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Trump's further appointments: a peace plan for Ukraine and the threat of a tariff increase?

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In the last days of November, Donald Trump tapped further candidates for positions in his new administration. The nomination of retired General Keith Kellogg as US special envoy for Ukraine and Russia suggests that although the new president's goal will be to seek an end to the war in Ukraine, this does not necessarily involve far-reaching concessions to Moscow. Several months ago, Kellogg outlined a plan to resolve this armed conflict through peace negotiations, combined with continued military support for Kyiv and security guarantees following the war's culmination.

The selection of individuals with business experience, who advocate for moderate tariff increases, to key trade policy positions may suggest that the new administration's decisions in this area will be less stringent than indicated by the new president's campaign declarations. The aforementioned appointments marked the final steps in the process of nominating candidates for top positions in the administration. A clear division is evident among the appointees, with radical reformers loyal to Trump expected to address domestic issues, and more moderate politicians poised to shape US foreign and trade policy in the coming years.

A 'Kellogg plan' for Ukraine?

In his pre-election slogans, Trump highlighted the need to achieve a ceasefire in Ukraine as soon as possible and to start peace negotiations. Kellogg's appointment as US special envoy for Russia and Ukraine corroborates this intention. The retired general co-authored the report entitled 'America First, Russia, & Ukraine', published in April 2024, which offers recommendations for ending the war. These recommendations are based on the assumption that, following the unsuccessful 2023 counteroffensive, Kyiv is incapable of regaining all Russian-occupied territories through continued combat. Further US support for Ukraine would only equate to prolonging the war of attrition, while diminishing the stockpile of US weapons and military equipment that may be needed in other theatres of operations.

According to Kellogg, the US should seek a ceasefire and peace negotiations, and continue arming Ukraine, but only on the condition that it enters into talks with Russia. Postponing the prospect of Ukraine's accession to NATO by several years and lifting some of the sanctions could be used as arguments to convince Russia to initiate the talks. This could result in Moscow's gradual emergence from its international isolation. While Ukraine would not be expected to recognise the Russian annexation of part of its territory, it would need to renounce the use of force to recapture it. A final peace agreement would need to be

satisfactory to Kyiv and include security guarantees (including bilateral ones). Only then could Russia hope for a complete lifting of sanctions, with some proceeds from the sale of Russian oil and gas earmarked for Ukraine's reconstruction. Although the 'Kellogg Plan' aligns with the perspectives of Marco Rubio and Michael Waltz, Kellogg's longer-standing direct relationship with Trump suggests his role in achieving a ceasefire or facilitating potential peace negotiations may be more prominent.

Currently, although Russia has not officially reacted to Kellogg's appointment, its propaganda apparatus and state media have discussed this development extensively. On the one hand, they highlighted with concern that he is a proponent of 'peace through strength' and will seek to achieve a freeze on the conflict in Ukraine on the basis of the current territorial and political *status quo*. On the other hand, they expressed hope that he is in favour of initiating direct talks with Moscow, while the application of sanctions is of secondary importance. Ukrainian reactions to Kellogg's appointment were calm, with President Volodymyr Zelensky admitting that no detailed talks with him have been held so far, but that his envoys are expected to meet with Kellogg in the US shortly. A spokesperson for the Ukrainian foreign ministry said that Kyiv will not communicate its assessment of Kellogg's appointment until after the initial talks. Experts are cautiously optimistic about Kellogg and regard him as a better choice than Boris Epshteyn and Richard Grenell. They highlight his experience, the fact that he has visited Ukraine during the Russian invasion several times and has never made any anti-Ukrainian statements. Alongside this, they emphasise that some points of his plan, including the postponement of NATO accession and gradual lifting of sanctions against Russia, are unacceptable to Kyiv.

Tariff policy as a negotiation strategy?

Alongside security policy, trade policy is a sphere in which the partners of the United States most fear controversial and unpredictable decisions from the new administration. During the campaign, Trump suggested that he would significantly raise tariffs on goods imported to the US in order to improve the situation of the American industrial sector and to negotiate more favourable trade agreements. The new tariffs on imported products could be 10% or 20%, and up to 60% for goods imported from China.

The new administration could also use tariffs as an argument in negotiations unrelated to trade. Recently, the president elect announced his intention to impose a 25% tariff on all products imported from Mexico and Canada. These new tariffs would remain in place until the problem of drug trafficking and illegal immigration into the US is eliminated. Trump also announced a 10% increase in all existing tariffs on products imported from China, citing the smuggling of drugs into the United States. He also threatened to impose 100% tariffs on goods from BRICS countries should they attempt to abandon the dollar as the reserve currency.

Nominations for key positions related to trade policy suggest that the new administration's decisions may be more restrained than Trump's campaign promises. Scott Bessent, the founder and manager of the Key Square Group hedge fund, is set to become Secretary of the Treasury, while Howard Lutnick, the CEO of the Cantor Fitzgerald investment company, has been tapped to become the next Secretary of Commerce. Additionally, Jamieson Greer, a lawyer specialising in international trade, is set to be appointed as US trade representative. During the election campaign, both Bessent and Lutnick hinted that Trump's proposed

tariffs were an element of the next administration's negotiation strategy, and that the announced increases in tariffs on all imported goods should be viewed as a general plan rather than a specific goal. Bessent is considered more moderate, and his nomination as Secretary of the Treasury may have been motivated by the intention to reassure the financial markets. However, it cannot be ruled out that Lutnick, who is considered more hawkish, will play an important role in tariff-related decisions. Trump even suggested he might subordinate the trade representative to Lutnick, positioning him as a central figure in the formulation of US trade policy.

The United States Congress, which possesses the authority to impose tariffs and regulate foreign trade, may serve as a significant obstacle to the president's efforts to modify tariff policy. Some senators and congressmen may fear that increased import tariffs will provoke retaliatory measures from other countries, ultimately harming the economic interests of the states they represent. Congress can authorise the president to negotiate trade treaties and alter the tariff rates, but even if it does not grant such authorisation or fails to approve the proposed new tariffs, Trump will still have some options for pursuing his policy. The president can independently impose tariffs, for instance, in the event of a threat to US security, linked with the import of a particular category of goods, or if a sudden surge in imports threatens the American industrial sector.

The risk of conflicts within the administration

Within a month of his election Trump announced his candidates for key positions in the new administration (see '*Loyalists and revolutionaries? Trump is making first foreign policy nominations*'). However, most of these candidates must be approved by the Senate, with the most controversial figures likely to face pressure from the media. A prime example of this is Matt Gaetz, who was set to become Attorney General, yet withdrew his candidacy after intense media scrutiny. There is also growing controversy over the potential new Secretary of Defence, Pete Hegseth. Similarly to Gaetz, he has been accused of sexual misconduct and other offences.

The new administration reveals a clear division between loyalists, tasked with reforming the structures under their jurisdiction (Hegseth at the Department of Defence, Kash Patel at the FBI, Robert Kennedy at the Department of Health), and more moderate politicians aligned with Trump (Bessent at the Department of the Treasury and Rubio at the State Department). It appears that the president-elect's more radical aides will concentrate on domestic reforms, while the more predictable figures will manage external relations and cooperation with business.

As in Trump's first administration, informal networks may play a significant role. Access to the president may prove more important than the official position held, as evidenced by the influence of figures like Elon Musk, Epshteyn, and the president's close family members. The operation of this internal network in Trump's second administration may lead to personal conflicts and frequent personnel reshuffles in the coming years, much like during his first term.

APPENDIX

General Keith Kellogg: profile and views

Served as the national security advisor to Vice President Mike Pence while being a close collaborator of Donald Trump. In recent years, he has cooperated with the America First Policy Institute (AFPI), a think tank devising political plans for Trump's second term. Its representatives have been tapped to assume key positions in the new administration.

Kellogg supported the US plan to arm Ukraine and criticised the Joe Biden administration for providing insufficient armaments to Kyiv. At the same time, he has consistently opposed actions that could result in direct US involvement in the conflict. However, he criticised the subsequent aid packages to Kyiv, citing inadequate oversight of how Ukraine utilises these funds. He also opposed the continuation of US support in the absence of a clear plan to end the war.

In recent interviews, he suggested that Russia's nuclear threats might be a bluff. He also stated that, from the perspective of the new administration, permitting Kyiv to strike targets on Russian territory using US-made missiles would be advantageous, as it would enhance leverage in potential negotiations.