

## North America

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Trump is the President of the United States and now reality sets in. Although his inaugural speech contained clear elements of what he expects to accomplish, at this moment everything remains on the plane of expectations and possibilities. As Spinoza wrote in the XVII century, “in practical life we are compelled to follow what is most probable; in speculative thought, we are compelled to follow truth.” What will be the truth?

I have observed Trump since he emerged as the Republican candidate for the U.S. presidency and, attempting to be objective, I have analyzed his proposals, his context and his array of possibilities to determine what part he believes and what part is merely rhetoric but, above all, what is possible in the real world in terms of what concerns Mexico. My impression, reduced to a sentence, is that, despite his being given to categorical and incendiary phrases in his discourse - and daily Tweets-, the new President is (as would be presumed of a businessman) hyper pragmatic, with few fixed beliefs or convictions (such as for example, Obama clearly has them, and Reagan, with whom he is frequently compared, also had them) and that consequently, he will be moved by trial and error. It is possible that, for this reason, he would commit great errors at the beginning that he would correct later. If this were to be true, the key (or the luck factor) will lie in not being in the line of fire while he makes these great mistakes...

Moving from the general to the specific, his proposal is one of retrenchment, which implies reorganization, rationalization and reconsideration. Although with a very distinct rhetoric, this does not constitute a break with Obama but, instead, continuation by other means. In foreign policy terms, Obama initiated the process of military retrenchment in the Middle East and, in the migratory domain he deported nearly three million persons in the course of his administration. Trump will surely make much more noise about these matters, but the substance will probably be more similar than distinct. The only theme on which Trump and Obama differ radically is in commercial affairs: for Obama trade is part of the solution while for Trump it is part of the problem.

Trump's core proposal resides in the reconstruction (or re-creation) of U.S. economic strength. For him, the current weakness of his country derives from the excesses of its foreign policy during the last decades, above all on the military stage, as well as the relocating of manufacturing plants to other countries and the growth of imports. All this has translated into the loss of manufacturing jobs and the impoverishment of the U.S middle class. Albeit each of these proposals could be disarmed with analytical arguments, such as in fact occurred, sufficient voters accepted his perspective, conferring on him the electoral win.

In this context, it is obvious what Trump would do if the U.S. could abstract itself from the world. However, what the new President proposes is much harder to do because it involves the world superpower that, as happened with Rome or England in their time, greatly benefits from the world order and the status quo. In the ambit of trade, Trump intends to reorganize the existing commercial arrangements and agreements to favor U.S. producers and workers; this sounds good in electoral rhetoric but is formidable to achieve in a world in which the capacity to produce -and, thus, to consume- depends on increasingly structured and competitive supply chains. For instance, there is practically no longer a sole automobile manufactured in North America that does not incorporate parts, components and productive processes that originate in the three countries: infringing upon that would imply raising the cost of cars and reducing the competitiveness of those companies before their Asian and European rivals.

My impression is that Trump is going to emphasize the dismantling of regulations and elements that render the functioning of enterprises costly, including important changes in tax issues, in addition to launching an aggressive program in matters of infrastructure (whose financing will comprise a entire theme in itself), but it will be in that sphere of influence that his impact will be greatest. Along the way, he will have ceded political and social affairs to his vice-president, which will appease his party's conservative wing.

How will this affect Mexico? I see two scenarios: one is that the era of functional friendship that was inaugurated back in 1988 and that allowed the two nations to view each other as inextricably linked -where both share problems and opportunities and do not judge each other but rather cooperate-, will come to an end. That is the risk entailed by the extremism that Trump exhibited in his campaign. The other scenario is that he ends up recognizing what in their time Salinas and

Bush Sr. understood: that there is no alternative other than close cooperation and, thus, that the wager should be to improve the relationship and the neighborhood rather than persevering in the historical enmity that had prevailed back when. In this scenario, the negotiations that come to take place would in the last analysis renovate the alliance. The question, not an idle one, is whether Mexico's government will know how to conduct itself within the new context to achieve this.

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