

## EDITORIALS

### **Critics greatly exaggerate state of Trump presidency**

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If Donald Trump's first State of the Union address saw the theatrics almost overshadow the substance it was of a piece with all that we have seen from the US President and his critics over the past year. Far too often we have seen political protests, Twitter feeds, partisan rhetoric and identity-based rancour drown out the fundamental challenges confronting America and the rest of the world. For his speech, Mr Trump peppered the audience with honoured guests, using them as dramatic and emotive props — it has become a traditional State of the Union device but perhaps was exploited better by him than any of his predecessors.

And while he praised these genuine American heroes to demonstrate the “beauty of America's soul and the steel in America's spine”, he also focused squarely on his major achievements and set his sights firmly on an agenda for the rest of the term. The speech was well pitched and has already been well received. He deliberately held back from his usual shouty style, delivering the prepared text in a more restrained manner. This had the desired effect, helping to establish the tone of a President in office as opposed to what often sounds like aggressive, campaign-style rabble-rousing. Mr Trump's first year has been underrated by a vast array of commentators and certainly by his critics. The greatest political benefit he could draw from this speech would be to focus the minds of US voters on his solid achievements and hope that it also influences their judgments and expectations about what is to come. He might best consolidate the positives of this performance if he learns to eschew Twitter and adopt this more reserved tone more often.

Aiming with laser-like precision at the American heartland, Mr Trump spoke of the “tide of optimism” his administration had created and how he was on his way to “making America great again, for all Americans”. Such flourishes were supported by empirical evidence. He rattled off the data: 2.4 million new jobs including 200,000 in manufacturing; rising wages; African-American unemployment at its lowest rate ever; Hispanic joblessness likewise; small business confidence at record highs; and, importantly, a stockmarket that has broken records on the way to gaining \$US8 trillion in extra value during the year. This, of course, is the central hope of the Trump presidency: a reinvigorated economy. His greatest achievement so far, unquestionably, has been his tax reform package.

Mr Trump highlighted the benefits in higher take-home pay for low-income families as well as the boost for small business and the competitive edge for large US corporates. He proclaimed this a “new American moment” and declared there “has never been a better time to start living the American dream.” Still, the only deficit he dared to mention was the infrastructure deficit he wants to repair with exta

investments of \$US1.4 trillion. Perhaps the fate of the Trump presidency hinges largely on the capability of the tax cuts to turbocharge the US economy and rescue, rather than undermine, the federal budget. The success or otherwise of this plan also matters enormously for global economic growth and, therefore, for the Australian economy. It is early days but the confidence and investment trends are encouraging.

Not so on trade. Mr Trump has doubled down on the protectionist thrust we saw in the tariffs and quotas he imposed on washing machines and solar panels last week by declaring the “era of economic surrender is over”. Still, he did at least reiterate his desire to fix trade deals rather than erect more barriers. “From now on,” the President said, “we expect trading relationships to be fair and to be reciprocal. We will work to fix bad trade deals and negotiate new ones.” These are principles no country would reject, so the test is all in the implementation.

Mr Trump also strengthened his language and declared his resolve on North Korea, highlighting in the audience the parents of American Otto Warmbier (who died after he was mistreated by the regime), as well as the heroic defector Ji Seong-Ho. He also underscored his determination to resist the global assertiveness of China and Russia. Clearly, this is a President who is not shrinking from the world but attempting to re-establish US global leadership. We should wish him every success because — as even Kim Beazley, former Labor leader and ambassador to the US, has recognised — Australia and the world have much to gain if Mr Trump can reassert the supremacy of a US-led, rules-based international order.

The President also underlined his determination to toughen immigration controls, including through increased fortification of the border with Mexico, and in order to do so he offered a new deal to Democrats that would open a path to citizenship for up to 1.8 million illegal immigrants. But he also pledged to impose stricter controls on “chain” — what we would call family reunion — migration. This debate will continue in coming weeks and will be difficult. However, the ongoing attempts at compromise are encouraging. The Democrats did themselves no favours in the chamber by preferring not to applaud or stand even at the mention of clear national successes. Mr Trump said it is “faith and family, not government and bureaucracy” that are at the centre of American life. He will have struck a chord. Rumours of a failed presidency, at this stage, are greatly exaggerated.