

DeepSeek summary of: [The cost of losing trust in the US](#), a Financial Times podcast, recorded on 4 June 2025 (posted on FT YouTube, 7 June 2025)

(Read the summary and then listen to the podcast which underlines how far the Trump administration is breaking up the domestic and international rule of law.)

The podcast, hosted by Martin Wolf and Paul Krugman, explores the erosion of trust in the U.S. and its profound implications for the global economic and political order. Key themes discussed include:

1. **Breakdown of Trust and Rule of Law:** The U.S. administration's arbitrary actions, such as disregarding international trade agreements (e.g., raising steel tariffs to 50% under dubious national security claims), are likened to historical despotism. This unpredictability undermines planning and stability for businesses and allies.
2. **Trade System Collapse:** The dismantling of the post-WWII trade framework, including the abandonment of the Most Favored Nation principle, signals a shift toward unilateralism. This destabilizes global trade and raises concerns about the U.S.'s reliability as a partner.
3. **Domestic and International Corruption:** The administration's overt corruption, including self-enrichment and disregard for ethical norms, sets a dangerous precedent. This contrasts sharply with past U.S. leadership in promoting transparency and anti-corruption measures.
4. **Financial and Security Risks:** Potential U.S. debt default (e.g., through "century bonds") threatens the global financial system, given the dollar's role as the world's reserve currency. Security alliances are also jeopardized by erratic behavior, such as antagonizing Canada and undermining Ukraine.
5. **Assault on Institutions:** Attacks on science, universities, and immigration harm the U.S.'s intellectual and innovative edge. Policies deterring foreign talent and suppressing academic freedom risk long-term damage to the economy and global standing.
6. **Historical Parallels:** The discussion draws parallels to pre-1688 England, highlighting a regression from rule-of-law governance to arbitrary rule, with dire economic and political consequences.
7. **Stanley Fischer's Legacy:** The late economist's contributions to Keynesian economics and pragmatic policymaking are celebrated, underscoring the value of evidence-based governance now under threat.

Conclusion: The podcast paints a bleak picture of a U.S. retreat from its leadership role, embracing unpredictability and undermining the foundations of global stability. The hosts emphasize the need to recognize these changes as systemic and potentially irreversible, urging attention to the broader implications for democracy and international order.