

Recriminations, threats between US and allies continue after collapse of G7 summit

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In the wake of the acrimonious collapse of this weekend's Group of Seven summit in Quebec, US President Donald Trump and his top aides have escalated their attacks on Canadian Prime Minister Justin Trudeau and the European Union, threatening to launch tariffs on auto exports on top of already implemented tariffs on steel and aluminum products.

There is an unprecedented level of acrimony and division following the first outright failure in a long line of summits held since 1975. This points to a fundamental and irreparable breakdown of the post-World War II economic order that was erected by the United States, and the plunge of world capitalism into a global trade war, with incalculable consequences.

Following two days of tense and often bitter discussions, Trump suddenly withdrew his endorsement of a G7 communique that had been drafted to paper over the deepening rift between Washington and the other G7 powers. He fired off tweets from Air Force One on his way to the Singapore summit with Kim Jung-un, denouncing Trudeau as a liar and weakling, following the Canadian prime minister's end-of-summit press conference.

Trump, who arrived at the summit late and left early, skipping a session on climate change, held a press conference before he left in which he repeated his attacks on Canada and Europe for alleged unfair trade practices, complaining that the other G7 countries treated the US like "a piggy bank that everybody is robbing."

Trudeau began his news conference by announcing that a communiqué had been signed by all seven heads of government—representing Germany, France, Britain, Italy, Japan, Canada and the US. That statement evoked applause from the assembled journalists, who spent the weekend worrying over the prospect of a failure to obtain unanimous support for a final declaration—something without precedent in the 45-year history of the annual summits of major capitalist governments.

Under questioning from Canadian reporters, he criticized the tariffs imposed by Trump and declared that he would go ahead with plans to impose \$12.8 billion in retaliatory tariffs on July 1. He also reiterated Canada's rejection of US demands that a revamped North American Free Trade Agreement (NAFTA) include a sunset clause that would require that it be

renegotiated after a set number of years. Seeking to whip up nationalist sentiment, he said Canada "will not be pushed around."

Trump responded with personal insults against Trudeau and the announcement that he had instructed his aides to retract Washington's support for the communiqué "as we look at Tariffs on automobiles flooding the US Market!"

Over the next two days, the invective from Trump and his top economic officials escalated, while Germany and France declared their support for Trudeau and reiterated the plans of the EU to impose its own retaliatory tariffs on the US on July 1.

On Monday, Trump tweeted from Singapore: "Fair Trade is now to be called Fool Trade if it is not Reciprocal. According to a Canada release, they make almost 100 Billion Dollars in Trade with US (guess they were bragging and got caught!)... Then Justin acts hurt when called out!"

In a separate tweet, Trump returned to his attacks on NATO allies for failing to spend at least 2 percent of their gross domestic product on defense. He wrote: "[T]he US pays close to the entire cost of NATO—protecting many of these same countries that rip us off on Trade..." He singled out Germany as paying "1 percent (slowly) of GDP towards NATO."

On the Sunday talk shows, Trump's top economic and trade advisers attacked Trudeau with rhetoric that one *Washington Post* columnist noted "are the kind of words that normally preceded military action."

Interviewed on "Fox News Sunday," trade adviser Peter Navarro said, "There's a special place in hell for any foreign leader that engages in bad-faith diplomacy with President Donald J. Trump and then tries to stab him in the back on the way out the door."

He added that Trump had done Trudeau a favor by agreeing to come to Quebec "and he was even willing to sign that socialist communiqué." But as soon as Trump had left Canada, according to Navarro, "Trudeau stuck our president in the back. That will not stand."

Lawrence Kudlow, director of the White House National Economic Council, appearing on CNN's "State of the Union" program, accused Trudeau of a "betrayal" and "double cross" of Trump aimed at making him look weak on the eve of the summit with North Korea. Kudlow demanded that Trudeau

apologize and “take it back.”

Trudeau chose not to respond directly to the attacks by Trump and his advisers. Instead, he insisted that Canada would adhere to the terms of the G7 communiqué, which included an affirmation of a “rules-based” trading system and a pledge to oppose protectionism. While seeking to appeal to Canadian nationalist sentiment under conditions of declining popularity and growing working class opposition to their austerity agenda, Trudeau and the Canadian bourgeoisie are terrified of the prospect of an outright trade war with the US, which accounts for some 75 percent of Canadian exports. An estimated 1.9 million Canadian jobs are directly tied to exports to the US.

German Chancellor Angela Merkel gave an interview Sunday night to the ARD public television channel in which she rejected Trump’s trade ultimatums and reiterated the intention of the European Union to retaliate for the US steel and aluminum tariffs by taking action at the World Trade Organization and imposing equivalent tariffs on American products such as bourbon whiskey, Harley-Davidson motorbikes and peanut butter.

“We won’t let ourselves be pushed around over and over again,” she said. “We will act too.”

Suggesting an effort to form a wider trade bloc excluding the US, she added, “We have to stand up for our principles, our values in Europe, potentially with Canada or Japan.”

In line with the general response in Europe to the US trade offensive and other hostile actions such as the withdrawal from the Iranian nuclear accord, Merkel reiterated the need to develop an independent European security force and pledged to further increase German military spending.

France’s Elysée Palace issued a combative statement declaring, “International cooperation can’t depend on anger and small words... We spent two days obtaining a draft and commitments. We stick to it. And anyone who leaves and turns his back on them shows his inconsistency.”

French President Emmanuel Macron tweeted late Sunday that an “isolated” United States faced a “united front” from its allies.

Former Socialist Party President François Hollande worried on France3 television: “This is a heavy blow for the G7... it may even be a fatal blow... it’s very clear there will be an escalation of sanctions, of retaliation, and thus more tariff barriers.”

The London-based *Financial Times* published a stunning editorial Monday under the headline “Donald Trump goes rogue at the G7.”

Writing that it would have been better had Trump carried out his threat to skip the meeting, the chief organ of British finance capital said, “The outcome, however, was worse than almost anyone could have imagined... As it was, he lashed out angrily at the countries that should be his allies, suggested that the grouping should expand to include a thuggish autocracy [Russia], and upped his threats of trade conflict to an even more extreme level.

“By isolating himself so thoroughly, Mr. Trump has firmly decided to make the G7 a G6 plus one. A forum that used to act as the steering committee for the world economy is now merely another theater of combat for the president’s misguided trade war...”

“Instead, the G6 and other like-minded countries must band together whenever possible to resist protectionism, attempt to bypass Mr. Trump by signing trade deals that exclude the US, and keep the apparatus of global cooperation as functional as they can for when sanity hopefully returns to the White House. This weekend showed a world in disarray, where America has abdicated its responsibilities. The rest of the globe should draw consequences.”

The pious hopes of the *Financial Times* for a better result from a future US president are unlikely to be fulfilled. Despite the attempts to portray the extreme economic nationalism and unilateralism of the Trump administration as the product of the peculiar beliefs and proclivities of the current occupant of the White House, the turn by the United States to trade war and unbridled militarism is the outcome of profound objective processes that span decades. It is not a mere accident that American capitalism has elevated this representative of the criminal financial oligarchy to the post of commander in chief.

Trump and his “America First” agenda express the disorientation and outrage of the American ruling elite over the massive decline in the world economic position of American capitalism over the past five decades, and their failure to reverse this decline by means of military violence. More than a quarter-century of neo-colonial wars in Eastern Europe, Central Asia, the Middle East and North Africa since the dissolution of the Soviet Union have only accelerated the decline, and US imperialism finds itself facing new threats to its hegemonic ambitions, particularly with the rise of China.

Under these conditions, and in the context of a global crisis of the capitalist system, the US is resorting to the methods of trade war in an attempt to offload its crisis onto its major competitors—a path that, as in the 1930s, leads inexorably to world war.



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