite achieving more than many expected, (especially after the failure on healthcare) Trump’s presidential approval ratings remain at their lows and the Republicans are lagging well behind Democrats in opinion polls even after a tax-reform related bounce. Trump runs

the real risk of seeing the Republicans lose control of the House of Representatives after the mid-term elections in November, which would make getting his agenda through much more challenging. While retention of the Senate seems probable, it highlights the need to work with Democrats. As such his “legendary” deal-making skills are going to be tested even more in his second year.

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