

THE TRUTH OF DEAD EXCEPTIONALISM

Yesterday, the anniversary of Trump's second inauguration, may be forever measured in two speeches. Trump gave a long, racist grievance-fest full of false claims denying that he is actively destroying the country.

And Mark Carney gave a speech where he declared the end of American Exceptionalism.

He didn't describe it that way. Instead, he pitched alliances of "middle powers" that continue to live by the values purportedly enshrined in the Western order, even as superpowers operate nakedly eschewing such limits.

Now, Canada was amongst the first to hear the wake-up call, leading us to fundamentally shift our strategic posture. Canadians know that our old, comfortable assumptions that our geography and alliance memberships automatically conferred prosperity and security, that assumption is no longer valid. And our new approach rests on what Alexander Stubb, the president of Finland, has termed value-based realism.

Or, to put it another way, we aim to be both principled and pragmatic. Principled in our commitment to fundamental values, sovereignty, territorial integrity, the prohibition of the use of force except when consistent with the UN Charter and respect for human rights.

And pragmatic in recognizing that progress is often incremental, that interests diverge, that not every partner will share all of our values.

So we're engaging broadly, strategically, with open eyes. We

actively take on the world as it is, not wait around for a world we wish to be.

We are calibrating our relationships so their depth reflects our values, and we're prioritizing broad engagement to maximize our influence, given the fluidity of the world at the moment, the risks that this poses and the stakes for what comes next.

And we are no longer just relying on the strength of our values, but also the value of our strength.

[snip]

Our view is the middle powers must act together because if we're not at the table, we're on the menu.

But I'd also say that great powers can afford, for now, to go it alone. They have the market size, the military capacity, and the leverage to dictate terms. Middle powers do not. But when we only negotiate bilaterally with a hegemon, we negotiate from weakness. We accept what's offered. We compete with each other to be the most accommodating.

This is not sovereignty. It's the performance of sovereignty while accepting subordination.

Much of that speech was the speech of a two-time central banker describing how to pursue national gain; indeed, he boasted of how much he had achieved in the last year, a year when Trump has rolled out one after another framework of a deal that served as nothing more than a point of leverage.

But Carney bookended that discussion with an explicit nod to Václav Havel's *Power of the Powerless*, an essay that – in 1978, over a decade before the demise of communism – envisioned combatting an ideologically driven empire by simply refusing to affirmatively

perform blind obedience to the ideology anymore.

And I'm fascinated by that frame, and not even just because I was once an expert on the essay and the dissident movement from which it arose.

Havel's essay arose from a debate about how one can be a dissident, a heated debate about the relationship between leader and led (my dissertation argued that Havel was actually on the wrong side of that debate, even while he won the mantle of leadership). But it envisioned that simple non-participation – the ethical act of refusing to affirmatively play the role assigned by ideology anymore – might build power for the powerless.

The manager of a fruit-and-vegetable shop places in his window, among the onions and carrots, the slogan: "Workers of the world, unite! Why does he do it? What is he trying to communicate to the world? Is he genuinely enthusiastic about the idea of unity among the workers of the world? Is his enthusiasm so great that he feels an irrepressible impulse to acquaint the public with his ideals? Has he really given more than a moment's thought to how such a unification might occur and what it would mean?

[snip]

This, of course, does not mean that his action has no motive or significance at all, or that the slogan communicates nothing to anyone. The slogan is really a sign, and as such it contains a subliminal but very definite message. Verbally, it might be expressed this way: "I, the greengrocer XY, live here and I know what I must do. I behave in the manner expected of me. I can be depended upon and am beyond reproach. I am obedient and therefore I have the right to be left in peace." This message, of course, has an addressee: it

is directed above, to the greengrocers superior, and at the same time it is a shield that protects the greengrocer from potential informers. The slogans. real meaning, therefore, is rooted firmly in the greengrocers existence. It reflects his vital interests. But what are those vital interests?

Let us take note: if the greengrocer had been instructed to display the slogan "I am afraid and therefore unquestioningly obedient; he would not be nearly as indifferent to its semantics, even though the statement would reflect the truth. The greengrocer would be embarrassed and ashamed to put such an unequivocal statement of his own degradation in the shop window, and quite naturally so, for he is a human being and thus has a sense of his own dignity. To overcome this complication, his expression of loyalty must take the form of a sign which, at least on its textual surface, indicates a level of disinterested conviction. It must allow the greengrocer to say, "Whats wrong with the workers of the world uniting?" Thus the sign helps the greengrocer to conceal from himself the low foundations of his obedience, at the same time concealing the low foundations of power. It hides them behind the facade of something high. And that something is ideology.

Ideology is a specious way of relating to the world. It offers human beings the illusion of an identity, of dignity, and of morality while making it easier for them to part with them. As the repository of something suprapersonal and objective, it enables people to deceive their conscience and conceal their true position and their inglorious modus vivendi, both from the world and from themselves. It is a very pragmatic

but, at the same time, an apparently dignified way of legitimizing what is above, below, and on either side.

Carney's speech – the speech of the two-time central banker – barely scratches at what this ideology is, without which his reliance on Havel makes little sense.

It might be generally described as the fiction within the UN and World Trade system that permanent Security Council members ever adhered to the rules-based order.

We knew the story of the international rules-based order was partially false, that the strongest would exempt themselves when convenient, that trade rules were enforced asymmetrically, and we knew that international law applied with varied rigor, depending on the identity of the accused or the victim.

Carney's statement about this fiction certainly included China...

Over the past two decades, a series of crises in finance, health, energy and geopolitics have laid bare the risks of extreme global integration. But more recently, great powers have begun using economic integration as weapons, tariffs as leverage, financial infrastructure as coercion, supply chains as vulnerabilities to be exploited.

You cannot live within the lie of mutual benefit through integration when integration becomes the source of your subordination.

But this is obviously (in the paragraph following from the rules-based order one) directed at Donald Trump and the security he has destroyed in the last year.

This fiction was useful, and American

hegemony in particular helped provide public goods, open sea lanes, a stable financial system, collective security, and support for frameworks for resolving disputes.

In truth, I'm not sure the frame borrowed by Havel – at least as adopted *in this speech* by the two-time central banker – entirely works. Carney is not so much newly asserting that the world order no longer works. Trump, and especially, Stephen Miller already asserted that. As such, Carney's assertion of a rupture is of little value; what matters are the strategy discussions of a two-time central banker on how to respond.

Hegemons cannot continually monetize their relationships. Allies will diversify to hedge against uncertainty. They'll buy insurance, increase options in order to rebuild sovereignty, sovereignty that was once grounded in rules but will increasingly be anchored in the ability to withstand pressure.

But the reason why Canada and the other middle powers put up with the US in the last two decades – the period he addresses, the period I addressed here – is that the US broke the rules a lot, with invasions, with torture, abusing its hegemonic financial position to avoid consequences for the crash, but rarely got called on it, because the US also kept shipping lanes secure, security guarantees it now refuses to abide by itself.

I'm not sure whether Carney envisioned more, envisioned costs Trump will pay for having disavowed American Exceptionalism. Those costs may be primarily born, internalized, by Americans who have yet to understand.