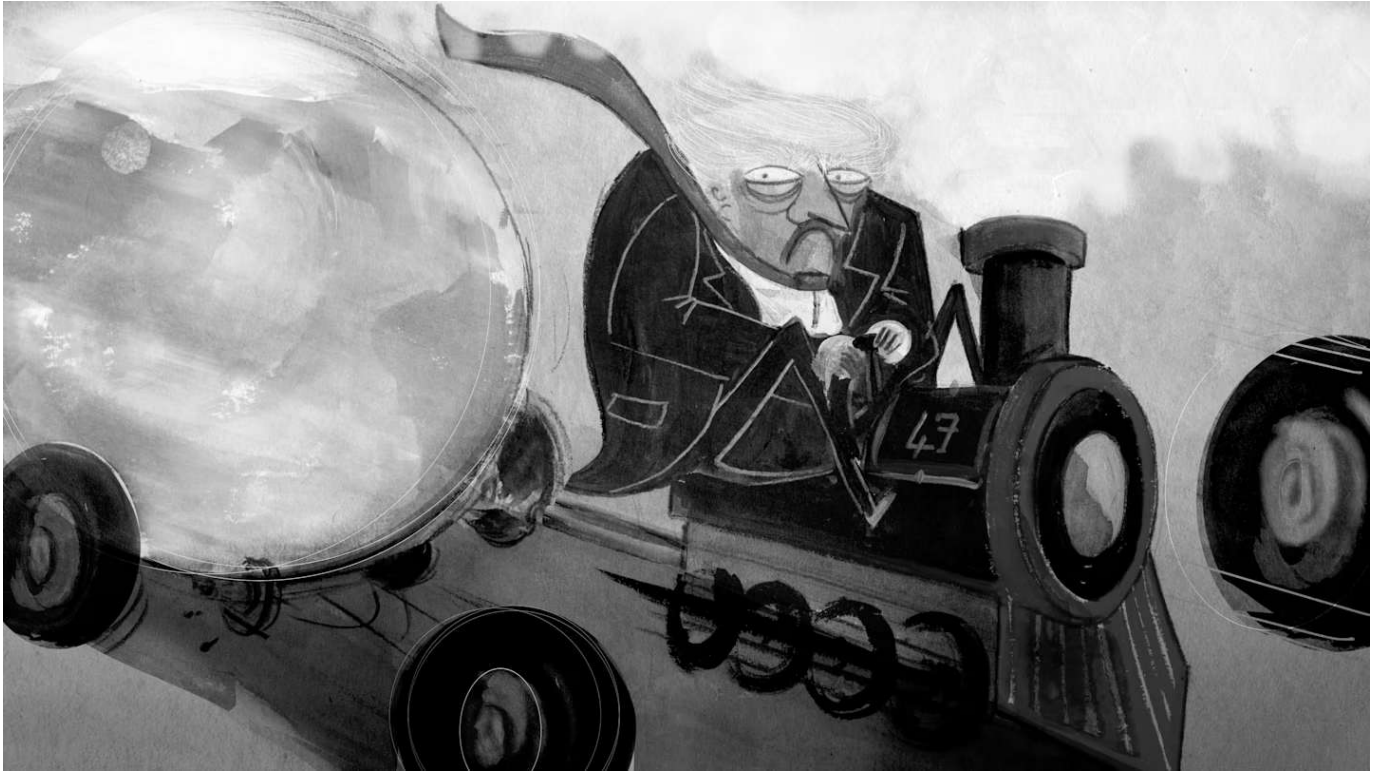


Opinion **US foreign policy**

The wheels are coming off the US world order

Trump believes in a world in which there are no allies, only satellites, and in which power is America's alone to wield

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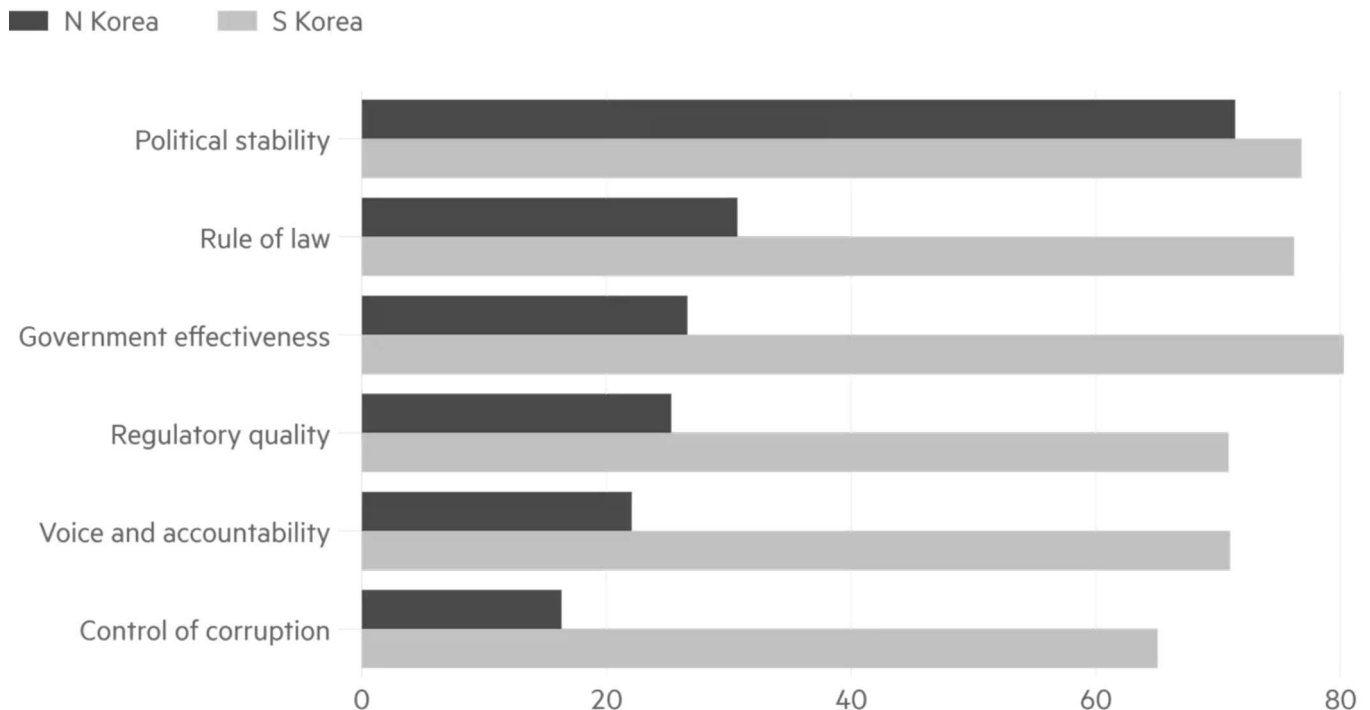
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On August 16, Donald Trump announced a substantial reduction in joint military exercises with South Korea. On August 19, he announced what came, five days later, to be called “Operation Economic Outcast” against Iran, defined as an effort to “sever the economic lifelines that sustain the Iranian regime”. On August 21, US trade talks with Canada collapsed, after the Americans made new demands that would limit Canada’s freedom to make trade deals with other countries and keep its rules protecting the French language. On August 28, Trump announced “THE BIGGEST OIL DEAL IN WORLD HISTORY!” which would give the US 55 per cent control of the output of a new Venezuelan company that would develop 17 fields with a “proven potential” of 65bn barrels.

That is an astonishing effort in just two weeks. The behaviour itself is not surprising. But it does reveal the sort of world Trump believes in. It is a world in which the US does not have allies but satellites; one in which the US can do whatever it wants, whenever it wants, to whomever it wants; one in which power alone matters; and, above all, one in which the US thinks that it alone has the power, with that power concentrated in the hands of one man, who is, not coincidentally, a bully.

No US president should feel well disposed towards North Korea

World Bank Governance indicators, 2024 (all 0-100)



Source: World Bank

It was not ever thus. In 1969, Dean Acheson, secretary of state to Harry S Truman from 1949 to 1953, published *Present at the Creation*, in which he laid out the logic of post-second world war US policy. In its prologue, he describes “a tale of large conceptions, great achievements, and some failures . . . Its hero is the American people, led by two men of rare quality, President Truman and General Marshall.” He goes on to explain “the enormity of the task before all of them” as being “to create half a world, a free half” out of chaos, “without blowing the whole world to pieces in the process. The wonder of it is how much was done.” Yes, it truly was.

Because of what they then created, the then embattled “free half” won the cold war, the last of the great European empires, the Soviet Union, fell and much of the world dreamt of peace and prosperity. When Trump writes his autobiography, I hope he calls it *Present at the Destruction*. That is not because he was personally responsible for the death of those dreams. But he is certainly the man now nailing their coffins shut.

Just consider the four actions he took in the two weeks briefly noted above. We are in a lawless and unpredictable world. Trump is not the creator of that world. But he is surely its prime mover. Let us start with the story of South and North Korea. The Korean war began when the latter invaded the former in 1950. Overall casualties of this conflict were some 5mn. The US itself lost 37,000 soldiers in the three years of conflict. Today's long-lasting armistice, not a true peace, was the result.

When explaining his decision to cut down this year's exercises, Trump cites his "very good relationship with Kim Jong Un", hereditary ruler of a communist regime. Moreover, it is not just any communist regime: North Korea is the world's most totalitarian country. South Korea, however, is the product of one of the world's greatest economic miracles and a democracy now rated more highly by Freedom House than the US. The exercises never caused a war. But cutting South Korea off might.

Canada is inevitably far more dependent on the US than the other way round

Canadian and US bilateral exports of goods as a share of total exports and of GDP (%)

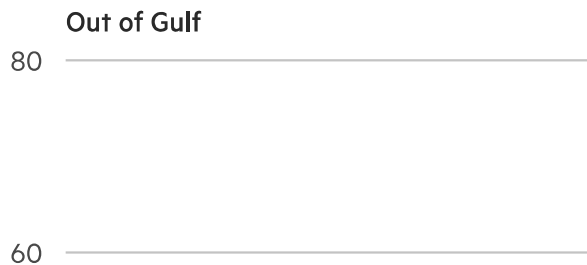
As a % of total exports	As a % of GDP
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80 _____

Now turn to the trade war against Canada. This, too, is astounding. Behind it lie three characteristically Trumpian beliefs: Canada is not a sovereign country; trade surpluses are predatory; and constant changes in trade policies are costless. The outcome of these beliefs is, inevitably, disorder. But, for Trump, chaos is an opportunity, not a problem. He loves it. Again, contrast that with what Acheson lauded. The great creations of the Truman era included the Marshall Plan and the General Agreement on Tariffs and Trade. But these are, for Trump, idealistic follies. Will his trade war with Canada work? No. Might it lead to war between these erstwhile friends and neighbours? Who knows?

Traffic through the Strait of Hormuz remains extremely low

Estimated daily transits



Then there is the next stage in the Iran war. With hostilities recently reopened, we are back to wondering what disruptions come next. What is certain is that the outcome has been far from the one promised when the conflict started in February. Any reopenings of the Strait of Hormuz are fragile. It is also still hard to see any positive longer-term outcome from this war for the US or its allies, be the latter in the Gulf or elsewhere. Is it likely that “Operation Economic Outcast” will make the difference? In my view, no, for three reasons: first, the Iranian regime has survived prolonged hostility and now war; second, its leaders know what is likely to happen to them if they lose power; and, third, when cancelling Barack Obama’s nuclear deal in 2018, Trump promised that his then new programme of “maximum pressure” would do the trick. It failed to do so. Will this new variant achieve more? As Paul Krugman argues, China is likely to ensure it does not.

Finally, we have the new Venezuela deal, as traditional a piece of 19th-century colonialism as one can imagine. I am sure many Venezuelans are delighted Nicolás Maduro is in a US prison. But they must have hoped for the overthrow of the dictatorship, not a new colonial master with its hands on their oil. Will this even work for the US? I doubt it. Who can ensure the safety of the new private investors?

When trying to understand Trump's view of the world, it is impossible to look for ideas or principles. It is not even a return to Palmerstonian realism. What it is, rather, is the antithesis of what was created after the second world war. We are all "present at the destruction". Today's disorder is Trump's present to the world.

An earlier chart in this piece showing transits through the Strait of Hormuz applied only to ships allowing automatic identification. The replacement chart includes estimates for all ships

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