

In Stunning Pair Of Interviews, Trump Slams NATO And EU, Threatens BMW With Tax; Prepared To "Cut Ties" With Merkel

By Tyler Durden – Zero Hedge

In two separate, and quite striking, interviews with Germany's Bild ([paywall](#)) and London's Sunday Times ([paywall](#)), Donald Trump did what he failed to do in his first US press conference, and covered an extensive amount of policy and strategy, much of which however will likely please neither the pundits, nor the markets.

Among the numerous topics covered in the Bild interview, he called NATO obsolete, predicted that other European Union members would join the U.K. in leaving the bloc and threatened BMW with import duties over a planned plant in Mexico, according to a Sunday interview granted to Germany's Bild newspaper that will raise concerns in Berlin over trans-Atlantic relations. Furthermore, in his first "exclusive" interview in the UK granted to the Sunday Times, Trump said he will offer Britain a quick and "fair" trade deal with America within weeks of taking office to help make Brexit a "great thing". Trump revealed that he was inviting Theresa May to visit him "right after" he gets into the White House and wants a trade agreement between the two countries secured "very quickly".

Trump told the Times that other countries would follow Britain's lead in leaving the European Union, claiming it had been deeply damaged by the migration crisis. "I think it's very tough," he said. "People, countries want their own identity and the UK wanted its own identity."

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Michael Gove New York
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Donald Trump will offer Britain a quick and "fair" trade deal with America within weeks of taking office to help make Brexit a "great thing".

Speaking to *The Times* in his first UK interview as president-elect, he revealed that he was inviting Theresa May to visit his "right office" he goes into the White House and wants a trade agreement between the two countries secured "very quickly".

Mr Trump also predicted that other countries would follow Britain in leaving the European Union, claiming it had been deeply damaged by the migration crisis.

"I think it's very tough," he said. "People, countries want their own identity and the UK wanted its own identity."
He revealed that Mrs May had written to him just after Christmas with a list of a group of Winston Churchill's address to the American people shortly after the Japanese attack on Pearl Harbor.

In the letter the prime minister told Mr Trump that she hoped the sentiment of words and historical association between the two countries was "just as true today as it has ever been".

In the wide-ranging interview, Mr Trump revealed:

• He will agree a trade agreement with President Putin of Russia in return for lifting US sanctions. He was highly critical of Russia's intervention in Syria, however, describing it as "a very bad thing" that had led to a "terrible humanitarian situation".

• Cities will be signed next Monday to strengthen America's borders, which could include travel restrictions on European countries in the US as well as "refugee vetting" for those entering America from parts of the world known for Islamic terrorism.

• He believes that Angela Merkel made a "catastrophic mistake" when she let more than 1 million migrants in to Germany, adding that the EU had become "a vehicle for Germany".

• He will start off by meeting Mrs May and Mr Putin, but that might not last long.

• Mr Trump was among the most isolationist foreign policy. He described the decision to invade Iraq as "possibly the most decision ever made in the history of our country" saying it was like "throwing rocks into a bonfire". He added that Afghanistan was "unjustified" and that attempts to capture Osama bin Laden had turned out to be a disaster.

• He Russia, Mr Trump indicated that he



Donald Trump in his office at Trump Tower during his interview with *The Times*. He told Michael Gove: "I love the UK"

hoped that a deal could be done to reduce nuclear capability in return for dropping some sanctions on Moscow. "They have sanctions on Russia — let's see if we can make some good deals with Russia. For one thing, I think nuclear weapons should be very slow and reduced very substantially, that's part of it."

But it was Mr Trump's offer of a rapid trade deal with Britain that was one of the most eye-catching aspects of the hour-long interview of Trump Tower in New York, in which he said: "I love the UK."

"We've gonna work very hard to get it done quickly and done properly. Good for both sides," Mr Trump said. "I will be meeting with [Mrs May], then convening a meeting and we'll have a meeting right after I get into the White House and I'll be, I think we're gonna get something done very quickly."

The interview comes as the UK adapts an increasingly tight line on Brexit before a speech Mrs May is due to give tomorrow. Philip Hammond, the chancellor, issued the government's official warning yet of what would happen if the EU attempted to impose tariffs and trade restrictions on the UK, since Britain had left the EU. Mr Hammond told a German newspaper that a "bordered" Britain would not be keen and accept economic damage incurred by a hard Brexit deal.

Instead, he said, the government would change its economic model to regain competitiveness, pledging that "we will do whatever we have to do". His remarks were interpreted as a threat to lower corporate tax, agreements to end coal, France, Germany and Italy's tariffs. Any potential trade deal with the US would be possible, even on the UK's negotiating authority, as it would be open to a huge market for British goods and services.

Mr Trump said he thought that "Brexit is going to end up being a great thing" and welcomed the fall in the value of the pound for Britain to be able to have the attractiveness of British products abroad.

The prime minister, who will be reappointed on Friday, said he was also looking forward to meeting Britain, saying his Scottish mother was "so proud of the Queen".

"As time as the Queen visits Gibraltar, in an event, my mother would be watching," he said. He also urged that the British identity should be kind to "watch my mother" saying "I think I that is big business, that's the problem."

However, he said, he has never thought the EU and will be understood completely. Continued on page 2, col 3

Elsewhere, quoted in German from a conversation held in English, Trump predicted Britain's exit from the EU will be a success and portrayed the EU as an instrument of German domination with the purpose of beating the U.S. in international trade. For that reason, Trump said, he's fairly indifferent whether the EU breaks up or stays together, according to Bild. According to Bloomberg, Trump's comments "leave little doubt that he will stick to campaign positions and may in some cases upend decades of U.S. foreign policy, putting him fundamentally at odds with German Chancellor Angela Merkel on issues from free trade and refugees to security and the EU's role in the world."



Trump then attacked another carmaker, previously unnoticed by the president-elect, when he warned the United States will impose a border tax of 35 percent on cars that German carmaker BMW plans to build at a new plant in Mexico and export to the U.S. market. A BMW spokeswoman said a BMW Group plant in San Luis Potosi would build the BMW 3 Series starting from 2019, with the output intended for the world market. The plant in Mexico would be an addition to existing 3 Series production facilities in Germany and China. Trump said BMW should build its new car factory in the United States because this would be "much better" for the company.

He went on to say Germany was a great car producer, borne out by Mercedes Benz cars being a frequent sight in New York, but there was no reciprocity. Germans were not buying Chevrolets at the same rate, he said, making the business relationship an unfair one-way street. He said he was an advocate of free trade, but not at any cost. The BMW spokeswoman said the company was "very much at home in the U.S.," employing directly and indirectly nearly 70,000 people in the country.

Going back to foreign policy, Trump discussed his stance on Russia and suggested he might use economic sanctions imposed for Vladimir Putin's encroachment on Ukraine as leverage in nuclear-arms reduction talks, while NATO, he said, "has problems."

"[NATO] is obsolete, first because it was designed many, many years ago," Bild quoted Trump as saying about the trans-

Atlantic military alliance. “Secondly, countries aren’t paying what they should” and NATO “didn’t deal with terrorism.”

While those comments expanded on doubts Trump raised about the North Atlantic Treaty Organization during his campaign, he reserved some of his most dismissive remarks for the EU and Merkel, whose open-border refugee policy he called a “catastrophic mistake.” He further elaborated on this stance in the Times interview, where he said he was willing to lift Russian sanctions in return for a reduction in nuclear weapons.

When asked about the prospect of a nuclear arms reduction deal with Russia, Trump told the newspaper in an interview: “For one thing, I think nuclear weapons should be way down and reduced very substantially, that’s part of it.”

Additionally, Trump said Brexit will turn out to be a “great thing.” Trump said he would work very hard to get a trade deal with the United Kingdom “done quickly and done properly”.

Trump praised Britons for voting last year to leave the EU. People and countries want their own identity and don’t want outsiders to come in and “destroy it.” The U.K. is smart to leave the bloc because the EU “is basically a means to an end for Germany,” Bild cited Trump as saying. “If you ask me, more countries will leave,” he was quoted as saying.

While Trump blamed Brexit on an influx of refugees he said that Britain was forced to accept, the U.K.’s number of asylum applications in 2015 was a fraction of the 890,000 refugees who arrived in Germany that year at the peak of Europe’s migrant crisis.

With Merkel facing an unprecedented challenge from the anti-immigration Alternative for Germany as she seeks a fourth term this fall, Trump was asked whether he’d like to see her re-elected. He said he couldn’t say, adding that while he respects Merkel, who’s been in office for 11 years, he doesn’t know her and she has hurt Germany by letting “all these illegals” into the country.

Among Trump's other comments to Bild::

- the Bush administration's decision to invade Iraq may have been the worst in U.S. history;
- that Jared Kushner, Trump's son-in-law, is a natural talent who will bring about an accord with Israel
- Trump plans to keep using social media including Twitter once he's in the White House to sidestep the press and communicate directly with his followers
- People entering the U.S. will face "extreme" security checks, possibly including some European nationals

But perhaps the most troubling, if only to legacy US diplomatic relations, was that, as the Times noted, "despite all of Mr Trump's expressions of admiration for Mr Putin and Mrs Merkel, he revealed that he was prepared to cut ties with both: "Well, I start off trusting both - but let's see how long that lasts. It may not last long at all."

It is unclear if this litany of strategic and tactical announcements, many of which quite shocking in their audacity and scope, is merely meant to serve as a launching pad for further negotiations, something Trump has proven quite adept at doing by stunning his counterparties into a state of abrupt silence, or if these are actually meant to serve as a basis for future US policy; if it is the latter, when US markets reopen they may have a distinct case of indigestion because while the market had desperately hoped for more clarity out of Trump on his policies, what emerged in these two interview is hardly it.