

# Revue de presse américaine

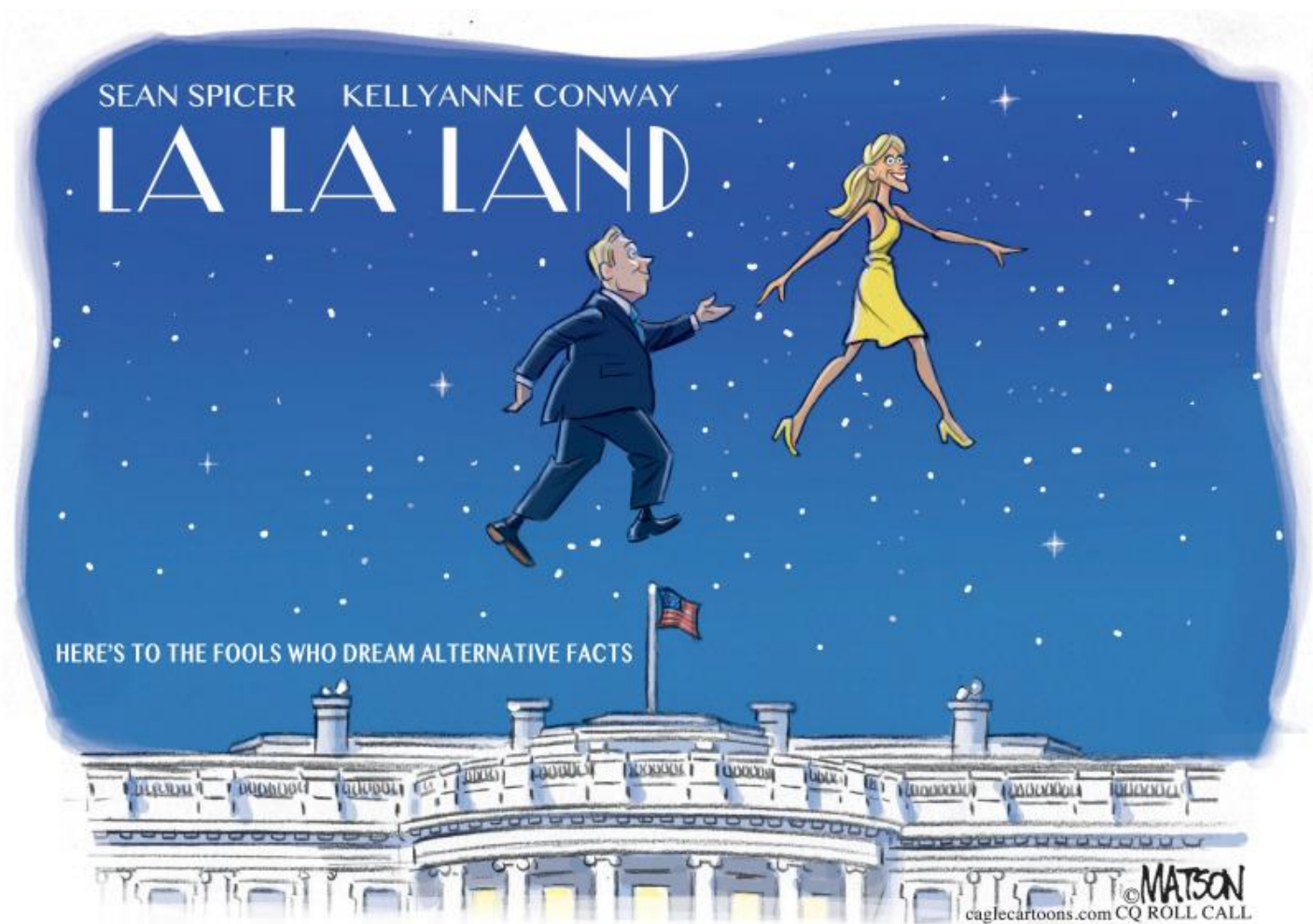
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RÉPUBLIQUE FRANÇAISE

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## FRANCE – EUROPE

# French Presidential Hopeful Says He Will Withdraw if Charged

Associated Press

(PARIS) — French presidential candidate Francois Fillon said Thursday he would step out of the race if he were given preliminary charges by national financial prosecutors investigating an allegedly fake job held by his wife.

Fillon, speaking on French channel TF1, said there was nothing improper or illegal about his employing his wife, Penelope, as his parliamentary aide for years.

He said "her work was real" and that he will provide investigators with "all necessary proof." But he said he wouldn't submit to being tried in the media.

"Only one thing would prevent me from being a candidate: it's if my honor was harmed, if I were given preliminary charges," Fillon, one of the top contenders in the French presidential election this spring, said.

"I have always said that I wouldn't be able to be a candidate for the presidential election if there was evidence that I had broken the law. This is not the case," he said.

It's not illegal for French legislators to hire their relatives as long as they are genuinely employed.

The conservative hopeful offered examples of the kinds of work he said his wife did as his aide during

the late 1990s and 2000s. He said she corrected his speeches, received "countless" people who wanted to see him, represented him at events and meetings and summarized the news for him.

The job of parliamentary aide is not a "standardized job, which meets specific rules," he said.

Fillon denounced opponents who he said are attacking his wife to reach damage him less than three months before the first round of the presidential election.

"I will defend her, I love her, I will protect her," he said.

France's financial prosecutors opened a preliminary probe on

Wednesday into suspected embezzlement and misappropriation of public funds after Le Canard Enchaîné newspaper reported that Fillon's wife was paid about 500,000 euros (\$537,000) in public funds for a job she allegedly didn't do.

As the conservative nominee, Fillon, a former prime minister, has been championing transparency and deep cuts in the ranks of civil servants to lower government spending. Early opinion polls suggest that he and far-right National Front leader Marine Le Pen could advance to the second round of the April-May election.



# French Front-Runner Faces Anger That Helped Trump

- Former minister sees Fillon's campaign 'hitting the wall'

- Populist Le Pen pitching herself as French workers' champion

Francois Fillon.

Photographer: Marlene Awaad/Bloomberg

The working classes helped deliver Brexit in the U.K. and send Donald Trump to the White House. In France's presidential election, they may pose the biggest threat to embattled front-runner Francois Fillon.

The establishment candidate's economic plans are the sort of medicine that many top executives and international institutions have been demanding for years. But to many on lower incomes, already angered by reports about Fillon's lifestyle, that sounds like a threat to their standard of living.

With prosecutors opening a preliminary criminal probe into claims that Fillon's wife improperly earned about 500,000 euros (\$530,000) while working as a parliamentary aide, concern is mounting among some of the candidate's allies that his perceived indifference to the day-to-day struggles of ordinary people is becoming an electoral risk.

Pollsters say the working class, the single biggest group of voters, is overwhelmingly opposed to the Republicans' candidate. That is a weakness the nationalist Marine Le Pen is seeking to exploit to boost her chances of a Trump-style shock.

"If we continue like this we are going to push the entire middle class into the arms of the National Front," Rachida Dati, a former Fillon minister with whom he has often tussled, said Jan. 20 in a radio interview. "If Marine Le Pen becomes the candidate of real wages, of jobs and workers and tax cuts, then watch out -- we're going to hit the wall."

## 14 Million Voters

Working people with annual incomes of less than 20,000 euros represent nearly a third of the France's 44.8 million registered voters, according to the national statistics office Insee. That group includes factory and construction workers, as well as people in low-skilled jobs such as retail clerks and waiters. Jerome Fourquet, head of pollster IFOP, estimates that Fillon has the support of just 11 percent of that group while Le Pen has more than 40 percent.

Fillon has repeatedly said he wants to remain faithful to his principles and has pledged to eliminate half a million public jobs, raise the retirement age and lengthen the work week just for a start. For him, the lack of mettle shown by previous presidents has impoverished the French and generated an unemployment rate of 10 percent, roughly double that of the U.K. and Germany. Voters need to realize they're being asked to make some sacrifices for a better future, he argues.

"Fillon's project is to first create wealth and then re-distribute it to the most fragile," Thierry Solere, a campaign spokesman, said. "One of the major objectives of Fillon is to make people understand that he wants to create the conditions that

will eventually help the least-favored citizens. This is the message."

## Bookmakers' Favorite

Bookmakers still make the Republican the strong favorite to become France's next president because the two-round system makes it difficult for outsiders like Le Pen and Emmanuel Macron to amass a majority. Prices gathered by Oddschecker.com give Fillon a 55 percent chance of winning, with his main rivals on less than 30 percent.

All the same, a poll by Odoxa released Friday showed the Penelope affair was hurting Fillon. The survey, carried out the day after the probe was announced, saw the candidate's approval rating drop to 38 percent compared with the 54 percent when the question was last asked at the beginning of November. The poll of 1,012 people didn't break out results by social class or give a margin of error.

A preliminary criminal investigation into Fillon's employment of his Welsh wife going back almost two decades was announced Wednesday after satirical weekly Canard Enchaîné reported that Penelope Fillon took a salary over multiple years for a largely fictitious job paid for with parliamentary funds.

The Republican nominee can ill afford the cost of such revelations as the presidential contest morphs into a three-way race. The post-primary bounce he enjoyed late last year has faded and he is now level-pegging with Le Pen for the first round, according to a major Ipsos Sopra Steria poll published Jan. 19.

"Having so little support among the working class is hurting Fillon,"

IFOP's Fourquet said in an interview. "Winning elections is about broadening your base."

Le Pen, who wants to take France out of the euro, has about 26 percent support compared with about 25 percent for Fillon, according to the Ipsos poll. Macron has moved within striking distance of the two favorites for the first round with about 21 percent. In mid-December, Fillon led by 3 percentage points.

## 'Gesture'

With the Socialist Party, the traditional choice for many workers, in disarray after Francois Hollande's disastrous presidency, the working class vote is the most obvious place for Fillon's rivals to pick up support.

Macron is spending much of his campaign rural France seeking their support while Le Pen accused the Republican of wanting to abolish social security and conduct a "purge" of public workers.

With criticism from top Republicans mounting, the candidate who proudly affirms his Catholic faith is considering making a gesture. That could come as soon as Jan. 29 when he holds his first major campaign meeting since the November nomination, according to campaign officials.

Maurice Leroy, a lawmaker and former cabinet colleague of the Republican candidate, said Sunday he should act soon. "He needs to have the courage to tell the truth, yes, but he also has to give hope to the people of France."

Before it's here, it's on the Bloomberg Terminal. LEARN MORE



4:22 p.m. ET

PARIS—France's far-right National Front has struggled to raise funds at home to finance leader Marine Le Pen's presidential bid in May and is seeking loans from banks abroad, party officials say—something opponents say opens the door to foreign influence.

Ms. Le Pen is running at the head of the election pack in public-opinion surveys. But French lenders are unwilling to extend credit to the National Front because they disagree with the anti-immigrant, euroskeptic party's policies, party treasurer Wallerand de Saint Just said.

In France, the government covers a large portion of political parties' campaign expenses, but it can take several months for it to actually hand over the money, forcing candidates to get stopgap loans from banks.

Mr. de Saint Just said that unless domestic lenders change their minds or supporters step up with bigger donations, the National Front would need to seek loans abroad—from banks elsewhere in Europe, the U.S. or Russia. "For the moment, we haven't found a real

## Shut Out in France, National Front Looks for Financing Abroad (online)

Noemie Bisserte

Jan. 26, 2017

solution," he said.

In 2014, the National Front borrowed about €9 million (\$9.6 million) from the now-defunct Moscow-based First Czech-Russian Bank to help fund its campaign for seats in the European Parliament, drawing criticism from rival politicians who said the loan was a sign of undue Kremlin sway over the National Front.

First Czech-Russian Bank was declared bankrupt and taken over by Russia's deposit-insurance agency last year.

The National Front and Ms. Le Pen have long espoused pro-Russian views and expressed admiration for President Vladimir Putin. Earlier this year, Ms. Le Pen said the annexation of Crimea wasn't illegal and criticized the Western sanctions levied against Moscow.

"We need to prevent foreign powers from influencing our elections," said Romain Colas, a French Socialist lawmaker, who proposed legal changes to require political parties to disclose the identities of their bankers and the terms of their loans.

The proposed legislation was struck down by France's Constitutional Council in December for procedural reasons.

Mr. Colas said France needed to be especially cautious about Russia. The U.S. government has said Russia hacked into computers belonging to the Democratic Party and leaked information it obtained ahead of the U.S. elections in November.

According to a survey conducted by polling firm Ipsos Sopra Steria, Ms. Le Pen is favored by 25% to 26% of voters. The *Républicains'* presidential candidate, François Fillon, would receive 24% to 25% of votes and Emmanuel Macron—the former economics minister who quit President François Hollande's government and launched his own political party—19% to 21%, Ipsos found.

Political parties in France aren't required to publish all the financial details of their campaigns. Expenses, however, are capped at around €17 million in the first round of a presidential race. Candidates who make it to the second round can spend up to €22.5 million in total.

If a politician exceeds a vote threshold of 5%, the government will reimburse expenses of up to €8 million for the first round and €10 million in total.

Several banks in France, including Société Générale, which lent €4

million to Ms. Le Pen for her presidential bid in 2012, recently chose to stop lending to political parties and their candidates.

"Société Générale's credit policy no longer allows lending to a political party, whichever it may be, for economic reasons but also to ensure political neutrality," a bank spokeswoman said.

The National Front said other banks have refused to consider loan applications from Ms. Le Pen.

"I doubt that's true," said Jean-François Debat, treasurer of the rival Socialist Party. "They're just crybabies."

Mr. Debat said the Socialists have arranged loans from a domestic bank. Hard-left candidate Jean-Luc Mélenchon has also lined up bank loans, according to officials of his party.

Gilles Boyer, campaign treasurer for the center-right Mr. Fillon, and Sylvain Fort, a spokesman for Mr. Macron, say the two men are on track to get loans from French lenders.

—Olga Razumovskaya contributed to this article.



## French far-right party official holds meetings in Israel

JERUSALEM —

The secretary general of France's far-right political party visited Israel on Thursday and met with military, government and political officials, though Israel shuns the party.

Israel has no official ties to the National Front because of its far-right ideology and history of anti-Semitism. The party's leader Marine Le Pen is a leading French presidential candidate in the April and May election.

Emmanuel Nahshon of Israel's Foreign Ministry says Nicolas Bay was on a private visit and would not meet Israeli officials.

But Bay tweeted photos of his meetings with Israeli Health Ministry's deputy director general, an Israeli medical commander, a

leading member of Israeli Prime Minister Benjamin Netanyahu's Likud party, the leader of the party's youth organization, and other civil society leaders. Bay's photo of meeting with an army colonel and the Health Ministry official later disappeared from Bay's Twitter.

Israel's Haaretz daily reported that Bay was visiting to meet French citizens living in Israel and shore up French Jewish support, and to meet Israeli politicians.

His meetings come as members of other far-right parties in Europe have paid visits to Israel and sought to forge ties with the Jewish state.

"The meeting with Mr. Bay was unofficial and took place by coincidence," said David Shayan, head of the Likud party's youth group. "Likud Youth has no interest in involvement with the political

process and elections in France." He declined to say what was discussed in the meeting.

The Health Ministry and the Israeli army had no immediate comment.

A senior Israeli official, speaking on condition of anonymity in line with regulations, said the prime minister was not aware of any meetings with the National Front.

Since Marine Le Pen, a leading presidential candidate, took over the leadership in 2011, she has worked to scrub away the anti-Semitic image inherited from the long reign of her father, Jean-Marie Le Pen, a party co-founder convicted of racism and anti-Semitism. She had her father expelled as a party member, though a court ruled he remains honorary president for life.

The National Front had no comment on Bay's visit to Israel.

Johann Habib, spokesman of the Israeli Francophone Federation, called the visit "shocking" and "a provocation."

"This party does not share our values of democracy and equality and tolerance," Habib said. "The party is anti-Semitic." He questioned why Israel allowed him into the country.

Two weeks ago, Marine Le Pen made her own surprise visit, this one to Trump Tower in New York. She did not meet with anyone in the Trump team, but George Lombardi, a Trump Tower resident and co-founder of Citizens for Trump, said he held a gathering for her with a group of entrepreneurs, industrialists and diplomats.

## As France's far-right National Front rises, memory of its past fades

By James McAuley

DRANCY, France—This was once an antechamber to Auschwitz, the beginning of many ends.

In the 1940s, it was here, on the outskirts of Paris, that about 65,000 Jews were interned and deported to their deaths in the horror universally

known as the Holocaust but known in France as the Shoah. For the vast majority of them, the modernist apartment complex that housed this

camp was the last image of France they saw before being forced onto trains to the gas chambers.

Today, there is a memorial museum in Drancy, but the housing project — once known as the “Silent City” — is still in service, an eerie home for low-income immigrants who may or may not be aware of the things their walls have seen. On some level, this is fitting. In the France — and the Europe — of the 21st century, the lessons of the 20th no longer seem self-evident, and certainly not sacrosanct.

Today's WorldView

What's most important from where the world meets Washington

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For decades, France's willing collaboration in the Nazi Holocaust was recognized as the most shameful chapter in the nation's history, a story recounted in public schools and a crime for which a sitting French president formally apologized. Paris is home to one of the world's premier Holocaust research centers, and black plaques now adorn the facades of nearly every school from which a Jewish child was known to have been deported.

But despite these displays of public memory, the unthinkable has happened. The National Front — a political party founded by a convicted Holocaust denier — has mounted a surprisingly credible bid for the French presidency.

The party's founder, Jean-Marie Le Pen, now 88, once dismissed concentration camps such as Drancy as a “detail of history,” a remark that landed him in the political wilderness for decades. Now, a very real scenario exists in which his daughter, Marine Le Pen,

could win the upcoming French elections.

Has the “past that will not pass” passed after all? Or has it merely ceased to matter?

*[Marine Le Pen could win the French election — but first she must win a family feud]*

One man deeply troubled by the question is Serge Klarsfeld, the most prominent living Nazi hunter in France and also Europe.

Now 81, Klarsfeld, a child survivor of the Holocaust, has spent his entire working life tracking down former Nazis alongside his wife, Beate. Those the Klarsfelds have brought to justice include Klaus Barbie, the infamous “butcher of Lyon,” and Maurice Papon, a former civil servant who authorized the transfer of nearly 1,700 Jews from Bordeaux to Drancy. The Klarsfelds also are largely credited with having successfully pressured subsequent administrations of the French government to acknowledge publicly the country's complicity in the Holocaust.

In short, they deal in the “details” that the elder Le Pen would rather forget.

And yet.

Sitting in his office, a veritable memory cavern strewn with books in a multitude of languages, stray photocopies of archival sources and oversize maps of various concentration camps, Klarsfeld struggled to put the rise of the National Front into words. Eventually, he sighed.

“I regret finishing my life in a period that so resembles the 1930s,” he said.

“Yes, the Shoah is honored everywhere. You have grand memorials in Paris, in Drancy, and

other places, and all that shows that there is a living memory. But history never stops. It's chaotic, history.”

But until recently, it had indeed seemed as though history — or, rather, the French public's understanding of it — had come to a final resting place.

Robert Paxton, 85, was the first to argue, in the mid-1960s, that the French had not been merely passive victims of German occupation and had relished the opportunity to install an authoritarian wartime regime, one that wasted no time in persecuting long-unwanted minorities.

At the time, his view sent shock waves through the French public. But eventually it became the consensus opinion, a point of reference for even the French government as it began to process the most painful parts of its past.

*[France's National Front faces funding shortfall before the 2017 election]*

These days, Paxton says, that is no longer the case, as the country finds itself further and further removed from the 1940s.

“The focus on the past has diminished,” he said, “largely because there's simply nobody left to put on trial. Everybody's dead. The judiciary phase of going back over all of this is closed. And this chapter of history is seen by many French people as no longer so urgent.

“There is a kind of moving on.”

Few have attempted to move on with more desperation than the National Front of Marine Le Pen, who has nominally banished her father and made considerable efforts to curry favor with French Jews in the wake of recent terrorist attacks perpetrated by Islamist

extremists. The National Front of today, her marketing machine would suggest, is not the National Front of the past.

But links between the two still exist. Despite the oft-invoked talking point that father and daughter are estranged, Jean-Marie Le Pen ultimately loaned his daughter's campaign 6 million euros this month, when a Russian bank could no longer meet its pledged amount.

Representatives of the National Front did not return requests for comment.

For a significant portion of the French-Jewish community, the largest in Europe, there is little difference between the party of Jean-Marie Le Pen and that of Marine Le Pen, said Yonatan Arfi, a vice president of the Representative Council of French Jewish Organizations (CRIF), the largest Jewish advocacy group in France.

But from the organization's work with Holocaust education in schools, he said that especially among the youngest generation of French students born into families where even the grandparents may not remember the war, preserving the past was often a lost cause.

“That younger generation feels so much historical distance from the events that it often makes them feel as they though they have no particular duty regarding that history,” he said.

In any case, if Marine Le Pen were to win the final round of France's presidential election in May, Klarsfeld — who has always prided himself on defending the French Republic — says he would emigrate.

“I wouldn't stay in that France,” he said. “After having lived the Shoah in France as a child, I don't think I could bear it.”



## French Court Affirms One Burkini Ban, Rejects Another

PARIS —

A sizzling summer controversy over burkini bans in France returned to the spotlight in midwinter Thursday, as a Corsican administrative court upheld a local decree against the Muslim swimming garment in one village, but struck down a similar ban elsewhere due to a lack of evidence that it was a threat to public order.

The decision by the court in Bastia, in northeastern Corsica, came at a time when Islam and the visibility of France's estimated five million Muslims is becoming a political flashpoint, ahead of presidential elections in April.

The French League of Human Rights said it would appeal the ruling that validated a burkini ban in the village of Sisco on the Mediterranean island. The local mayor had argued it was necessary to institute the clothing restriction following a brawl between local youths and families of North African origin last August in which five people were hurt.

“This decision does not satisfy us at all,” said Michel Tubiana, honorary president of the rights group. He said the ruling was a dangerous element in a broader anti-Muslim discourse simmering in France.

In contrast to the decision affecting Sisco village, the court rejected a similar ban enacted by another Corsican village, Ghisonaccio, where the mayor offered no specific evidence that burkini-clad women presented a law-and-order problem.

### ‘Ban deters troublemakers’

Sisco's mayor Ange-Pierre Vivoni could not be reached for comment Thursday, but he had said earlier the burkini ban would go into effect in June, “simply because I'm worried that Sisco will attract troublemakers.”

Corsica has witnessed a number of anti-Muslim incidents in recent years.

A Muslim woman wears a burkini, a swimsuit that leaves only the face, hands and feet exposed, as she swims in the Mediterranean Sea in Marseille, France, Aug. 17, 2016.

Roughly 30 coastal towns embraced burkini bans last year, even though the garment was a rarity on their beaches. Many mayors defied a ruling by France's highest administrative tribunal that banning the garments violated “fundamental freedoms.”

Rights groups argue the bans violate the right of free expression. Some even argue the burkini is liberating, since it allows more

conservative Muslim women to venture out on beaches.

The issue cuts to the heart of France's staunchly secular creed, illustrating deep differences over the extent that such rules protect or limit religious visibility. France separately has banned the wearing of veils in public schools and the face-covering niqab in all public spaces.

**Are such bans anti-Muslim?**

**The  
New York  
Times**

The Associated  
Press

BRUSSELS — Belgium has sealed an agreement with France and the Netherlands to draw up passenger lists and introduce passport checks on Thalys and Eurostar international rail services.

Interior Minister Jan Jambon told VRT broadcaster Friday that the

A string of terror attacks has fueled political support for France's far right. National Front candidate Marine Le Pen wants to ban the Muslim veil and Jewish kippah on streets, while center-right frontrunner Francois Fillon wants to keep existing legislation.

"The discourse has become anti-Muslim, which is feeding suspicion against the community, even preventing them from practicing their faith," said Tubiana of the rights

league. "All of this is creating sometimes serious social problems."

On the left, former prime minister Manuel Valls, who is facing a runoff vote in the Socialist primaries Sunday, supported the mayors' burkini bans, denouncing the bathing garment as "an affirmation of political Islam in the public space."

His rival, Benoit Hamon, who is expected to win the runoff, disagrees.

"Let's stop making Islam appear as a problem for the republic," Hamon said in a radio interview this week. He called for less discussion over the burkini and more targeting bread-and-butter issues important to French voters.

## Belgium, France, Netherlands to Introduce Rail ID Checks (online)

move will tighten security on the high-speed trains and help track criminals who might be using them.

"The aim is to have the system operational by the end of the year," Jambon said.

He noted that Germany has decided not to take part. Berlin attacker Anis Amri drove a truck into a central Berlin market on Dec. 19, killing 12

people. He died in a shootout with Italian police four days later after transiting to Italy through the Netherlands, Belgium and France.

"If the system works they can join in," Jambon said, noting that "there is an election coming up in Germany. Maybe that has something to do with (their decision)."

Belgium, the Netherlands and France are part of Europe's 26-nation Schengen passport-free area, where ID checks on travelers do not usually take place.

The scheme will not be enforced on regular international rail and bus services.

**THE WALL  
STREET  
JOURNAL**

## Theresa May Faces Tricky Balancing Act in Talking Trade With Trump

Jenny Gross and  
Jason Douglas

Updated Jan. 26, 2017 4:15 p.m. ET

PHILADELPHIA—When Prime Minister Theresa May meets President Donald Trump in the Oval Office on Friday, she will carry out a balancing act: She must try to lay the groundwork for a trade deal and avoid antagonizing European leaders with whom she must negotiate Brexit.

Mrs. May and Mr. Trump are expected to discuss a variety of subjects on which they differ, including the Iran deal, which Mr. Trump rejects, and the North Atlantic Treaty Organization, which he has called obsolete.

But stark differences on trade stand out. Mr. Trump has pushed an "America First" policy of protectionism and decried multilateral trade deals. Mrs. May has promoted her vision of Britain as the biggest proponent of free trade.

Addressing Republican lawmakers in Philadelphia on Thursday, Mrs. May said the U.K. would "continue to act as one of the strongest and most forceful advocates for business, free markets and free trade anywhere around the globe."

Mrs. May said in Parliament on Wednesday that she is "not afraid to speak frankly to a president of the United States." Speaking to reporters on the flight to Philadelphia, she said she would

have an opportunity to "talk to him face to face about the issues, about the interests that we share, about the special relationship, about the challenges that we both face."

When asked about whether she thought she would get along with Mr. Trump, Mrs. May, who tends to be understated, said: "Sometimes opposites attract."

Mr. Trump has talked up the possibility of a trade deal with Britain, the world's fifth-largest economy in 2015, as part of his wider strategy to reorder American economic alliances overseas.

Mrs. May is looking for further commitments to a deal, as she seeks to show her plan to leave the EU's single market—which could mean new barriers to trade between Britain and the bloc—won't hurt and may even enhance British prosperity.

"Theresa May needs early wins to create confidence that her Brexit policy is one that is going to work," said Tony Travers, politics professor at the London School of Economics.

But if she appears to be cozying up to Mr. Trump, who has dismissed the benefits of the bloc and praised June's Brexit vote, Mrs. May risks aggravating EU leaders, some of whom are facing populist backlashes of their own.

Her leeway to discuss a deal also remains constrained by EU rules that forbid member states to formally

negotiate or ratify bilateral pacts—a prohibition Britain must observe until it officially leaves, now targeted for March 2019.

The U.K. has been testing the limits of the EU's rule on trade deals for months, with Mrs. May's trade chief, Liam Fox, crisscrossing the globe to "scope out" possible future accords with old allies such as Australia as well as faster-growing markets in Asia and the Middle East.

EU officials in Brussels have voiced their displeasure. On Monday, a spokesman reiterated European Commission President Jean-Claude Juncker's complaint in September about EU members trying to negotiate free-trade agreements on their own.

The risk the British are running, some analysts say, is that European officials become irritated by London's courtship of other deals. That could sour coming talks over the U.K.'s divorce and future ties to the EU.

"There's a risk that if she goes too far down this route [of seeking trade deals] it just creates a toxic atmosphere," said John Springford, director of research at the Centre for European Reform, a London-based think tank that is pro-EU but advocates its overhaul.

The U.K. says it respect its obligations while it remains in the EU, and Mrs. May has also argued for the strengthening of the bloc.

The U.S. is a much more important export destination for the U.K. than vice versa, a dynamic that gives the U.S. the upper hand.

After the EU, where nearly half of British exports go, the U.S. is the U.K.'s biggest overseas market.

A fifth of British exports of goods and services, some \$124 billion in 2015, went to the U.S. Around half were services, including financial and business services, telecommunications and travel. Americans also bought British-made drugs, electrical equipment and machinery.

A deal might make sense for Mr. Trump. An agreement would demonstrate that his strategy of moving away from the multilateral trade approach favored by former President Barack Obama is delivering results, said Shanker Singham, chairman of the special trade commission at the Legatum Institute, a London-based think tank.

On Monday, Mr. Trump formally pulled the U.S. out of the Trans-Pacific Partnership, the 12-nation trade agreement negotiated by Barack Obama and championed by businesses.

**Write to** Jenny Gross at [jenny.gross@wsj.com](mailto:jenny.gross@wsj.com) and Jason Douglas at [jason.douglas@wsj.com](mailto:jason.douglas@wsj.com)



## Applebaum : If May embraces Trump, her 'global Britain' is doomed

<https://www.facebook.com/anne.applebaum>

LONDON

Everybody else was talking about economics. But all through the Brexit referendum campaign and in the months after the vote, I worried about British geopolitics. I worried about Britain's alliances. I worried that the protracted divorce negotiations between Britain and its closest economic and political partners would create misunderstandings and eventually anger — and indeed, this is already coming to pass.

I also worried that Britain would slowly begin to redefine itself as a country outside the Western alliance. Isolated, looking for trade partners and political friends, Britain might even drift away from European and transatlantic institutions and instead seek closer relationships with Russia and China, two countries which already have a large presence in the British economy. But I failed to imagine what has actually transpired: that Britain — isolated and really quite desperately looking for trading partners and political friends —

would rush with thanks and relief into the arms of Donald Trump, a U.S. president who is drifting away from European and transatlantic institutions too.

Improbably, this is where we are. The British prime minister, Theresa May, arrived in the United States this week for her first visit to Trump's White House. Weeks ago, the Trump transition team told many in Britain that the president wants a "deal" to reward the country for Brexit, a surprise vote that he equates with his own victory. Whether he understands why Britain left the European Union — whether he knows anything about Britain at all except that it has decent golf courses — doesn't matter. Informed of his intention, an ecstatic May has already told the British press what she will tell the new U.S. government: "As we rediscover our confidence together, as you renew your nation just as we renew ours, we have the opportunity — indeed the responsibility — to renew the special relationship for this new age. We have the opportunity to lead, together, again."

But whom will the United States and Britain be leading? And in which direction? Here we come to a

stumbling block. Forced by the radicals in her party to abandon any hope of a closer relationship with Europe, May has struggled for months to relaunch a positive vision of "Brexit Britain." Finally, she lit upon the word "global." Last week she told the World Economic Forum in Davos, Switzerland, that she believes in a "truly global Britain" and a "rules-based global order," and that she wants Britain to be an advocate of global free markets too. Even in the British context, this struck a dissonant chord: If Britain is so keen on free trade, then why is it leaving the European single market, the largest and wealthiest free-trade zone in the world, along with its 27 existing free-trade deals? And if Britain admires the rules-based international order, why is it distancing itself from the nations that care about that order most?

In the context of the newly developing U.S.-U.K. "special relationship," the very idea of "global Britain" sounds bizarre. The U.S. president's campaign made the word "globalist" into an insult. In his inaugural address, Trump spoke of "America First" and promised to follow two simple rules: "Buy American and hire American." He expressed no special interest in the

"rules-based global order." His recent claim that the United States should have stolen Iraqi oil as "spoils of war" shows that he doesn't even know what it means.

Of course May might, after years of haggling, eventually get a deal. Maybe the fact that Britain is relatively small and relatively white will ensure that it's a good one, though many fear that the trade lawyers of a big country will invariably force the trade lawyers of a small country to make painful concessions. But whatever that deal looks like and whenever it comes, May's broader "global" vision is doomed, at least as long as it is tied to a protectionist and isolationist U.S. president. The conundrum remains: In almost every conceivable sphere of economics and foreign policy, May's views align more closely with the rest of Europe than with Trump's America. Too bad she is shackled to a party and a policy that prevent her from acting on that obvious truth.

*Read more from Anne Applebaum's archive, follow her on Twitter or subscribe to her updates on Facebook.*

## Donald Trump and Theresa May: An Odd Couple

By STEVEN  
ERLANGERJAN.

27, 2017

With Britain planning to leave the European Union, Prime Minister Theresa May will try to show Britons they have friends beyond Europe. Credit Pool photo by Facundo Arrizabalaga

LONDON — Prime Minister Theresa May of Britain will meet President Trump on Friday in Washington for what could be an episode of "The Odd Couple": The Stiff Headmistress meets the Great Salesman.

Reserved, slightly awkward and serious, Mrs. May does not even have a Twitter account and does her best to remain silent on the key issues of the day, putting her head above water only when she must.

Normally, American presidents go on to British leaders about "the special relationship" with a sort of patronizing politeness. But Mr. Trump has already put Mrs. May's teeth on edge with his cheerful support for a British withdrawal from the European Union, commonly known as Brexit, which she opposed but must carry out.

She has not appreciated his warm relationship with those like Nigel Farage, the former leader of the anti-immigrant U.K. Independence Party, who despises Mrs. May's Conservative Party and who Mr. Trump has suggested would make a fine ambassador to the United States.

Still, with Britain planning to leave the European Union in two years or so, Mrs. May needs to show Britons they have big friends out in the world beyond Europe, and the United States is already Britain's single largest trading partner, not counting the European Union itself.

Having put such store into being the first foreign leader to meet President Trump — Mr. Farage and Arron Banks, UKIP's main financial backer, have met him several times since the election — Mrs. May is determined to put British-American relations on a more traditional track, as a government-to-government partnership.

But hardly one of equals. Mrs. May "is coming as a supplicant and Trump seems to know this," Jonathan Freedland, a columnist for The Guardian newspaper, said in an interview. On trade, "she's eager to do a deal, like a house buyer who

has already sold her house and has nowhere to live, and Trump, the real estate man, knows that."

Mrs. May, he said, "is the un-Trump." Even in "the comparably ungiltzy realm of British politics, she is unshowy," he said. Compared with her predecessor, David Cameron, "she is pretty gray and pallid." Still, he said, "history shows that personal chemistry does matter."

Christopher Meyer, a former British ambassador to Washington, said that "they look like the odd couple, but you never know — what's required is a good working relationship." John Major and Bill Clinton were also an odd couple, he said — "there was nothing there at all," and Barack Obama and Gordon Brown never clicked.

As a gift to Mr. Trump, Mrs. May is bringing a quaiich (pronounced as quake), a two-handled Scottish drinking cup for whisky used to symbolize trust between the giver and recipient. Although intensely proud of his Scottish ancestry, and his Scottish golf courses, Mr. Trump is a teetotaler.

The early meeting is important for Mrs. May, Mr. Meyer said, because

"she can put in a British fix on the things that bother us — NATO, Putin, security, trade."

What has upset the British government is Mr. Trump's "being nasty to NATO and nice to Putin," Mr. Meyer said. But after calming words about NATO from Defense Secretary James N. Mattis, praise for President Vladimir V. Putin of Russia is less problematic, he said. "But May would like to hear that from the horse's mouth."

Mrs. May comes with an agenda, her spokeswoman, unidentified under traditional ground rules, said on Wednesday. Her goal is "to meet face to face and establish a personal relationship that leads to an effective, productive working relationship, not just in the interests of the U.K. and the U.S., but facing the many global challenges where we can work together."

Those include, the spokeswoman said, a start on talks for a bilateral trade deal post-Brexit, but also a "frank" discussion of the importance of the NATO alliance, which Mr. Trump has sometimes disparaged; of the European Union (ditto), even though Britain is leaving it; of Russia and its violations of international law in Crimea and eastern Ukraine,

"where we've taken a strong position" and to which "we will remain committed."

Asked about Mr. Trump's more sexist comments, Mrs. May has said that "some of the comments that Donald Trump has made in relation to women are unacceptable, some of those he himself has apologized for."

President Trump in Washington on Wednesday. On Friday, the British prime minister will become the first foreign leader to meet with him at the White House. Credit Doug Mills/The New York Times

When she meets Mr. Trump, she said, "I think the biggest statement that will be made about the role of women is the fact that I will be there as a female prime minister."

Jeremy Shapiro, a former State Department official who is the director of research for the European Council on Foreign Relations, said that Mrs. May had to be careful because Mr. Trump almost never has fights with someone in the room.

"Then you think that maybe this isn't the person I thought he was, but 48

hours later he tweets something and disappoints you," he said.

Mrs. May may be aware that she is a supplicant, Mr. Shapiro said, "but Trump has her boxed up in her domestic politics — the problem of Farage, her need to control the Brexit wing of her party and her need to fashion a Brexit that won't destroy her prime ministership."

Mr. Trump has made reference to the warm, vital relationship between President Ronald Reagan and Margaret Thatcher. "But they were an actual team, they actually worked together, and Trump can't stand that," Mr. Shapiro said.

Mr. Freedland said that the Reagan-Thatcher connection mattered, "because there was extra leeway and space for both of them, because of the personal relationship."

The new president, Mr. Shapiro suggested, will see Mrs. May's desire to meet him first as a sign of weakness. "There's no way Trump will say it that way face-to-face, but later it will come through in the relationship and in any U.S.-U.K. trade deal," which he expects will not be particularly favorable to Britain.

For Mr. Trump, he suggested, those leaders who do not ask for early meetings are the ones who show the most strength.

Mr. Meyer, the former ambassador, is less concerned. "She's completely aware of the dangers, and I think she might turn out to be a bit of an iron lady in some of what she says," he said. "She won't sound like a supplicant. But getting the balance right between saying all the oleaginous things about the special relationship and saying the things that matter to us will be the key."

Mrs. May also addressed Republicans in Philadelphia on Thursday at their annual retreat, which Mr. Trump also attended, before meeting him at the White House on Friday afternoon. Then she flies to Ankara, Turkey, for a meeting with President Recep Tayyip Erdogan.

On issues of trade, terrorism, migration, security, NATO and Cyprus, Mrs. May's spokeswoman said, Turkey, too, "is such an important partner."

Mr. Trump has emphasized his affection for Britain and for Brexit by

returning a bust of Winston Churchill to the Oval Office.

Mr. Obama's replacement of the bust by one of Martin Luther King Jr. became an issue in Britain before Brexit, with the current foreign secretary, Boris Johnson, claiming that Mr. Obama removed the Churchill bust because he "is a symbol of the part-Kenyan president's ancestral dislike of the British Empire."

As a personal gesture after Christmas, Mrs. May sent Mr. Trump a copy of Churchill's famous speech to the American people on Christmas Eve 1941, weeks after Japan's attack on Pearl Harbor brought the United States into the war.

In her letter, she told Mr. Trump that "the sentiment" Churchill had expressed — "of a sense of unity and fraternal association between the United Kingdom and United States — is just as true today as it has ever been."

Maybe. Maybe not.

## THE WALL STREET JOURNAL

# Doran and Rough : Trump's 'America First' Puts Britain 'at the Front of the Line'

Michael Doran and Peter Rough

Updated Jan. 27, 2017 12:37 a.m. ET

On Friday, as his first major step in foreign policy, President Trump will receive British Prime Minister Theresa May at the White House. The meeting, which will begin the process of outlining a bilateral free-trade agreement, is a concrete expression of what "America First" means.

President Obama warned the British people last April that if they voted to leave the European Union, they wouldn't receive preferential economic treatment from the U.S. As for a bilateral free-trade agreement, he said the British would be relegated to "the back of the queue." Mr. Trump disagreed. "The U.K. has been such a great ally for so long," he said on June 24, the day after Brexit passed. "They will always be at the front of the line."

The early arrival of Ms. May proves the new president is true to his word. A bilateral free-trade agreement with the U.K., if struck, would serve as Mr. Trump's model for future bilateral deals with other countries. Equally important is the transformative effect a deal with Britain will likely have on the EU.

Mr. Trump's goal is to improve significantly Britain's position in its exit negotiations with its Continental partners. Ms. May wants a Brexit that will secure the UK's access to the European market without its having to abide by European economic regulations or immigration rules. Germany, as leader of the EU, fears that letting Britain have its cake and eat it too would encourage others nations to leave the union. Chancellor Angela Merkel therefore insists that the benefits of EU membership are inextricably connected to the obligations.

At stake are two different models of Western cooperation: integration versus solidarity. Under the integration model, with the EU being a prime example, countries cede key elements of their sovereignty to transnational organizations run by technocrats who are not directly accountable to voters. Under the solidarity model, national governments, which must answer to voters, maintain their independence as they enter into cooperative ventures that are subject to periodic revision as conditions change.

These rival visions threaten to place Mr. Trump and Ms. Merkel on a collision course. Sigmar Gabriel, who will be take the reins Friday as Germany's new foreign minister, has

criticized Mr. Trump's inaugural address for its "highly nationalistic" tone, which reminded him of "the political rhetoric of the conservatives and reactionaries of the 1920s."

Mr. Trump's preference for the solidarity model is indeed the logical consequence of his support for nationalism. But the view that nationalism is a form of bigotry leading inevitably to tyranny—an idea as common on American campuses as it is in the German government—is overly simplistic. Nationalism can run amok, as it certainly did in the run-up to both World War I and World War II. The Germans especially are wise to remain vigilant against its excesses.

At the same time, political freedom is historically the direct offshoot of nationalism. The American people rejected the British crown precisely because they felt that it had trampled the inalienable rights of the individual. In Europe the process by which peoples asserted their sovereignty was intimately bound up with the rise of nations in the early modern period.

European integrationists—and American elites—ignore this dimension of Western history at their peril. The vote for Brexit is stunning proof that transnationalism, too, can overreach. In some ways the British

rejection of the EU was a bigger upset than Mr. Trump's victory. In the end, the Republican establishment got behind its party's nominee. In Britain, all the major political organizations and the big media fought tooth and nail to defend the EU, but the British people, in a stunning demand for popular sovereignty, had other ideas.

That Trump supporters and Brexiters rose up at the same moment to defy all expectations is no coincidence. This is no transitory phase, and anyone who suggests so is missing the depth of the historical forces at work. It was British and American nationalism that saved Europe in World War II. Today that same nationalism has the potential to revitalize the European order, which is failing in part because it lacks democratic legitimacy.

The simple fact is that one can be a nationalist and simultaneously be an internationalist committed to peaceful order. A recalibration of Europe away from the integration model and toward solidarity can serve that end.

Mr. Trump and Ms. May, like Ronald Reagan and Margaret Thatcher before them, represent a rejection of decades of tired wisdom about governance in the West. Instead of



contributing to the disintegration of the trans-Atlantic partnership, their

meeting has the potential, once again, to begin its reinvasion.

*Messrs. Doran and Rough are fellows at the Hudson Institute.*



## UK ambassador: Why Winston Churchill belongs in the Oval Office

Kim Darroch

### Story highlights

- Theresa May will lend a bust of Winston Churchill to President Trump on her visit to the White House.
- Churchill has been a source of inspiration to many American presidents, including Kennedy and Reagan.

Sir Kim Darroch is the British Ambassador to the United States. The opinions expressed in this commentary are his.

(CNN)On Friday, UK Prime Minister Theresa May will lend a bust of Winston Churchill to President Donald Trump, which will stand in the Oval Office as a symbol of the strength of the relationship between the UK and the US.

One of the most famous Anglo-Americans in history, Churchill's presence will be a reminder of a friendship which has endured for generations, in both good times and bad.

There has been some confusion about this bust, and indeed some rumours that it has already been returned. In fact, there are two Churchill busts, both by British modernist sculptor, Sir Jacob Epstein, that have spent time in the White House.

One was a gift from the Wartime Friends of Winston Churchill and accepted by President Lyndon Johnson in 1965. The second, owned by the UK Government Art Collection, was loaned by the British Government to President George W. Bush in 2001, while the first bust was being restored.

At the end of President Bush's Presidency in 2009, that second bust returned to the British Ambassador's Residence and the first bust -- fully restored -- was moved outside President Barack Obama's private study in the White House Residence.

Tomorrow, at the request of President Trump's team, the British Government will formally loan the second bust back, and it will resume its place in the Oval Office.

It is fitting, perhaps, that there are two busts of Winston Churchill in the White House, where many people had imagined there was only one. During his visits to the US, especially throughout the dark days of the Second World War, the man himself was a constant presence at the White House of President Franklin D. Roosevelt.

On his first visit, just two weeks after Pearl Harbor, he turned The Rose Suite into a British government headquarters away from home. The Monroe Room became a map room, with charts that tracked the course of the war. Reporting home, Churchill wrote, "We live here as a

big family in the greatest intimacy and informality, and I have formed the very highest regard and admiration for the President."

It was a tense time, full of uncertainty. Through those late nights and warm conversations, the bond between Roosevelt and Churchill was forged, and the future of the special relationship secured.

So it is no surprise that just as the special relationship has endured, so has Churchill's presence. Over my first year as British Ambassador to the United States, I have found that Churchill -- the statesman, the commander, the orator, the wit -- is not only held in high regard at home, but equally so here.

As Eleanor Roosevelt noted, "His speeches gave reassurance not only to the people of Great Britain, but to the people of the United States." And his legacy continues to live on here in the United States.

In 1965, Churchill became the first foreign head of government to be awarded honorary US citizenship. Today, in honour of his contributions, high schools, naval ships and even a mountain bear his name. And his likeness can be spotted in many places around Washington, from the Pentagon to the US Capitol.

Over the years, Churchill also has remained a source of inspiration to many American presidents.

President John F. Kennedy cited him when he accepted the Democratic Party's nomination for President in 1960. After his death, historians found that President Ronald Reagan kept a box of note cards with his favourite quotes by leaders, including Churchill. A favorite, used at the White House Correspondents Dinner in 1986: "Courage is the one quality which guarantees all others." And just the other day, President Trump called Churchill a "real ally."

As we look ahead to the future of the special relationship, we take our cues from the man who helped to forge it. In December 1941, just weeks after the United States entered the Second World War, the great Anglo-American, Winston Churchill, addressed Congress. When both the US and the UK faced such great challenges, he said:

"It is not given to us to peer into the mysteries of the future. Still, I avow my hope and faith, sure and inviolate, that in the days to come the British and American peoples will for their own safety and for the good of all walk together side by side in majesty, in justice, and in peace."

And so Churchill, back in the Oval Office again, will continue to encourage the UK and the US to forge ever stronger bonds, not just for our shared history, but as much in expectation of our bright future ahead.



## U.K. Government Introduces New Brexit Trigger Bill

Nicholas Winning

Updated Jan. 26, 2017 11:11 a.m. ET

LONDON—The U.K. government introduced a short bill in Parliament on Thursday with a tight timetable for approval to give Prime Minister Theresa May the power to start Britain's exit from the European Union as planned by the end of March.

The bill follows a ruling from the Supreme Court this week that the government couldn't start negotiations to leave the bloc without lawmakers' approval. The main opposition Labour Party, which has accused the government of trying to avoid parliamentary scrutiny on Brexit, has said it won't try to block the U.K.'s departure but will add amendments to the bill to push for a greater say in its direction.

"I trust that Parliament...will respect the decision taken by the British people and pass the legislation quickly," said David Davis, the U.K.'s Brexit minister.

The government has set aside five days over the next two weeks for the passage of the bill through the House of Commons, the lower chamber of Parliament—a relatively speedy timetable. Typically, bills take several months to be passed.

Debates have been scheduled for Tuesday and Wednesday of next week, with three more the following week. Once the bill has passed through the House of Commons, it must also be passed by the House of Lords before it can become law.

The short bill asks for lawmakers to "confer power on the Prime Minister to notify, under Article 50(2) of the Treaty on European Union, the

United Kingdom's intention to withdraw from the EU."

Opposition politicians criticized the short time frame, with Labour lawmaker Angela Eagle calling for more time for debate.

"Since this government came to office it has sought to avoid parliamentary scrutiny on its plans to leave the EU," she said.

Concerns that leaving the EU could hurt the U.K.'s economy have weakened the pound. But official data released Thursday showed U.K. gross domestic product grew an annualized rate of 2.4% in the final three months of 2016, suggesting the U.K. was among the fastest-growing major economies last year despite predictions of a sharp slowdown following the Brexit vote.

Mrs. May set out her objectives in a key speech last week, including

leaving the European single market and setting up a free-trade agreement with the EU.

On Wednesday, the prime minister said the government would also provide Parliament with a formal document outlining her Brexit plans, although it isn't clear whether it will expand on her speech. Ministers had previously declined requests to provide Parliament with such a document on the grounds that the prime minister had set out her objectives.

Opposition politicians have called the government to publish the document before they have to decide on the new Article 50 bill. The government has declined to say when it will do so.

**Write to** Nicholas Winning at [nick.winning@wsj.com](mailto:nick.winning@wsj.com)

## Editorial : The Trump-Brexit Opening

Updated Jan. 26,  
2017 8:10 p.m.

Donald Trump meets Theresa May in Washington on Friday, and a new trade pact for U.S. and Britain will be at the top of their agenda. The Prime Minister needs to prove Brexit won't result in Britain's economic isolation. The President could benefit from showing that he can deliver the "fair deals" he promised in the campaign. They should get one done fast.

Political momentum matters as much as the fine print when it comes to trade deals, and that's the case here. Pro-trade Republicans in Congress, including House Speaker Paul Ryan, are eager to expand markets for U.S. goods and services and make common cause with Mr. Trump. Key Trump advisers seem eager to help Brexit succeed, which is another reason to get a deal done soon lest a potential Democratic Speaker Nancy Pelosi scuttle it in 2019.

Mrs. May is keen to bolster Britain's leverage in exit talks with the European Union by showing she's not at Brussels's mercy as they negotiate the terms of their divorce. Mr. Trump can help by insisting that the EU offer Britain a reasonable exit deal, and that Britain be allowed to enjoy the negotiating flexibility to which it's entitled as a member of the World Trade Organization.

Then there's the economic opportunity. Each country already exports more than \$100 billion to the other every year. Britain has an \$8 billion trade surplus, but that largely reflects its competitive advantages in financial services, not manufacturing. A trade deal could open new opportunities for U.S. manufacturers and farmers whose access to Britain has been limited by the EU's excessive regulation.

An agreement could also offer both sides additional incentives to cut their own regulatory red tape. British insurers have long complained about the state-level insurance

regulations that hobble foreign investment, but that complaint could be addressed if Mr. Trump fulfills his campaign promise to allow Americans to buy health insurance across state lines as part of an ObamaCare replacement.

Mrs. May can achieve a similar effect by aggressively shedding the EU's Franco-German-style product-safety and financial rules that have never been a good fit for Britain's economy and that also created sticking points in previous trans-Atlantic trade talks.

None of this is to say that a deal will be easy, even with broad political goodwill. Britain will need to renegotiate its own WTO commitments as it steps out of the EU umbrella, as it will have to rebuild its own financial regulations independent of Brussels. Robert Lighthizer, Mr. Trump's nominee for U.S. Trade Representative, is an old-school mercantilist who prefers to negotiate national market shares rather than general rules of open

trade. Mrs. May is taking a risk on trade with Mr. Lighthizer in this U.S. role, and she should get a guarantee from Mr. Trump that his advisers won't sabotage a deal.

The better news is that many of the templates for high-quality trade deals already exist, including parts of the Trans-Pacific Partnership that Mr. Trump shelved on Monday. American and British negotiators can borrow relevant language to help liberalize services, harmonize regulations, open agriculture and put in place new protections for foreign investors.

Conventional wisdom and many trade lawyers claim that a bilateral deal remains a distant dream. But Brexit and Mr. Trump's election are upending a lot of conventional wisdom. Mrs. May and Mr. Trump can help their countries by establishing a strong cooperative relationship, and a bilateral trade deal should be a top priority.

## NATIONAL REVIEW ONLINE

## Viktor Orban : Hungary and the Crisis of Europe

In the annals of European history, 2015 will go down as the inception of a new era. It marked the end of an age when we could take Europe's secure and sheltered status for granted, assured in the knowledge that it was all up to Europe and no one else. More than a year and a half has passed since I first warned of the danger posed by a potential new wave of mass migration. Today, that mass migration is an accomplished fact, one that no sane person would dispute.

Why were we, Hungarians — or, rather, East Central Europeans — the first to recognize this threat? Several possibly concurrent explanations are conceivable. Perhaps it had to do with the tempestuous times we lived through, the shock waves of historic turmoil, the toil and struggle that followed the democratic turn of history in 1990. Our Western partners experienced the last 50 to 60 years very differently. There, it was all about success, prosperity, a predictable future, well-trodden paths to a better life. To us, all that seems like a fantasy world where ideology mingles with illusion and reality, the boundaries become blurred between nation and nation, culture and culture, man and woman, the sacred and the profane, freedom and responsibility, noble intentions and actual action.

**The Danger Is Here, Now**  
For the West, "what is" has become increasingly difficult to disentangle from "what ought to be." By contrast, our perception of the real remains as sharp and cold as common sense. We have learned that the real is that which refuses to disappear even if we have stopped believing in it.

That compels us to recognize that the second and third decades of the 21st century will be defined by the mass migration of peoples. Until recently we thought such things could happen only in times gone by and were relegated to history books. We would not face the impending danger of an unprecedented mass of people — greater than the total population of some European countries — setting out for our continent in the coming years. Now that danger is upon us.

Parallel societies have been rearing their heads in several European countries — displacing the world we know as ours, the one we hope to pass to our children and grandchildren. Not all of those who come here intend to accept our ways of life. Some see their own customs and worldview as more valuable, stronger, and more viable. But these are of little use to us as we struggle to replenish the work force that is now abandoning the manufacturing plants of Western Europe — for generations, the unemployment rate among residents not born in Europe has many times

higher than that among natives. In most cases, the nations of Europe have failed to integrate even the masses that have gradually poured in from Asia and Africa over the course of several decades. How can we now expect countries to integrate migrants quickly, with large numbers arriving all at once?

Admittedly, Europe is suffering from an aging and dwindling population. But if we try to solve this problem by relying on newly arriving Muslims, we will squander our way of life, our security, our very selves. Unless we make a stand, and do so quickly, the tension between an aging Europe and a young Muslim world — between a Europe unable to provide its own young with work and an undertrained Muslim ghetto — will spiral out of hand in the heart of Europe.

Ordinary Europeans know this well enough. In the past year, the Hungarian government commissioned a public-opinion poll encompassing 28 member states of the European Union. It revealed that more than 60 percent of Europeans have no doubt whatsoever that a direct correlation exists between the escalation of terrorism, higher crime rates, and migration. By the same token, 63 percent believe that migration transforms the culture of the host country. Illegal migration presents a threat, facilitates terrorism, and boosts crime. It repaints Europe's cultural face,

brushing over national cultures on a massive scale.

But a glance at the documents issued by the European Union on the subject establishes that while it urges measures to deal with illegal migration, it has no idea what it wants to achieve.

Is the goal, as I would like to believe, to put a stop to illegal migration by halting uncontrolled entry? Or is it, as the European Commission would have it, merely to slow the migration process? For myself, I want to stop it altogether because it's a bad thing. If all the EU wants is to slow migration, they cannot possibly regard it as a bad thing in itself. The Commission seems to support the notion that migration is harmful only in its present form and may even have some benefits.

More than 60 percent of Europeans have no doubt whatsoever that a direct correlation exists between the escalation of terrorism, higher crime rates, and migration.

And in fact, EU documents have time and again suggested that accepting high migration levels could solve Europe's demographic problems. Currently Hungary is evaluating a package of measures comprising seven elements published by the Commission in May and July 2016. These proposals failed to make the vital

distinction between genuine asylum seekers and migrants with economic motivations. Hungary respects its commitments to provide shelter for genuine asylum seekers but insists that member states are free to decide whether they want to address their demographic or labor-market shortages with migration.

How, therefore, does Hungary propose to deal with this crisis? What principles should guide us?

### **The Call — and the Right — to Protect Our Culture**

There is no escape from protecting our external borders. This is a binding obligation for every country in the Schengen Area — a territory established in 1985 (though it became functional only in 1995) in which internal border checks have been largely abolished. If a country is incapable of fulfilling this obligation, it must relinquish it to the others. If it refuses to do so — which it may as a matter of sovereign right — then it must accept having its membership in Schengen suspended.

Next, we must take action to ensure that all illegal migrants are promptly returned to their home country or, if that is unsafe, to one of the safe-transit countries. No development or visa policy benefit should be extended to a country that fails to comply with rules for the protection of Hungary's citizens. In other words, Europe's development and visa policies toward countries outside it should not be unconditional but attached to positive conditions.

Yet we cannot begin to protect our citizens unless we know precisely who wants to enter the country and why. We are entitled to choose the people with whom we want to live and say no to those with whom we do not want to live. This discretionary principle is not in conflict with the universal principle of protecting refugees. We accept that principle, but we must make it clear, first, that we do not want terrorists among us and, second, that we have a right to handle any demographic crisis as we see fit. And, finally, legal immigration is subject to certain shared rules, but the issue ultimately is one of national competence and discretion, because the situation of each member state is unique. Here in Hungary, for instance, we struggle to integrate hundreds of thousands of Roma citizens into the labor market. No fewer than 13 recognized minorities send delegate spokespersons to Hungary's National Assembly. The Catholic cathedral in Budapest is just a stone's throw away from the impressive building of the city's main

synagogue. Several generations have been raised in this cultural milieu, but they were free to fashion their own vision of society, rather than obeying instructions handed down from a remote, faceless institution.

For us, the challenge of mass migration equals a call to protect our culture, because we are a small country, by American standards, and because this is what our traditions require us to do. Hungary's cultural homogeneity — and I deliberately say *cultural* rather than *ethnic* homogeneity — the sense that our culture is essentially cut from the same cloth, with the diversity of patterns subsumed in a greater unity, will serve us well in the future.

Hungary may not be counted among the larger EU member states, but owing to its geographical situation, it has more than once acted as a conduit of historic change. In 1989, Germany and Hungary made European history together when we opened our Western borders to East Germans seeking asylum from Communism via Austria. In 2015, Germany and Hungary again entered the limelight of a European debate. Each day that summer saw the arrival at the Hungarian-Serbian border of more than 10,000 migrants. They flouted European regulations, which required them to claim asylum in the member state in which they first arrived, but they had already entered and then passed through another member state of the Schengen Area. Responsibility for ensuring controlled crossing rests with those states on an EU external border, so we had no choice but to erect a physical barrier.

### **Why Reinforced Borders Are Necessary and Humane**

Early in the fall of 2015, we built a fence on the external green border of the Schengen Area. We did this to protect one of the greatest achievements of Europe: the freedom of movement of the common internal market. Protecting a border is not a nice thing. It is not a matter of aesthetics; it cannot be done with flowers and teddy bears. For Germany and other centrally located countries, the external border lies at a remove of several hundred kilometers. These centrally situated countries placed their trust in member states on the periphery, relying on them to carry out the task at hand. By doing so, we safeguarded the lifestyle, economic model, and safety so dearly cherished by Europeans.

Protecting a border is not a nice thing. It is not a matter of aesthetics; it cannot be done with flowers and teddy bears.

Let me add something that may surprise you: Hungary's was the fifth fence of its kind to be built in the territory of the European Union.

Today we have arrived at a consensus on the protection of external borders, and we've greatly narrowed the gaps in our views on related issues. One of them is the need for measures to counteract the root causes of migration. We have agreed that it's best for people needing our help to receive it as close to their homeland as possible. Cooperation with countries of origin and transit has improved greatly. To the best of our abilities, we have increased humanitarian and financial aid. Nobody has reason to feel let down by Hungary.

Unfortunately, a mass migration is never peaceful. When large masses of people set out in search of a new home, conflicts inevitably ensue, because others have already settled the place they want to settle. Those earlier settlers will want to defend their home, their culture, and their way of life. It is not impossible to put the brakes on mass migration. Europe is a 500-million-strong community in possession of a strong-enough economy and sufficiently advanced technology to defend itself. Yes, we make a distinction between individual migrants and the phenomenon of migration. The individual migrant — barring terrorists — tends to be a victim more than anything else. He is an individual victimized by misfortune, increasing hardship in his home country, bad local governance, our own policies that entice migration, and immigrant smugglers. On the other hand, migration in its entirety is killing us. And migration manifests itself in a multitude of individual migrants.

This is why we have a duty — sympathize as we may with individuals whom we see as victims — to stop them at our reinforced borders and to make it clear that those crossing illegally will be jailed in Hungary or legally deported from the country. All things considered, defending our borders by building a fence to keep out people is a necessity. There is no more-humane alternative when it comes to protecting ourselves. We must act humanely, within the law, while honoring transparency, but with firm resolve.

After all, the migrants are hardly the ones to blame for this. All they are doing is acting in what they think is their own best interest. The problem is that we Europeans will not do what would best serve *our* own interests. The institutions in Brussels have put their faith mainly in a single instrument with which to solve the

migration crisis: a mandatory quota system for resettling migrants among member states. Hungary has strongly opposed this scheme.

Our approach is grounded in the realities of migration: First, until we gain control of our borders, any scheme of distributing migrants will only send a dangerous message of encouragement and invitation to those outside hoping to enter. And Europe still lacks consistent and coherent legislation to regulate mass migration. Second, mandatory settlement by quotas will remain impossible as long as the human smugglers or the migrants are free to pick their ultimate destination country. Third, this message will trigger a wave of millions of economic migrants. But better standards of living cannot be regarded as a fundamental right, no matter how ardently we may wish to provide those standards to everyone.

What is happening in Brussels today is sheer absurdity — there is no better word for it. It is as if the captain of a ship heading for a collision busied himself by designating nonsmoking lifeboats instead of steering clear of the obstacle, or as if we were debating how much water we should let pour into each cabin instead of mending the breach.

### **Unelected Brussels Bureaucrats vs. The People**

That Brussels is incapable of organizing the ranks of defense for Europe is bad news; that it has no intention of doing so is worse still. In Budapest, Warsaw, Prague, and Bratislava, we find it difficult to comprehend how we have ended up in a position where we are supposed to allow anyone from another continent and culture to enter without any measure of control. How was it possible for the natural, indeed elemental, instinct to defend ourselves, our families, our homes, and our lands to atrophy in our civilization? Yet, apparently, it has done so.

And we discovered this fact in 2015 when everything changed overnight. We awoke one morning to voices clamoring for *Willkommenskultur*, to demands that we must change all the previous rules and agreements to make good on the promise of refuge. The leaders of Europe keep telling us that we must help. From the highest echelons of power, we are being entreated to open our homes in the name of solidarity.

If we hesitate to do so, we cannot be accused of callousness. We have learned the principal law of assistance: If we help them where we are, they will flock here; if we



help them where they are, they will stay at home, in their native land.

Instead of recognizing this truth, Brussels encouraged people living in some of the most impoverished and troubled parts of the planet to come to Europe, trading the life they knew for something better. How could this have happened? I am convinced that in Brussels and a few other European capitals, the political and intellectual elites are pitted against most of the people, who still nourish patriotic and commonsense sympathies. Indeed, as far as I can see, the leading politicians are well aware that this division exists. If that is so, it means that the real problem is not on the outside but inside Europe. The main threat to the future of Europe is not those who want to come here to live but our own political, economic, and intellectual elites bent on transforming Europe against the clear will of the European people.

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Indeed, it is plain to see that on this issue, the European Union is divided into two camps: unionists and sovereignists. The unionists call for a United States of Europe and mandatory quotas, while the sovereignists desire a Europe of free and sovereign nations and will not hear of quotas of any kind. That is how the mandatory migrant quota has come to encapsulate and symbolize our era. It is an important issue in and of itself, but it also possesses symbolic significance as the distilled essence of everything we find undesirable and disruptive among the nations of Europe. We cannot allow Brussels to put itself above the law. We cannot allow it to shift the consequences of its own policy onto those who have abided (as we have) by each and every treaty and piece of legislation.

Yet it is becoming obvious that Hungary is being penalized. Our critics inside and outside European institutions seek to construe our actions as foreign to European politics — including our constitutional affirmation of Christian roots, our demographic policy, and our efforts to unify our nation scattered across borders. At the same time, nobody can rule out the possibility that in the years to come, the mainstream will follow precisely the course that Hungary has set forth.

What we see in Europe today certainly does not exclude that

possibility. The Berlin massacre at the Christmas market; the terrorist attacks in France; the hundreds of migrants starting to march from Belgrade toward Hungary; Brexit: All these suggest a very complex future. Add to this the election of Donald Trump as America's president. The surface manifestations are illegal migration, terrorism, and uncertainty. But where do they all come from?

Until recently, young people in Germany, France, Britain, and Belgium were told that if they finished school, respected the law, honored their parents, and worked hard, they would achieve more and have a better life than their parents had. This was the prospect that sustained the allure of the great European dream that the European Union is an attempt to realize. In Hungary, this prospect was nonexistent between 1945 and 1990, at most a distant dream; but it was regarded as a given, even a commonplace, in the European Union and the United States.

Today, if you promise the same things to a European youth, your message will fall on deaf ears at best. More likely, it will be ridiculed.

The leaders of our societies are also suffering from this loss of morale. Indeed, the symptoms I have described go hand in hand with an unspoken but manifest crisis of the European elite. In Western Europe, the center Right (the Christian Democrats) and the center Left have taken turns at the helm of Europe for the past 50 to 60 years. But increasingly, they have offered the same programs and thus a diminishing arena of political choice. The leaders of Europe always seem to emerge from the same elite, the same general frame of mind, the same schools, and the same institutions that rear generation after generation of politicians to this day. They take turns implementing the same policies. Now that their assurance has been called into question by the economic meltdown, however, an economic crisis has quickly turned into the crisis of the elite.

More important, this crisis of the elite — sprouted from the economic crisis — has now become a crisis of democracy itself. Large masses of people today want something radically different from what traditional elites want. This is the deep cause of the restlessness, anxiety, and tension erupting on the surface time and again in the wake of a terrorist attack or some other act of violence, or when we confront a seemingly unstoppable tidal wave of migration. We grow ever more apprehensive, because we feel that what happens today in Nice,

Munich, or Berlin can happen in virtually any other corner of Europe tomorrow.

The uncertainty and fear that characterize the European psyche today kill the soul. Fear forces everyone — countries, people, families, the actors in the economy — to curl up like a hedgehog in a defensive position. He who lives in fear will not undertake great things but retreat into defense. Faced with crises, he will decide that nothing much can be done about them or, worse, that they are not real crises. This attitude will not help Europe reclaim its leading role. Great feats require a generous soul, an open mind, and a big heart, the readiness to absorb all knowledge and remain open to new ideas, as well as cooperation and trust. If you have those things, you will be able to accomplish great things, as we attempted recently when we spiritually unified the Hungarian nation across the borders or when we restored to health the Hungarian economy in record time to make up for the inertia of the last 50 years.

#### **Enter Trump**

President Trump has not yet had the chance to show his true mettle. We wish him well. Although new to the international political arena, he recently made three proposals to curb terrorism that addressed it realistically and in a problem-solving way. He said, first of all, that America needs to create the best secret service in the world as a precondition for everything else. I agree. In Europe, too, our national-level secret services must be capable of world-class performance in their field, and the cooperation among them must facilitate that. This is paramount for our security.

His second imperative was to abandon the policy of exporting democracy as if it were soap or a cell phone, usable in all markets with no side effects. Again, I agree. Consider: Why are all these migrants from Africa crossing the Mediterranean even as we speak? They are arriving here because Europeans (and later the Western world under the umbrella of the U.N.) managed to shatter the Libyan regime. It was an anti-democratic regime, to be sure, but an extremely stable one that maintained border protections. We helped destroy it, but we did little to establish a new government capable of stabilizing the country. It was the same story with Syria and the same again with Iraq. If we carry on with similar attempts to export democracy, we will end up destabilizing regions where we should be fortifying what little stability there is; and thus we'll bring on a never-ending influx of migrants.

Trump's third point follows on from that: the necessity of reinforcing borders. What we see today is that the greatest pressure on the European continent will come from Africa. Today it is Syria and Libya, but we need to brace ourselves for the migrant pressure that will soon come from below Libya. Let me quote a few figures that give us an idea of the magnitude of the population growth in the next 20 years or so. The population of Egypt will have increased from 90 million to 138 million by 2050; Nigeria's, from 186 million to 390 million; Uganda's, from 38 million to 93 million; Ethiopia's, from 102 million to 228 million. Extrapolating from present trends to make predictions is always problematic, but we have nothing better than our current knowledge to rely on in preparing for the future.

Trump's proposals at least acknowledge such threats and propose solutions to them. Europe by contrast has avoided dealing realistically with threats; instead, it crafts policies that concentrate on formulating "European solutions" that solve nothing.

We must now reconsider all political actions and proposals that seek to transfer powers from nation-states to Brussels.

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In light of Europe's non-solutions, curbing national sovereignty would be a very grave danger. There are threats against which Brussels is powerless, against which we can defend ourselves only as individual, sovereign nations. We weaken ourselves when we hand those problems over to the EU. So we must now reconsider all political actions and proposals that seek to transfer powers from nation-states to Brussels.

For decades, the mainstream answer to European problems was "more Europe." We have to recognize, however, that there are areas where we need more Europe and areas where we need less Europe. We need more Europe when common action at a European level — such as on security and defense — can help member states attain their national objectives. And there can be areas where we need less Europe, less red tape, and fewer regulatory burdens, to allow the member states to flourish through competition.

Europeans, both as people and as peoples, can do many things that "Europe" cannot. A European Union that recognizes this truth and allows a variety of national solutions will find that its problems shrink mysteriously while its back is turned.

## THE WALL STREET JOURNAL

# European Investors Bet on Economic Revival

Riva Gold

2017 7:14 p.m. ET

Investors are gaining faith that the long-sluggish European economy is finally on an upswing.

Yields on German 10-year government bonds rose to 0.49%, according to Tradeweb, closing at their highest level in a year, and French and Italian bond yields are at their highest since September and July 2015, respectively. By one measure, European stocks broadly are hovering at levels last seen in December 2015.

Investors for months have been reacting to expectations for higher U.S. growth and inflation, and potentially higher U.S. interest rates. Now, they have set their focus on Europe, where economic data suggest the region will finally take part in a global economic recovery.

Consumer prices rose in December in all but one of the eurozone's 19 members amid a recovery in commodity prices. In the same month, Eurozone economic activity also surged to a five-year high, while unemployment fell to a seven-year low near the end of last year.

The selloff in the German bond market, seen as a bellwether for Europe, is particularly notable. Investors tend to sell bonds when the economy is stronger, as inflation eats into returns on fixed-income investments. As bond prices fall, yields rise.

"We were all looking at what was going on in the U.S., and now bond yields are leading the way," said Mitul Patel, head of interest rates at

Henderson Global Investors.

The Stoxx Europe 600, a broad index of European shares, closed Thursday at its highest level since December 2015, having gained 1.7% this year.

Shares of European banks have lately outperformed sectors that attract investors during lackluster economic periods, signaling a bet that a recovery in the region, and the broader global economy, will boost corporate profits.

The difference in share performance in economically sensitive sectors in Europe over defensive ones has been the sharpest since 2009, according to strategists at Deutsche Bank AG.

With eurozone growth and inflation expectations picking up, policy makers and investors are discussing the prospect that the European Central Bank's extraordinary monetary stimulus measures will come to an end.

The ECB's negative interest-rate policy and bond-buying program have been key in pushing bond yields lower. But such measures, aimed at stimulating growth and inflation, may be less warranted if both are starting to gain momentum.

Although investors are only beginning to price in a moderate chance of higher eurozone interest rates in three to four years, "it changes the way you assess things," Mr. Patel said. "For the first time in several years, we have to think more seriously about the potential timing of future rate hikes from the ECB."

Some investors are skeptical that yields in Europe will continue to rise,

even if there is a fresh leg higher in the U.S.

That is mainly because the ECB is still, for now, buying up billions of euros of bonds every month through its quantitative-easing program, known as QE, pushing up demand.

"They committed to QE until the end of this year," said Nick Gartside, international chief investment officer of global fixed income at J.P. Morgan Asset Management. "The consequence of QE is it sucks bonds out of the market this year." Mr. Gartside said eurozone bonds should outperform the U.S. this year, a view that he is mainly acting on through corporate-bond markets.

Others, such as Mr. Patel, said it is too early to call the right level for the German bond yield until the monetary policy and political dynamics of a region that will hold a number of key elections this year are clearer.

Still, on Tuesday, ECB executive board member Sabine Lautenschläger, a former German central-bank official, said she was "optimistic that we can soon turn to the question of an exit" from easy-money policies. That is the first time that a board member has indicated that the days of the bank's €2.3 trillion (\$2.47 trillion) bond-purchase program may be numbered.

The rhetoric from the ECB is changing significantly, said James Athey, fixed-income fund manager at Aberdeen Asset Management.

François Villeroy de Galhau, the head of France's central bank, said Thursday that the ECB hasn't discussed any exit strategy, a week after ECB President Mario Draghi said the issue of winding down bond

purchases hadn't been discussed by policy makers.

Sovereign-bond yields tend to track interest-rate expectations, and the ECB's negative deposit rate has depressed yields in the eurozone, just as its bond purchases have propped up demand. But some investors think a small move away from the ECB's extremely accommodative stance could reverse the pull these policies exert on yields.

European yields are also responding to the steep jump in the U.S. Treasury market as global growth and inflation expectations have picked up around the world. On Thursday, the 10-year Treasury yield fell to 2.508%, as prices were boosted by solid demand from a sale of seven-year notes. The yield has climbed from 1.867% on Election Day.

Mr. Athey said the recent gains in German yields are likely to be sustained, particularly if Mr. Trump can push through fiscal stimulus in the U.S., which has added to the postelection climb in Treasury yields.

"There's no point calling a top in German yields if we continue to see U.S. yields higher," he said. "Were history to judge this period with hindsight...I think this will be seen as more of a return to normality."

—Christopher Whittall contributed to this article.

Write to Riva Gold at [riva.gold@wsj.com](mailto:riva.gold@wsj.com)

Bloomberg

## Editorial : Europe Needs New Rules for the Uber Economy

The Editors

The European Union is grappling with Uber and its peers, asking how best to regulate businesses that connect buyers and sellers in the so-called sharing economy. EU policy is shaping up to be much too heavy-handed.

A big question for these new enterprises is whether the people supplying the services are deemed to be employees (with rights protected by labor laws) or independent contractors (with little or no such protection). The answer isn't obvious, and a lot is at stake. The first treatment could put many of the firms out of business; the

second might leave workers open to exploitation.

The European Parliament is calling for a maximalist approach. It recently proposed a stronger European Pillar of Social Rights, including labor protections for all workers, "regardless of the type of contract or employment relationship." This "core of social rights" is impressively wide-ranging, including provisions on work-life balance, training, maternity leave, collective bargaining, in-work support for people with disabilities, and much else besides.

Europe's policy-makers see the benefits of the sharing economy, but

view as suspect a business model that succeeds partly by shirking regulation: The EU is wary of anything that weakens its commitment to social protection. The trouble is, labor laws in many euro-zone countries already stifle job creation and innovation. Extending that framework to so-called platform companies would discourage new enterprises from forming and expanding. It would also hasten automation -- in effect, solving the worker-protection problem by reducing the number of workers.

A better answer is to emphasize flexibility, in two main ways.

First, rather than aiming to impose a top-down solution, the EU should welcome different approaches among its member states. Let national regulators try different models and see what works best. Second, accept that many non-traditional kinds of work don't fall readily into the old categories of employed or self-employed. Some jurisdictions recognize a third group -- dependent contractors. For workers that combine attributes of employees (direction from managers, for instance) and independent contractors (wide discretion over whether and when to turn up for work), a similarly hybrid

approach with a lighter regulatory touch makes sense.

At the same time, governments should accept the taxpayer's role in providing better economic security for workers, whatever their terms of employment. More flexible working arrangements can add to insecurity, which adds to the need for a more

effective social safety net. This protection should be seen as a public good, to be financed by citizens at large. Pushing those costs on to employers will only hold back the demand for workers.

The Sharing Economy

That's why, with or without the likes of Uber, Europe should be liberalizing its labor laws across the board. Applying its "core of social rights" to the sharing economy would indeed promote equality -- by giving more people an equally good chance of being unemployed.

To contact the senior editor responsible for Bloomberg View's editorials: David Shipley at davidshipley@bloomberg.net.

## INTERNATIONAL



### Trump's Pox Americana

Paul McLeary | 1 hour ago

The new president has sounded an unprecedented retreat for the United States from its role as a world leader.

America's foreign policy has changed more in the week since Donald Trump took office than it has at any time since the end of World War II. Given the changes that occurred in 1991 with the end of the Cold War and after the attacks on 9/11, that is saying something. But the changes ushered in by Trump — often without benefit of consultation with his cabinet departments, experts of any sort, or the legislative branch of government — cut to the core philosophies that have guided America in the modern era, as well as to the specifics of relations with an extraordinarily wide array of countries and regions.

The most profound of these changes is that after almost a century of American leadership on the world stage, Trump has unabashedly sounded the retreat. Whether under the umbrella of his "America First" views, his willingness to let other powers take the lead, his distrust of international institutions, or pure ignorance, he has ushered in a shift from what was hailed as the Pax Americana to what may soon be seen as the Pox Americana, a blight befalling the world as a consequence of mean-spirited, ill-considered, short-sighted U.S. foreign policy.

This can be clearly seen when we take each of the major foreign-policy actions one at a time.

First, there is the shift away from the foundational concepts that have guided American foreign policy since World War II. At the heart of American leadership since the defeat of Nazism, fascism, and the Japanese empire has been a belief in an international system of laws

and institutions with the United States playing a central role. A corollary has been the ongoing commitment to promoting, preserving, and actively protecting certain core American values, which include standing up to potential global threats, rejecting aggression, promoting free markets and global trade, supporting democracy, honoring our alliances and commitments, and infusing our actions with a sense of humanity and compassion wherever possible. We have also shown a respect for science and technological progress as a force for good. Have we strayed from these principles? Of course. Have we violated them from time to time? Yes, that too. But have we always made an effort to at least seemingly be guided by them, and have we usually sought to do so? Yes.

In short order, Donald Trump has discounted serious threats, embraced aggressors, announced a reversal in international trade and economic policy (that echoes American policies of the Smoot-Hawley, pre-World War II era), embraced anti-democratic forces at home and abroad, threatened to reject or not honor alliances or treaties from NATO to NAFTA, and turned his back groundlessly on refugees and immigrants including those whose plights America has contributed to. He has also undercut our commitment to long-standing efforts to improve the world and America's standing in it — from announcing an intention to no longer support vital health programs for women to rolling back climate change mitigation policies to cutting back on international aid and support for multilateral institutions.

From the mentality of "Mr. Gorbachev, tear down that wall!" we have gone to one of building new walls that separate us from friends and vital allies.

From the soaring spirit of the poetry inscribed at the base of the Statue of Liberty, we have gone to turning a deaf ear to those most in need.

From the soaring spirit of the poetry inscribed at the base of the Statue of Liberty, we have gone to turning a deaf ear to those most in need. From working to knit together Europe to help ensure its stability and ours, we have gone to supporting nationalist movements that seek to tear it down. From focusing on the Atlantic alliance as the centerpiece of U.S. security, we have a commander in chief who has posited that not only is NATO obsolete but that we may not honor its most important provision — that an attack on one is an attack on all. From the present-at-the-creation moment at which we helped build the United Nations and the other institutions of the international order (not purely to help others, but often to advance our own interests), we have announced a policy to defund the U.N. and to undercut the international trading system. From being the nation that used science and technology to put a man on the moon and built the internet, we have become a nation whose leader rejects science, seeks to suppress facts on government websites, and denies the indisputable global threat of climate change.

America was once a nation that was seen as actively arguing for the principles that made the country great — sometimes too actively for the taste of many around the world. We made the case for a free press; now the president assails the media, publicly attacks journalists as "the most dishonest people" on Earth, and thus sends a message to authoritarian leaders worldwide that he is a kindred spirit. We celebrated freedom of religion; now we have become a nation that has embraced Islamophobia and seems to be taking steps to punish individuals simply because of their religious

beliefs. We opposed ethno-nationalism; now we have overnight emerged as an acknowledged leader and supporter of a global movement based on nationalism and fomenting hatred of "the Other."

Rather than seeking to preserve the sanctity of democracy and the principle of self-determination of peoples, this president has actively called for foreign governments to meddle in U.S. elections, rejected assertions that one such government, Russia, had done so despite all the evidence to the contrary, and has subsequently defended and embraced the leadership of that anti-democratic regime — as well as given comfort to many others and to dubious or rogue leaders from Syria to the Philippines.

Foundational policies that both Democratic and Republican administrations have hewed to have also been cast aside or dramatically undercut. This is the first administration since the 1930s to actively embrace and even promote the interests of the government in the Kremlin. The "One China" policy that has been a pillar of U.S. foreign policy for almost half a century was cast aside during the transition (as was the important concept that the United States had "one president at a time"). The long-standing friendship America has had with its neighbor and one of its most important trading partners, Mexico, has been imperiled by Trump's desire to vilify Mexicans for political game and to literally erect a wall between our two countries. As noted above, America's most important alliance, NATO, has had its future thrown into doubt. The policy of supporting right-wing, anti-EU parties in Europe (which also advances the interests of Russia) is contrary to America's long-established support for multilateralism and undercuts the economic and political strength of



our allies. Our long-standing policy of siting the U.S. Embassy in Israel in Tel Aviv has been thrown into question (not for the first time ... but in a way that was, at least at first, troublingly abrupt).

While the administration of Barack Obama had a record of indecision, inaction, and a failure to protect U.S. interests in Syria and Iraq, the former president recognized Bashar al-Assad as a menace to his people and did not explicitly support Russia's intervention in support of Assad. The new president's press secretary recently announced a willingness to have U.S. forces fight alongside Russian ones in Syria (despite questions of whether or not this is even legal).

The George W. Bush administration embraced torture and rendition in a way that produced an international outcry and U.S. legislation against future abuses. The Trump team has sought a reversal in these areas as well.

All this in a week. It is made all the more worrying because candidate Trump indicated many other areas where he would deviate from long-standing, proven, sound U.S. policies — from being open to the use of nuclear weapons by U.S. allied nations in the Pacific to embracing a more hostile stance with China to entering into trade wars with important economic partners despite oceans of evidence suggesting how damaging such actions are. And if the last week is any indication, we should expect the White House to continue to deviate from policies that have proved to be wise and effective.

One friend of mine who is a smart commentator has suggested that Trump is on many issues a throwback, turning back history and perhaps emulating Ronald Reagan — who entertained some of these ideas. But I would say it is worse.

Trump is ahistorical. I think he has no idea of history.

Trump is ahistorical. I think he has no idea of history. And let's remember — Reagan was fiercely tough on Russia, pro-free trade, and his policies in many areas evidence a humanity and respect for fundamental U.S. values that Trump's do not. It is also not irrelevant that Trump has less government and international experience than any president in U.S. history. Nor is it of no consequence that his transactional approach to life to date, combined with his global business interests, creates enormous ethical challenges that could color his behavior and further lead him to deviate from what is in America's best interest.

Of course, it remains to be seen whether and how he follows through on actions taken to date or on his other threats and promises. It is unclear whether he has any real understanding of what he is doing. (Though even the most fair-minded observer could not help but think at this point that he does not.)

Perhaps once he has more of his government in place, he may solicit, get, and perhaps even heed better advice than he seems to be receiving from his "gang of five" or his own "very good brain." But there is no question that significant damage has already been done. Further, should it emerge that he has the ability and the inclination to institutionalize the changes he has put in place, it is undoubtedly true that by the time he leaves office, America's standing will have fallen greatly. Make no mistake: By then, other countries will have stepped in to fill the void left by the United States, and it will take many, many years to undo the consequences of electing this impulsive, values-challenged, foreign-policy neophyte as president.

The new administration is looking to cut federal funding for arts and humanities education. It's not cost savings; it's an attack on reason itself.

Last week, reports surfaced that President Donald Trump will propose a federal budget that would defund entirely the National Endowment for the Arts (NEA) and the National Endowment for the Humanities (NEH). The reasons for cutting these agencies cannot be fiscal; combined, they constitute less than .01 percent of the federal budget. Rather, Trump's declaration of war on the arts and humanities must be seen in the context of his repudiation of the American ideals — grounded in the Enlightenment — of self-expression, knowledge, dissent, criticism, and truth. These proposals are an early effort to entrench within the machinery of the U.S. government his elemental disdain for intellectuals, analysts, and experts. Seen this way, they deserve to be rejected even by conservatives who have gleefully targeted these agencies in the past. If Donald Trump makes our venerable federal arts and humanities agencies disappear, it will represent a victory for his illiberal agenda, one conservatives and liberals must unite to defeat.

The NEA and NEH were both founded in 1965 through legislation passed with strong bipartisan support. In recent years, they have supported thousands of projects in the arts and humanities in every U.S. state and territory, including writing and arts programs that

engage war veterans, efforts to preserve genealogy records of enslaved African-American families, and children's programs run by the Oklahoma City Ballet.

Trump's salvo on the NEA is hardly without precedent. Ronald Reagan took aim at the agency in 1981, only to have a task force including Charlton Heston investigate and conclude it was too important to dismantle. In 1989, explicit photos by Robert Mapplethorpe and controversial artworks involving Christian symbols juxtaposed with urine triggered a new firestorm, with Sens. Jesse Helms and Alfonse D'Amato rallying against the agency alongside Pat Robertson and the Christian right. Their efforts to defund NEA failed in Congress. In 1994, Newt Gingrich renewed the irruption, broadening his sights to include the NEH and the Corporation for Public Broadcasting. His arguments centered on controversial art and scholarships but also claims of government waste. Although the overall crusade failed, Gingrich succeeded in ending NEA grants to individual artists.

According to the *Hill*, Trump's latest proposal to scrap the agencies derives from a budget blueprint proposed by the Heritage Foundation, a conservative think tank. The Heritage report argues that government funding for the arts and humanities is so dwarfed by private philanthropy as to be negligible. The blueprint cites the group Citizens Against Government Waste, which has declared that "actors, artists, and academics are no more deserving of subsidies than their counterparts in other fields." The report further proclaims: "Taxpayers should not be forced to pay for plays, paintings, pageants, and scholarly journals."

But, as arts advocates have argued for decades, funding the arts and humanities is an essential part of what all great nations do. It is neither trivial, wasteful, nor quixotic. All 56 U.S. states and territories provide arts funding, a mark of the wide recognition of the need and value of these resources. Thriving arts sectors are proven educational and economic assets, as well as catalysts for tourism and urban renewal. They are essential transmitters of cultural heritage and national identity. Philanthropists are key, but their proclivities need to be augmented with public-interested support for projects that may not attract private money.

In 2013, the case for support for the humanities was boosted by a bipartisan, congressionally instigated study on how to "maintain national excellence in humanities ...

and to achieve long-term national goals for our intellectual and economic well-being." Commissioned by the American Academy of Arts and Sciences and carried out by an ideologically diverse, nonpartisan group of scholars, business leaders, and former politicians, the study argued that strong humanities education is essential to producing future generations of successful Americans who are knowledgeable, analytical, and worldly. The report recommended increased funding for NEH and was welcomed by Republican congressional leaders, including Tennessee Sen. Lamar Alexander and then-Rep. Tom Petri of Wisconsin.

The decades-old culture war arguments take on a deeper and more sinister cast under Donald Trump. During the campaign and their early days in office, the Trump team has shown contempt for Enlightenment values shared by liberals and conservatives alike. Concepts like the search for truth, the open exchange of ideas, and the esteem for culture may read like empty platitudes etched in the walls of ivy-covered universities. But they are principles that undergird not just a liberal arts education but also the Common Core curriculum taught in hundreds of thousands of U.S. public schools. Unlike principled politicians on both sides of the aisle, Trump does not consider evidence that contradicts his views, concern himself with the lessons of history, or bring intellectual curiosity to the task of governing. He has not read any biographies of past presidents nor read much at all because, as he said last summer, "I'm always busy doing a lot." The process of exploration, evidence gathering, and reasoning that forms the basis of the quest for truth in any academic discipline seems to be alien to Trump. For him, being called out, rebutted, and even ridiculed for purveying falsehoods is cause not for remorse or retraction but rather reinforcement of the lies and reproof of those who dare challenge them.

As was to some degree true for Richard Nixon, Reagan, and George W. Bush, Trump's campaign and philosophy of governing aim to associate art and intellectualism with out-of-touch elites who have broken the trust of rural and less educated populations. But prior Republican presidents' fervor in this quest was tempered both by ties to avid cultural patrons — people like New York society doyenne Brooke Astor and, more recently, the Koch brothers — and by links to conservative thinkers including Allan Bloom and William F. Buckley, who championed

particular American intellectual traditions. Trump holds no such allegiances. He personally has a long history of denigrating the arts, dating back to his 1980 decision, when building Trump Tower, to destroy a set of art deco reliefs on the site that he knew were sought after by the Metropolitan Museum of Art. Trump is right to argue that economic stratification risks leaving tens of millions of Americans behind. But his lies and hypocrisies seem to beg voters to suspend the critical faculties essential for a functioning democratic citizenry.

Trump's assault on truth, though novel and shocking to many Americans, is a tactic that has been tested and proved effective in repressive countries around the world, as many Russian thinkers and other experts on authoritarianism have recently pointed out.



## Trump lays groundwork to change U.S. role in the world

<https://www.facebook.com/PhilipRuckerWP>

*[Read the draft of the executive order to rebuild the armed forces]*

President Trump began this week to reshape the U.S. role in the world, laying the groundwork, in a series of planned and signed executive actions and statements, for the "America first" foreign policy on which he campaigned.

Already, Trump has mandated construction of a border wall with Mexico and a clampdown on local immigration enforcement. Other directives drafted but not yet signed would halt all refugee admissions and entry into the United States of citizens from seven Muslim-majority countries deemed terrorist hotbeds; declare a moratorium on new multilateral treaties; and mandate audits of U.S. funding for international organizations, including the United Nations, with a view toward cutting U.S. voluntary contributions by 40 percent.

Additional pending orders, copies of which were obtained by The Washington Post, call for a review of cyber capabilities and vulnerabilities, in advance of what is expected to be greater use of offensive powers; and direct the Pentagon to quickly develop plans to reduce spending on items not deemed "highest priority," while ramping up programs to expand the armed forces and modernize the U.S. nuclear deterrent.

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Another draft order under consideration would direct the State Department to review its designations of foreign terrorist organizations, allowing it to add the Muslim Brotherhood to the list, according to an administration official who was not authorized to discuss it. The group's status as a legitimate political movement vs. a terrorist group is controversial in the Middle East. Such a listing would please some, including Egypt and Saudi Arabia, but could anger others, such as Turkey and Qatar.

Trump could sign some of these orders as early as Friday during a scheduled visit to the Pentagon. The White House declined to comment on the directives.

If implemented, these initiatives and other steps Trump has previewed will usher in a new era of American foreign policy, after decades of bipartisan agreement that the United States has a responsibility to spread democracy and stand up for the oppressed, and that it would prosper when a united, free world prospered.

In the policies Trump has outlined, there are no apparent trade-offs to be made that balance short-term American advantage with global goals benefiting the United States over the longer term. Instead, as a policy posted on the White House website on Inauguration Day put it, "The world will be more peaceful and more prosperous with a stronger and more respected America."

"Every decision on trade, on taxes, on immigration, on foreign affairs

dictators the world over — disabling the intelligentsia because their reasoned, thought-provoking arguments pose a serious threat to the authoritarian regime.

As the American Academy's study noted, "the humanities—including the study of languages, literature, history, film, civics, philosophy, religion, and the arts—foster creativity, appreciation of our commonalities and our differences, and knowledge of all kinds.... [T]hey help us understand what it means to be human and connect us with our global community." The study of the humanities is an antidote to the bleak, reductionist, and insular worldview proffered by Trump in his inaugural speech.

In its mission statement, the Heritage Foundation describes itself as dedicated to conservative policies based on "the principles

will be made to benefit American workers and American families," Trump said in his inauguration speech. "We must protect our borders from the ravages of other countries making our products, stealing our companies and destroying our jobs. Protection will lead to great prosperity and strength."

*[Read the draft of the executive order on treaties]*

Trump sees himself as the protector of an American fortress and disrupter of a world that is growing more calamitous and dangerous by the day. "The world is a total mess," he said Wednesday in an interview with ABC News.

At times, it is difficult to determine whether he is laying down the law or establishing a negotiating position. Having pushed Mexican President Enrique Peña Nieto into a corner on funding the border wall, the administration indicated Thursday that it considered Mexico's cancellation of a presidential visit to Washington a mere postponement.

Kori Schake, a former national security official in the George W. Bush administration who opposed Trump's candidacy, said the executive orders are already causing political damage with U.S. allies. "It's consistent with the way in which President Trump creates chaos and moves blithely on," she said.

Many of Trump's ideas are not new, although they draw from a wide political spectrum. Trump's reimagining of a new 21st-century architecture for world order, including a sharp reduction in U.S.

and ideas of the American founding," including "individual freedom." The think tank emphasizes providing "timely, accurate research" and employs many dozens of staff described as scholars, researchers and experts. Although Heritage and other conservatives' hostility toward the NEA and NEH might have been consistent with their small-government principles in years past, they cannot square their stated purposes with the far more insidious current campaign to dismantle the role of inquiry, creativity, reason, and truth in American society. For the Trump administration, the attacks on NEH and NEA form part of a wider assault on intellectualism itself. Rather than providing ammunition to the opponents of reason, Heritage should help roll out its tank in defense of thought itself.

participation in international institutions, has been a rallying cry for conservatives for years.

*[Read the draft of the executive order on U.S. funding]*

His words and actions reflect "a view that the status quo that has essentially grown up over the last 70 years costs the U.S. more than it benefits it," said Richard N. Haass, president of the Council on Foreign Relations and a senior official in the George H.W. Bush administration. That view, extending from trade policy to traditional alliances, Haass said, "is fundamentally flawed in its assumption that American involvement and leadership in the world has cost us more than it's gained us, but that nonetheless appears to be their vision."

The United Nations, with its welter of sometimes obscure sub-organizations, and the platform it often provides for criticism of the United States, has been a long-standing target.

Two of the treaties that Trump's proposed executive order makes particular mention of as forcing adherence to "radical domestic agendas" — the Convention on the Elimination of All Forms of Discrimination Against Women and the Convention on the Rights of the Child — are traditional bull's eyes. Like many other U.N.-generated treaties, they have never been ratified by the United States.

Trump proposes internal high-level committees to examine multilateral treaties, with a view toward leaving them, as well as a 40 percent cut in funding for international organizations whose agendas are "contrary to American interests." It is

unclear whether the intent is to cut funds for U.N. activities such as peacekeeping forces and humanitarian programs, as well as those, already targeted by Trump, that support Palestinians and other groups out of favor with the new administration.

John B. Bellinger III, who served as legal counsel to both the National Security Council and the State Department in the George W. Bush administration, said the treaty examination was based on a "false premise ... that the United States has become party to numerous multilateral treaties that are not in the United States' interest."

There are "many hundreds of multilateral treaties that help Americans every day in concrete ways," he said. Without them, "Americans could not have our letters delivered in foreign countries; could not fly over foreign countries or drive on foreign roads using our state driver's licenses;

could not have access to a foreign consular official if we are arrested abroad; could not have our children returned if abducted by a parent; and could not prevent foreign ships from polluting our waters."

While mandates for building a border wall, boosting immigration law enforcement and barring refugees will take immediate effect, others buy time by establishing committees and reviews.

The draft Pentagon order begins by stating, "It shall be the policy of the United States to pursue Peace Through Strength." It directs Defense Secretary James Mattis to produce a National Defense Strategy — something virtually every administration regularly does — by the beginning of 2018.

There is little apparent controversy in the draft executive order to strengthen cybersecurity, a six-page document that in tone and substance could have been written

by the Obama administration. It calls for no bold initiatives but rather for review of areas Trump's predecessor had already scrutinized.

*[Read the draft of the executive order on cybersecurity]*

One line in the proposed order appeared to signal that the new administration might want to reorganize agencies or boost legal authorities to better protect the country's civilian government networks and critical infrastructure.

Even as Trump sets direction with executive orders, the White House is trying to exert direct control over policymaking at federal departments and agencies. Although offices in many departments sit empty as Cabinet nominees await confirmation, and sub-Cabinet positions are not yet filled, senior advisers have been deployed from the West Wing as liaisons to some departments, to ensure the work

that is being done is in keeping with White House priorities.

Of the suggestion that at least some of Trump's moves so far may be largely symbolic and eventual policies could become more traditional, Schake said, "Oh my God, that's the hopeful interpretation — that he's trying to take rapid symbolic gestures that will please his base and that the policy details can get worked out subsequently when he has a Cabinet in place."

"The downside, of course, is it brings all of the diplomatic and economic downsides of having taken the policy action, even if it's only a symbolic gesture," she said.

Ellen Nakashima, Missy Ryan, Dan Lamothe and Thomas Gibbons-Neff contributed to this report.



## Ignatius : Trump is his administration's own worst enemy on foreign policy

<https://www.facebook.com/davidignatiusbooks>

President Trump's slash-and-burn actions in his first week have been dramatic, but dangerously lacking in a consensus of support, even within his own administration. The risks were evident in the collapse of a planned meeting with Mexico's president and in Trump's embrace of torture tactics rejected by his secretary of defense and CIA director.

Trump's "tweet from the hip" style produced its first real foreign rupture Thursday, when Mexican President Enrique Peña Nieto canceled a planned visit to Washington. That followed Trump's tweet that he should stay away if he wasn't ready to pay for the often-proclaimed border wall.

The Twitter grenade blew up what had been an attempt to finesse the issue with a delayed Mexican financial contribution for the wall, an approach that Trump himself had only hours before supported in an interview with ABC's David Muir. Now, Trump has an avoidable Mexico crisis to deal with.

The torture issue was another self-inflicted wound. The CIA doesn't want to go back into the secret detention and waterboarding business. There's a law banning torture, for the simple reason that it "shocks the conscience" of many Americans. And some foreign

intelligence services would refuse to share information with a United States that used such techniques.

The weird disconnect between Trump's wrecking-ball comments and the more delicate process of governing was illustrated by the flap over a draft executive order to revive the CIA's "black sites" for detention and interrogation. After the memo surfaced Wednesday in the New York Times, Trump spokesman Sean Spicer insisted that it was "not a White House document."

But then a few hours later, Trump was raging in his interview with Muir that torture "works . . . absolutely" and "we have to fight fire with fire." Like so many of Trump's tweets, these comments are disruptive and destabilizing — but mainly to his own administration. They make the job of new CIA Director Mike Pompeo harder.

If the first week of the Trump presidency showed us anything, it's that he is more determined to overturn the established trade, economic and national-security order than even his critics feared. So far, there's more Stephen K. Bannon and less Reince Priebus in this White House. The costs of Trump's impulsive, thin-skinned behavior have also become clearer. He keeps proclaiming how well he's doing, but his aides have seemingly worked nonstop to put out fires ignited by their boss.

Whether Trump's tweeting and his alt-right tilt can be tempered by James Mattis at Defense and Rex Tillerson at State looks more dubious. This will worry foreign leaders who had found the Mattis and Tillerson nominations reassuring, and were prepared to believe that Trump's bark might be worse than his bite on issues that matter to global allies.

Trump's bombastic nature undermines his ability to address the problems he cares most about. Take Mexico: It doesn't want a trade war with the United States, and Peña Nieto has been working to resolve border-security and NAFTA-renegotiation issues. But Trump's humiliating tweet (prompted, presumably, by his fear of being challenged for willingness to compromise) backed Peña Nieto into a political corner. The outcome is contrary to both countries' interests.

Similarly, Trump's public endorsement of torture undermines his deeper effort to combat terrorism. Because of public revulsion over waterboarding, and the CIA's refusal to resume interrogation activities without clear, sustainable legal authority, it's now easier for the United States to kill terrorists with drones than to capture and interrogate them. The rise in such "targeted killing" may take terrorists off the battlefield, but it doesn't yield intelligence.

"The U.S. has abandoned any effort to capture, detain and interrogate terrorists," argues Rolf Mowatt-Larssen, a former CIA officer who now teaches at the Harvard Kennedy School. "Killing terrorists with drones does not produce information on terrorist plans and intentions. It makes eminent sense to emphasize recruitment and capture operations in addition to lethal drones and bombings. As the crude saying goes, 'you can't kill them all.'"

John McLaughlin, a former acting CIA director, speaks for a consensus in the agency when he says "it would be a mistake to go back in that direction," with case officers tasked with running secret interrogation sites. But the larger point is that "the issue is so politicized that you cannot have the sober policy discussion" that's needed on how to collect better intelligence through interrogation.

During his first week in office, Trump has been his own loudest cheerleader. He has also been his own worst enemy. As with any other form of self-destructive behavior, it's time for an intervention by those closest to him.

*Read more from David Ignatius's archive, follow him on Twitter or subscribe to his updates on Facebook.*



## Krauthammer : Trump's foreign policy revolution

The flurry of bold executive orders and of highly provocative Cabinet nominations (such as a secretary of education who actually believes in school choice) has been encouraging to conservative skeptics of Donald Trump. But it shouldn't erase the troubling memory of one major element of Trump's inaugural address.

The foreign policy section has received far less attention than so revolutionary a declaration deserved. It radically redefined the American national interest as understood since World War II.

Trump outlined a world in which foreign relations are collapsed into a zero-sum game. They gain, we lose. As in: "For many decades, we've enriched foreign industry at the expense of American industry; subsidized the armies of other countries" while depleting our own.

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And most provocatively this: "The wealth of our middle class has been ripped from their homes and then redistributed all across the world." Bernie Sanders believes that a corrupt establishment has ripped off the middle class to give to the rich. Trump believes those miscreants have given away our patrimony to undeserving, ungrateful foreigners as well.



## White House Hobbles Nikki Haley Before Her First Day at the U.N.

Paul McLeary | 1 hour ago

For the past week, President Donald Trump's U.N. envoy, Nikki Haley, has strained to head off "slash-and-burn cuts" by Republican lawmakers that could cripple the United Nations. In the end, though, the White House itself gut-punched Haley and the international community, drawing up draft plans to cut funding for critical programs and withdraw from international treaties.

Trump's inner circle prepared a draft executive order that mulls 40 percent cuts in voluntary U.S. funding for key U.N. agencies, including UNICEF and the World Food Program, according to a copy of the five-page order obtained by Foreign Policy. Trump's team also wants to see whether mandatory funding items like peacekeeping can be made voluntary and seeks to

JFK's inaugural pledged to support any friend and oppose any foe to assure the success of liberty. Note that Trump makes no distinction between friend and foe (and no reference to liberty). They're all out to use, exploit and surpass us.

No more, declared Trump: "From this day forward, it's going to be only America First."

Imagine how this resonates abroad. "America First" was the name of the organization led by Charles Lindbergh that bitterly fought FDR before U.S. entry into World War II — right through the Battle of Britain — to keep America neutral between Churchill's Britain and Hitler's Reich. (Then came Pearl Harbor. Within a week, America First dissolved itself in shame.)

Not that Trump was consciously imitating Lindbergh. I doubt he was even aware of the reference. He just liked the phrase. But I can assure you that in London and in every world capital they are aware of the antecedent and the intimations of a new American isolationism. Trump gave them good reason to think so, going on to note "the right of all nations to put their own interests first." America included.

Some claim that putting America first is a reassertion of American exceptionalism. On the contrary, it is the antithesis. It makes America no different from all the other countries that define themselves by a particularist blood-and-soil nationalism. What made America exceptional, unique in the world,

was defining its own national interest beyond its narrow economic and security needs to encompass the safety and prosperity of a vast array of allies. A free world marked by open trade and mutual defense was President Truman's vision, shared by every president since.

Until now.

Some have argued that Trump is just dangling a bargaining chip to negotiate better terms of trade or alliance. Or that Trump's views are so changeable and unstable — telling European newspapers two weeks ago that NATO is obsolete and then saying "NATO is very important to me" — that this is just another unmoored entry on a ledger of confusion.

But both claims are demonstrably wrong. An inaugural address is no off-the-cuff riff. These words are the product of at least three weeks of deliberate crafting for an address that Trump's spokesman said was intended to express his philosophy. Moreover, to remove any ambiguity, Trump prefaced his "America First" proclamation with: "From this day forward, a new vision will govern our land."

Trump's vision misunderstands the logic underlying the far larger, far-reaching view of Truman. The Marshall Plan surely took wealth away from the American middle class and distributed it abroad. But for a reason. Altruism, in part. But mostly to stabilize Western Europe as a bulwark against an existential global enemy.

We carried many free riders throughout the Cold War. The burden was heavy. But this was not a mindless act of charity; it was an exercise in enlightened self-interest. After all, it was indeed better to subsidize foreign armies — German, South Korean, Turkish and dozens of others — and have them stand with us, rather than stationing even more American troops everywhere around the world at greater risk of both blood and treasure.

We are embarking upon insularity and smallness. Nor is this just theory. Trump's long-promised but nonetheless abrupt withdrawal from the Trans-Pacific Partnership is the momentous first fruit of his foreign policy doctrine. Last year the prime minister of Singapore told John McCain that if we pulled out of the TPP "you'll be finished in Asia." He knows the region.

For 70 years, we sustained an international system of open commerce and democratic alliances that has enabled America and the West to grow and thrive. Global leadership is what made America great. We abandon it at our peril.

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review U.S. membership in a slew of international treaties.

The disclosure, first reported Wednesday by the *New York Times*, came just a day after Haley was confirmed as Trump's new U.N. envoy with broad bipartisan support. The former South Carolina governor had highlighted the virtues of U.S. contributions for U.N. food and refugee programs, calling them "immensely important." But she may have been blindsided by the executive orders, just like Defense Secretary James Mattis and CIA Director Mike Pompeo were Wednesday by reports that Trump plans to reopen CIA black sites and possibly return to using torture.

The development accelerated fears among foreign diplomats that the White House remains committed to withdrawing from the world and unraveling many of the vital international institutions that have

underpinned the global order since World War II. Trump has taken aim at free trade, the World Trade Organization, NATO, and the U.S. commitment to pillars like human rights, democracy promotion, and nuclear nonproliferation. He has also shrugged off clear assaults on the existing order, such as Russia's annexation of Crimea, even while China actively seeks to play a bigger leadership role around the world.

As French ambassador to the United States during the Barack Obama years and current French envoy to the U.N., François Delattre recalls his key message as ambassador to the White House being, "Let us breathe; don't micromanage the world." Now, Delattre says, "Our main message to the American administration is, 'Please stay committed to world affairs, because we need America.'"

But U.N. watchers see Washington in full retreat.

"Trump may not know this, but he is fueling a growing narrative among diplomats and U.N. officials that the U.S. is ceding its leadership at the U.N. to China," said Richard Gowan, a U.N. expert at the European Council on Foreign Relations.

The draft order taps into a latent anti-U.N. sentiment that has simmered in Republican circles for decades and which has only been turbocharged by the Security Council's recent resolution censuring Israeli settlements. Sens. Lindsey Graham (R-S.C.) and Ted Cruz (R-Texas) threatened to cut off all funding to U.N. agencies if the U.N. didn't reverse that denunciation. Trump himself offered a veiled warning before he took office. "As to the U.N., things will be

different after Jan. 20th," he wrote on Twitter.

"The Israeli settlement resolution has been a game-changer; it provided ammunition to those Republicans [who] have been U.N. haters for a long, long time, and it provided a reason to lash out at the United Nations," one European diplomat told Foreign Policy.

"The antipathy toward the U.N. among Republicans in Washington is more extreme than at any time I can remember," said a veteran Democratic Senate aide.

It is unclear whether Haley was involved at all in drafting the executive order. The order called for the establishment of a committee of cabinet officials — including the Secretary of State, the Defense Secretary, the Attorney General, as well as the president's National Security Advisor — to review spending at the U.N. and other international organizations, and present its findings to the president by January 1, 2018. Haley was not named as a member of that committee.

"I doubt anyone asked her opinion," said the senior Democratic Senate aide. "It's our impression that this is coming from the White House without a lot of consultation." He said the proposed funding cuts would simply reduce U.S. leverage over issues that matter to its interests.

"One of the things money buys is influence," the aide said. "If we withdraw, others with competing interests will rush to fill the vacuum."

**The  
New York  
Times**

By MICHAEL R. GORDON,  
HELENE COOPER and ERIC  
SCHMITTJAN. 26, 2017

Defense Secretary James N. Mattis greeted President Trump at the reviewing stand during the inaugural parade on Friday. Credit Sam Hodgson for The New York Times

WASHINGTON — The White House is drafting a presidential directive that calls on Defense Secretary James N. Mattis to devise plans to more aggressively strike the Islamic State, which could include American artillery on the ground in Syria and Army attack helicopters to support an assault on the group's capital, Raqqa, officials said.

President Trump, who is to make his first visit to the Pentagon as commander in chief on Friday, will demand that the new options be presented to him within 30 days, the officials said. During the presidential

Although pulling out of the U.N. seems to fit Trump's "America First" approach, it's an inefficient way to meet foreign-policy goals, said Edward Luck, a U.N. historian at Columbia University.

"If you are going to do everything bilaterally, your own costs are going to go up enormously for taxpayers," he said.

One area that could be immediately affected is the global migrant crisis, which has spooked many European countries and frightened the Trump administration into considering banning asylum-seekers fleeing terrorism.

Peter Yeo, the president of the Better World Campaign, a U.N. advocacy group in Washington, who has reviewed the draft order, said the cuts would imperil millions of children who receive vaccines and other vital medicines from U.N. agencies and impose extreme hardship on the world's growing refugee population, including several million people who fled the war in Syria to Jordan, Lebanon, and Turkey.

"What happens when families can't educate and feed their children?" he asked. "They migrate. There are strong national security implications from this draft executive order."

Haley had tried to limit U.S. legislative cuts to "targeted and selective" threats of financial withholdings. But even she hinted before lawmakers that the United States intended to review its membership in some international treaties, including the 1992 U.N.

Framework Convention on Climate Change and the 2015 Paris Agreement to curb greenhouse gas emissions.

The draft executive order — titled "Auditing and Reducing U.S. Funding of International Organizations" — calls for "terminating funding for any United Nations agency or other international organization" that offers full membership to the Palestinians, supports programs that fund abortion, or subverts sanctions against North Korea or Iran. It also called for a review of U.S. spending on peacekeeping operations, as well as a range of agencies, including the U.N. Population Fund, which supports maternal and reproductive health programs.

"While the United States' financial support for the United Nations is enormous, the United Nations pursues and agenda contrary to American interests," according to an introductory explanatory statement. "The proposed order would create a committee charged with identifying areas where U.S. financial contributions can and should be reduced in accordance with U.S. policy interests."

A second draft order — "Moratorium on New Multilateral Treaties" — requests a sweeping review of U.S. adherence to international treaties and seeks recommendations on which treaties the United States should leave, according to the *Times*.

## Trump Will Call for a Pentagon Plan to Hit ISIS Harder, Officials Say

military commanders, who have begun drafting classified options to increase the pressure on the militant group, especially in Raqqa and Mosul, the stronghold in Iraq.

Work on the directive was described by several current and former officials who are close to the White House and who requested anonymity because they were not authorized to discuss the administration's internal deliberations. The White House had no comment.

The man charged with overseeing this re-examination of American defense is Mr. Mattis, a retired Marine Corps four-star general who commanded American forces in the Middle East and will be working in partnership with Gen. Joseph F. Dunford Jr., the chairman of the Joint Chiefs of Staff. The men have known each other for years and Mr. Mattis used to be General Dunford's commanding officer while in the Marines.

The Trump administration is not the first American government to enter office with a dark view of the United Nations.

George W. Bush frequently belittled the U.N. as an irrelevant institution after the Security Council refused to authorize the U.S. invasion of Iraq in 2003. And he dispatched one of America's most outspoken U.N. critics, John Bolton, as his envoy to the world body. But Bush ultimately came to find value in the United Nations, which helped to provide international legitimacy to the U.S. occupation of Iraq.

Ronald Reagan, who came into office with a dim view of the United Nations, ordered his own review to determine whether the United States should continue to support U.N. agencies. The review determined that the U.N. agencies, with the exception of UNESCO, served American interests, and the United States continued to fund them, according to Luck.

The historian noted arbitrary and vague elements of the draft orders. For instance, one calls for reviewing U.S. funding to the International Criminal Court. The United States is not a member of the treaty and pays no dues.

"I have to say, as a professor, if a student gave this [draft executive order] to me, I would say, 'Why don't you go back and prepare a more careful draft,'" Luck added.

## Mr. Mattis Will Face Multiple Challenges

As an emissary to longstanding allies in Asia and Europe, he has staked out a position as the Trump administration's reassurer-in-chief.

Photo

James Mattis, left, arrived for his first day of work at the Pentagon with Gen. Joseph F. Dunford Jr., the chairman of the Joint Chiefs of Staff, on Saturday. Credit Paul J. Richards/Agence France-Presse — Getty Images

One of Mr. Mattis's first moves as defense secretary was to phone the NATO secretary general to assure him that he strongly supported the alliance that Mr. Trump has criticized as "obsolete." Mr. Mattis will fly to Asia next week on a trip to allay concerns in Japan and South Korea that the United States might abandon longstanding commitments to their security.

A week after that, Mr. Mattis is expected to make another reassurance trip — this one to Europe — to meet with counterparts at NATO in Brussels and then at a security conference in Munich.

Lawmakers and even some members of the military are hoping that Mr. Mattis can also serve as a counterweight on some of the new administration's more hard-line positions. In a classified operations center at one Special Operations headquarters, a photo of Mr. Mattis is taped to a board with various captions written underneath. On Thursday morning, the caption read: "Watch over us."

During his first visit to the Pentagon, Mr. Trump will conduct a ceremonial swearing-in of Mr. Mattis and is expected to sign the new directives and have a short meeting with the Joint Chiefs of Staff.

Mr. Trump and Mr. Mattis appear to have some positive chemistry. They were seen chatting warmly on the reviewing stand during the inaugural parade. The new commander-in-chief relishes referring to "Mad Dog" Mattis at every opportunity, even though the retired general does not like that nickname and insists it is no more than a media invention.

And while they agree on the need for more military spending, some of the defense secretary's views are at odds with his new boss, including his skepticism of Russia's intentions, his traditional support for allies and flat opposition to the

use of torture in interrogating terrorists.

The day before Mr. Mattis came to work at the Defense Department, he issued a statement to the Pentagon work force that cast the United States as a bulwark of the international order and the guardian of important alliances. In contrast to the "America First" oratory emanating from the White House, Mr. Mattis vowed that the Pentagon would work "for an America that remains a steady beacon of hope for all mankind."

"General Mattis is prepared to give the president the best advice he can as secretary of defense even if it's not something the president wants to hear," said Senator Jack Reed of Rhode Island, the senior Democrat on the Armed Services Committee, who spoke to Mr. Mattis on Tuesday. "The question is, how long can he do that if he's not being responded to."

Crafting a plan to step up the fight against the Islamic State is the most urgent task facing Mr. Mattis. When President Barack Obama left office, half of Mosul remained in the hands of the militants. Tens of thousands of American-backed Syrian Kurdish and Arab fighters were closing in on Raqqa, but there was no agreement on which force should seize the capital itself.

The potential options include expanding the use of American Special Operations forces, raising the troop ceilings on United States forces in Iraq and Syria and having

the White House delegate more authorities to the Pentagon and its commanders in the field, to speed up decision-making.

A difficult decision also confronts the Pentagon on whether to risk alienating Turkey by arming the Syrian Kurds for the Raqqa battle, or whether to cobble together a more diverse force that could include Turkish troops, Turkish backed opposition groups and perhaps even elements of the Army's 82nd Airborne Division, as well as Apache helicopters and artillery. Turkey considers the Syrian Kurds terrorists and has been trying to forge closer ties with the Trump administration.

Expanding the American military will also pose challenges because of the soaring cost of some key weapons programs and the ambitious scope of the buildup Mr. Trump is seeking. As the steward of the Pentagon's nearly \$600 billion annual budget, Mr. Mattis will face tough choices, as it seems unlikely that the additional spending Mr. Trump plans for the armed forces can pay for all of the ambitious programs he has promised.

During the campaign, Mr. Trump called for a Navy of 350 ships, up from the current fleet of 272, and to expand the Army to 540,000 troops, an increase of about 65,000. The Air Force and Marines would also grow.

Funding such a military building would be costly. While the Pentagon has yet to outline its

spending under the new administration, a paper by Senator John McCain, who heads the Armed Services Committee and is advocating a similar buildup, calls for spending \$430 billion more than is currently planned, for the next five years.

Other directives in the works could affect the military. Mr. Trump told ABC News on Wednesday that he would "absolutely do safe zones" in Syria for refugees fleeing the violence there. A draft executive order obtained by The New York Times calls for Mr. Mattis, along with Secretary of State Rex Tillerson, to produce a plan within 90 days for safe zones in Syria.

In the past, American military officials have warned that such a move would escalate the American involvement in the war in Syria, something the Obama administration staunchly opposed.

Military experts are looking to see who will join Mr. Mattis's team at the Pentagon — and how many are picked by the new defense secretary himself. Mr. Mattis's chief of staff will be Kevin M. Sweeney, a retired rear admiral whom Mr. Mattis has known for years. His senior military assistant will be Rear Adm. Craig S. Faller, who previously served as the top operations officer at Central Command when Mr. Mattis was in charge there.



The Christian Science Monitor

January 26, 2017 —When Iraqi security forces retook eastern Mosul from Islamic State (IS) in early January, they made sure to raise the national flag at a strategic point. No, it was not a military position. Rather, the flag went up at Mosul University, which was once one of the premier educational institutions in the Middle East.

In its liberation, the school was reclaimed as a light of learning against the darkness imposed on the campus by the militant group. Students and faculty quickly made plans to restore the university's legacy as a vital force in modernizing Iraq with advanced knowledge and the highest ideals of humanity.

After IS captured Mosul in 2014, it used the

sprawling university as its headquarters in Iraq. Engineering labs were turned into chemical-weapons factories. Other buildings were used to make car bombs. IS burned much of the library. While some classes were retained, mainly to teach technical topics, courses in the humanities, law, political science, and the arts were banned or altered. These core topics, so essential to running modern societies, did not fit into the IS ideology. Much of the faculty was forced to flee while a few were killed. Female students were restricted to studying health care.

With international aid, many professors were given temporary posts in foreign universities. Via the internet, they taught thousands of their students who had also fled to cities such as Kirkuk. The desire for higher education among Iraqis could not be extinguished by IS.

Mosul University had long served as a melting pot for Iraq, welcoming students of different ethnic and religious backgrounds. This purpose helped reinforce the study of such concepts as individual rights and universal liberty and equality. These virtues can bind countries under a secular government that respects freedom of religion. In addition, societies that value higher education for girls are less vulnerable to jihadist demands for women to be excluded from much in public life.

Across the Arab world, education has become an important driver of progress. Between 1990 and 2010, the overall literacy rate in the region rose from 58 percent to 80 percent while postsecondary education has risen to nearly 25 percent.

In a United Nations report last year, a group of Arab scholars noted a

shift among young people that is ushering in a new cultural epoch. "Already this generation of highly motivated and connected youth is upending expectations. More educated than their parents and highly empowered, they are part of a 'Participation Revolution' occurring across the region, where citizens are demanding roles in all aspects of their country's political, economic, and social life," the report stated.

The latest evidence of this trend can be found at Mosul University, freshly free and rebounding as a dynamic center for ideas and growth.

## Editorial : Not only people are being liberated from Islamic State



## Syria Safe-Zone Idea Carries Risks for U.S.

Paul Sonne and Dion Nissenbaum

Jan. 26, 2017 8:39 p.m. ET



WASHINGTON—President Donald Trump's pledge to create safe zones in Syria for displaced civilians carries with it the possibility of greater U.S. military involvement in the country's conflict, including a more substantial use of air power and of American or allied ground forces—moves the Pentagon has previously rejected.

Mr. Trump said in an interview this week with ABC News that he would ban entry to the U.S. for refugees coming from "countries that have tremendous terror." He pledged to create safe zones for people fleeing the conflict within Syria but has given no details on where those zones would be located or how the U.S. would establish them. He has said such safe zones could serve as an alternative to admitting refugees to the U.S.

"I'm going to be president of a safe country," Mr. Trump said Wednesday. "We have enough problems. Now I'll absolutely do safe zones in Syria for the people."

The comments came as his administration crafted a draft order that would direct the Pentagon and the State Department to submit plans for the safe zones within 90 days. The order hasn't yet been issued.

U.S. Navy Capt. Jeff Davis, a Pentagon spokesman, said Thursday the Department of Defense hadn't yet been asked to draw up the plans.

The establishment of safe zones would mark an expansion of the U.S. mission in Syria. "Our department right now is tasked with one thing in Syria, and that is to degrade and defeat ISIS," Capt. Davis said.

Mr. Trump is planning to visit the Pentagon on Friday to conduct an official swearing-in ceremony for Secretary of Defense Jim Mattis.

Mr. Trump's proposal isn't the first time the U.S. has considered protected zones in and around Syria. For years, Turkey

unsuccessfully pressed President Barack Obama to create a safe zone in northern Syria to serve as a haven for those fleeing the fighting and a base of operations for Syrian rebel groups supported by the two countries.

The Obama administration rejected Turkey's proposals as too expensive and risky. Pentagon estimates then suggested it would take 30,000 troops on the ground to properly secure a safe zone sought by President Recep Tayyip Erdogan.

"Even if it's called a no-fly zone or a safe zone, there is still going to have to be some ground component to it if the objective is to protect civilians," Melissa Dalton, a senior fellow at the Center for Strategic and International Studies who was a Pentagon official during the Obama administration, said Thursday. "Naturally the question is who then is going to be doing the enforcement on the ground."

Obama administration officials warned that the goal of providing security for Syrian civilians was too open-ended, potentially entangling U.S. troops for years and exposing them to great risk from a variety of threats.

The Pentagon even now likely would push back against an order for the U.S. military to create similar large-scale safe zones in Syria, if their sole purpose was to offer protection for Syrian civilians no longer welcome as refugees in the U.S., military experts said.

"The danger is that a safe zone would become an open-ended military mission in a country that has collapsed into very bitter factional warfare, and that any U.S. troops that were inserted in Syria would immediately become lightning rods for a terrorist attack," said Jim Phillips, senior research fellow for Middle Eastern affairs at the right-leaning Heritage Foundation.

To implement a full-fledged no-fly zone, which would protect a strip of land from any aerial bombardment,

the U.S. would need to take out Russian and Syrian air-defenses covering the territory, or else reach an agreement with Moscow and Damascus barring airstrikes there.

Mr. Mattis said in 2012 testimony to the Senate Armed Services Committee that the creation of safe havens for civilians in Syria would require a significant commitment of U.S. resources, though he said that could be reduced depending on contributions from other countries.

He said there were no terrain features, such as mountains, that would act as natural barriers and aid in the creation of safe zones in northern Syria, meaning the U.S. would "have to create them using military forces."

Last August, Mr. Erdogan sent Turkish troops and tanks into northern Syria to push Islamic State fighters off the border. A few dozen elite members of the U.S. military entered Syria to help Turkey with the operation, dubbed Euphrates Shield.

Since August, about 1,000 Syrian fighters, backed by Turkish tanks, artillery and airstrikes, have seized nearly 700 square miles of northern Syria. Mr. Erdogan has talked of creating a 2,000-square-mile safe zone that would include new housing for those fleeing the fighting.

One of Turkey's main goals in entering Syria was to prevent Kurdish forces backed by the U.S. from seizing more territory and creating a rump Kurdish state on its border. Turkey views the Syrian Kurdish forces as a terrorist threat and has long pushed the U.S. to sever its military backing of the fighters, but the U.S. has relied on Kurdish troops as its best fighting force against Islamic State.

Disagreement between Washington and Ankara about the Kurds could challenge any effort to join forces and establish a safe zone in northern Syria.

The U.S. wouldn't face that issue in Syria's south, along the border with Jordan, where tens of thousands of Syrian refugees have gathered in a desert no-man's land between the Syrian and Jordanian borders known as "the berm." Earlier this month, an explosion hit the Rukban refugee camp there.

Jordan has clamped down its borders after finding its economy and security situation strained by the mass influx of refugees from the Syrian conflict.

Depending on eventual State Department and Pentagon recommendations, Mr. Trump could opt for a more limited concept of a safe zone, helping secure border refugee camps, such as the one at Rukban.

Syrian rebels on Thursday welcomed the idea of setting up safe zones in Syria, but they doubted its feasibility, citing complications from Russia's involvement.

"The presence of safe zones is surely a good thing for Syrians since they will be able to live in areas away from fighting and bombing, and humanitarian organizations will be also offered safe areas to operate in," said Zakaria Malahifji, a political official with the rebel faction Fastaqim Kama Umirt. "But I don't think this will happen. There's no optimism," he added.

International efforts to create safe havens within war zones have faced trouble in the past.

The United Nations dispatched peacekeepers to secure the Bosnian town of Srebrenica as a safe area for Bosnian Muslims during the Balkans war in the 1990s. But the peacekeepers failed to secure the area from Bosnian Serb forces, which ultimately swept the town and massacred thousands of the Bosnian Muslims there.

—Noam Raydan contributed to this article.

## THE WALL STREET JOURNAL

### Blacklisting Muslim Brotherhood Carries Risks

Yaroslav Trofimov

Jan. 26, 2017 5:30 a.m. ET

In the immediate aftermath of the Arab Spring, the Muslim Brotherhood and its affiliates were winning elections across the Middle East—a testament to the Islamist movement's popular appeal.

Now, President Donald Trump's administration is considering declaring the Brotherhood a terrorist organization, something that could

trigger a slew of unexpected consequences across the region.

Founded in Egypt in 1928, the Brotherhood says that it is opposed to political violence and wants to reach its goal of establishing an Islamic society through democratic means. This doesn't mean that Brotherhood members haven't pursued violence in the past. The group's Palestinian affiliate, Hamas, has been designated by the U.S. as a terrorist organization since 1997.

Over the past decade, however, the administration of George W. Bush and, to a much greater extent, the White House under Barack Obama maintained a policy of engaging with Muslim Brotherhood members elected to public office. That was especially true after the organization's candidate Mohammed Morsi won Egypt's presidential elections in 2012.

The Trump administration, so far, is taking a radically different approach, with some advisers saying the

president would support formally designating the Brotherhood a terrorist organization. Rex Tillerson, Mr. Trump's nominee for secretary of state, made little distinction between the Brotherhood and murderous jihadist groups such as Islamic State, also known as ISIS.

"The demise of ISIS will also allow us to increase our attention on other agents of radical Islam like al Qaeda, the Muslim Brotherhood and certain elements within Iran,"



Mr. Tillerson said in his Senate confirmation hearing this month.

Any U.S. move against the Brotherhood would come as part of Mr. Trump's broader campaign against Islamist terrorism—a campaign that also includes a planned executive order to temporarily ban entry to citizens of several Muslim nations.

Blacklisting the Brotherhood isn't something that can happen immediately, cautioned Shadi Hamid, a specialist on political Islam at the Brookings Institution in Washington.

"There is definitely an intention of doing it. But the terrorist designation process is a difficult one and requires a high evidentiary threshold," he said. "It's not something that can be done overnight just because you feel like it."

Egyptian President Abdel Fattah Al Sisi, who ousted Mr. Morsi in a 2013 military coup, already considers the Brotherhood a terrorist organization, as do the governments of Saudi Arabia and

the United Arab Emirates. Saudi Arabia, however, has softened its stance since King Salman came to power in 2015.

Egyptian officials were especially resentful of what they viewed as misguided Obama administration attempts to cooperate with the secretive group.

"The Muslim Brotherhood is the legitimate parent of every violent movement in the region, historically," Arab League Secretary-General and former Egyptian Foreign Minister Ahmed Aboul-Gheit said in an interview before Mr. Trump's inauguration.

"I want the U.S. to take firm positions against extremists in the region, against the political Islamists," he added, declining to say whether he would like Washington to formally designate the Brotherhood as a terrorist group. "The U.S. would have to reach its own conclusions."

Blacklisting the Brotherhood has several pitfalls. Though the group's reputation took a hit after the crackdown on dissent and

economic meltdown during Mr. Morsi's turbulent year in power in Egypt, it still retains millions of supporters. Outlawing the Brotherhood could complicate U.S. relations with critical allies in the region.

Turkey's President Recep Tayyip Erdogan, in particular, is a strong supporter of the group and has allowed the Egyptian Brotherhood to set up offices and TV stations in Istanbul. Mr. Erdogan's own party stems from Islamist roots and he has refused to recognize the legitimacy of President Sisi.

Elsewhere in the region, a member of a Brotherhood spinoff serves as the prime minister of U.S. ally Morocco, and another Brotherhood offshoot is a key part of the governing coalition in Tunisia. Brotherhood affiliates are represented in the parliaments of Jordan, Iraq and Kuwait.

"Muslim Brothers are part of the society. If you go and try to make pressure against them, you are supporting the violence. You are supporting ISIS. You are

supporting al Qaeda," said Mohammed Dallal, a Kuwaiti lawmaker affiliated with the Brotherhood. "Those kind of terrorist people will be saying: 'We told you so.' They will never accept democracy. They will never accept your participation in elections."

Even if it were to be blacklisted by the U.S., the Muslim Brotherhood would remain committed to nonviolence, said Maha Azzam, head of the Brotherhood-dominated Egyptian Revolutionary Council, which unites exiled opponents of Mr. Sisi's administration.

Yet, forcing the organization underground would inevitably radicalize some of its members, she added.

"It will make a lot of young people angry. And if they are labeled as being in a violent group, that may actually encourage some of them to move in that direction."

## THE WALL STREET JOURNAL

Nicholas

### U.S.-Mexico Rift Deepens Over Trade Threat, Canceled Meeting

José de Córdoba  
and Peter

Updated Jan. 27, 2017 12:22 a.m.  
ET

President Donald Trump triggered the biggest diplomatic rift between the U.S. and Mexico in decades, engaging in a sharp-edged Twitter exchange Thursday that led the Mexican president to cancel a visit to Washington next week.

The White House later floated the idea of a 20% import tax to pay for a wall along the length of the Mexican border. Mr. Trump has vowed that Mexico will pay—in some form—for the full cost of the wall.

The cancellation of the meeting between Mexican President Enrique Peña Nieto and Mr. Trump puts on hold the U.S. leader's stated plan to renegotiate the North American Free Trade Agreement—if he doesn't withdraw the U.S. from it altogether.

Mr. Trump had ordered government officials on Wednesday to begin planning a "physical wall" on the border with Mexico. The breakdown that followed played out on Twitter: As Mr. Peña Nieto told his country in a video that Mexico wouldn't pay for the wall, Mr. Trump tweeted it would be "better to cancel" the meeting if Mexico won't pay. The Mexican president then tweeted his decision not to come.

Later on Thursday, Mr. Trump told a gathering of House and Senate Republicans in Philadelphia, "Such a meeting would be fruitless, and I want to go a different route."

White House press secretary Sean Spicer said a plan was taking shape to institute a 20% tax on imports from countries with which the U.S. runs a trade deficit, "like Mexico."

Mr. Spicer said that the tax was one of several ideas being considered by the White House to "demonstrate that paying for the wall can be done."

GOP leaders have said they support Congress funding Mr. Trump's plan to build the wall. They have declined to say whether, or how, the Mexico government should repay the U.S. for the wall's cost; they have previously said they support taxing imports from Mexico, as part of a broader tax-code rewrite that would tax all imports and exempt exports from U.S. tax.

The dust-up was an early test of negotiating skills that Mr. Trump, a billionaire businessman, has said would distinguish his presidency.

It is an improvisational style that worked for him in the world of commercial real estate but has little parallel in international affairs. Rather than deliver his warning to Mexico in a formal statement or speech, Mr. Trump made his views known in Twitter bursts.

Explaining his approach in his 1987 book, "The Art of the Deal," Mr. Trump wrote that his style is to "aim very high," and then to keep "pushing and pushing to get what I'm after."

"Sometimes I settle for less than I sought," he continued, "but in most cases I still end up with what I want."

With Mexico, Mr. Trump sought to rally public opinion, making the case that Mexico should pay for the wall given what he says are the hardships wrought on the U.S. by NAFTA. It wasn't clear if he was bluffing with his suggestion that he wasn't concerned that Mexico might abandon Tuesday's meeting.

Mr. Trump, a Republican, has threatened to impose tariffs of up to 35% or more on Mexican imports. On Thursday, he hinted at the use of the 20% tax, an idea he had criticized two weeks ago.

"We're working on a tax-reform bill that will reduce our trade deficits, increase American exports and will generate revenue from Mexico that will pay for the wall if we decide to go that route," he said.

Mexico could challenge such tariffs through a dispute-resolution system built into NAFTA or at the World Trade Organization, but such cases would take time and risk a U.S. pullout from the trade agreement.

Mexico's approximately 40 free-trade agreements have made NAFTA less vital to its economy than before, but the U.S. is still by far its largest trading partner, and the implementation of NAFTA in 1994 sealed the relationship between the U.S. and Mexico.

Many in Mexico have been angered by Mr. Trump's intention to force Mexico to pay for the wall. The president's declarations on Wednesday came as senior Mexican officials were meeting with senior members of Mr. Trump's administration for the first time in Washington—a timing that many in Mexico viewed as adding insult to injury.

Mexican Foreign Minister Luis Videgaray said Thursday's incident didn't cause the discussions to be broken off. He said he expects there to be more high-level meetings in coming weeks, and he was hopeful conditions could soon be reached for a meeting between Mr. Trump and Mr. Peña Nieto.

Prolonged uncertainty about trade and U.S. relations could dent Mexico's economy and foreign investment, which slowed noticeably during the last three months of 2016 amid uncertainty about the fate of NAFTA.

Sen. Ben Cardin of Maryland, the top Democrat on the Foreign Relations Committee, said Mr. Trump was "causing serious

damage to one of our most important relationships in the world."

"From addressing border security and drug trafficking to migration and economic issues, the United States is safer and stronger when we collaborate with Mexico," he said.

U.S. trade officials said the goods-and-service trade deficit with Mexico was more than \$49 billion in 2015. Mr. Trump has complained about such deficits in his pledges to abandon or rewrite U.S. trade deals.

Mexican officials said that the deficit wasn't a bad thing. "In general terms it's a relatively balanced trade" as both countries exchange services and goods valued at about \$580 billion annually, Mexican Finance Minister José Antonio Meade said Thursday morning. "The fact you have a deficit or a surplus doesn't mean in itself that

trade is bad."

Mr. Trump's tweet Thursday also caused the peso to give up gains following Mr. Trump's comments Wednesday in favor of improving relations with Mexico had pushed the peso exchange rate below 21 to the dollar for the first time since early January.

Mr. Trump's comments sparked a rare moment of consensus across Mexico's political spectrum.

Leftist opposition leader Andrés Manuel López Obrador said that Mr. Peña Nieto should take Mexico's case to the United Nations.

Former Mexican President Vicente Fox wrote on Twitter that Mr. Trump "shouldn't mess with Mexico."

"We beat you at your game, dude," Mr. Fox added after Mr. Peña Nieto canceled. "You had to back off."

Mexican-American relations have been fraught for most of the countries' existence. The Mexican-American War of 1846-48 led to the loss of more than half of Mexico's territory to its northern neighbor, and the U.S. intervened repeatedly in Mexico's affairs in the decades that followed.

The most recent major crisis was probably in 1985, when the abduction of Drug Enforcement Administration special agent Enrique "Kiki" Camarena by a Mexican drug gang led the Reagan administration to close the U.S. border to traffic from Mexico, in an effort to force the Mexican government to step up efforts to find the missing agent.

The measure damaged bilateral relations and affected the economy of Mexico's border states. Mr.

Camarena was later found dead, having been tortured

Former Foreign Minister Jorge Castañeda said in a television interview that it was impossible to make an agreement with Mr. Trump in the face of the U.S. president's provocative tweeting.

"Let's not endorse his craziness," Gabriela Cuevas, the head of Mexico's Senate foreign relations committee, and a member of Mexico's conservative opposition National Action Party, wrote in her Twitter account.

—William Mauldin, Anthony Harrup and Juan Montes contributed to this article.

Write to Peter Nicholas at [peter.nicholas@wsj.com](mailto:peter.nicholas@wsj.com)

**The  
New York  
Times**

2017

President Enrique Peña Nieto of Mexico this week. His cautious approach to President Trump had caused an outcry in Mexico. Credit Ronaldo Schemidt/Agence France-Presse — Getty Images

MEXICO CITY — Hunkered down in the presidential palace, Enrique Peña Nieto, the unpopular leader of Mexico, was besieged on both sides.

The new American president, Donald J. Trump, had just ordered the construction of a border wall between the two countries, and the public outcry in Mexico was deafening. Top cabinet officials, meanwhile, counseled caution, urging Mr. Peña Nieto not to cancel his meeting with Mr. Trump at the White House next week.

For months, though his ratings hovered near the single digits, the worst of any Mexican president in recent history, Mr. Peña Nieto resisted the temptation to saber-rattle, arguing that the relationship with America was simply too important to fall prey to a war of words.

He wanted to give diplomacy one last try. By Thursday morning, the effort had officially failed.

In a blitz of Twitter messages from the two presidents, fired off over the past two days, the first full-blown foreign policy standoff of the Trump administration has taken shape.

The public sparring came after months of simmering tensions between the two men. For decades,

## In a Corner, President Enrique Peña Nieto of Mexico Punches Back

By AZAM  
AHMEDJAN. 26,

the United States and Mexico have expanded their cooperation and increasingly entwined their fortunes. Now the relationship between America and one of its most important allies and trading partners is being rewritten — on Twitter — culminating in a remarkable back-and-forth as the world looked on.

It began with Mr. Trump's proclamation to build the wall. Next came a diplomatic response from Mr. Peña Nieto, urging unity, accompanied by suggestions from his aides that the meeting might be scrapped over the offense.

Mr. Trump followed on Thursday morning with a threat to cancel the meeting himself. Soon after, Mr. Peña Nieto officially announced that he would not attend, effectively beating Mr. Trump to the punch.

The exchange offered insight into the evolution of Mexico's president, who began his term with great fanfare in 2012, only to be hounded by scandal, the violence engulfing his nation, a steady decline in the polls and, now, perhaps the worst period in Mexican-American relations since President Calvin Coolidge.

After Mr. Peña Nieto called off the meeting in a Twitter post, Mr. Trump fired back, accusing Mexico of burdening the United States with illegal immigrants, criminals and a trade deficit.

"Most illegal immigration is coming from our southern border," Mr. Trump said at a Republican retreat. "I've said many times that the American people will not pay for the wall, and I've made that clear to the government of Mexico."

Now Mr. Peña Nieto must find a way to preserve his nation's economic interests while confronting an unpredictable, and at times hostile, American president.

In some respects, Mexico has become a trial run for Mr. Trump's promise to place America first on the global stage.

In his dealings with Mr. Trump, Mr. Peña Nieto has found himself in a bind: trapped between his own people, who have demanded a vehement response to Mr. Trump's taunts about Mexico, and a foreign leader who controls much of his country's destiny.

"Peña Nieto has made a superhuman effort," said Jesus Silva-Herzog, a professor at the School of Government at Tecnológico de Monterrey. "He has gone above and beyond to preserve the friendship with America and has done everything possible, while risking all of his prestige and popularity, to try to find a common ground of trust with Mr. Trump."

During the campaign and now as president, Mr. Trump has taken aim at perhaps the most prized possession of Mexico: its image. Throughout his presidency, the Mexican leader has tried to portray his country as a place of economic opportunity, a cultural capital and a nation rising on the world stage. Mr. Trump has sought to show the opposite, characterizing Mexico as a bastion of crime, illegal immigration and unfair trade.

Mr. Peña Nieto has faced a dilemma: to defend Mexico's honor, or to defend its national interests by

preserving ties with the United States at all costs.

For months, Mr. Peña Nieto made his choice clear. To the growing anger of many Mexicans, he avoided responding rashly to Mr. Trump. Calls for the building of a wall, promises to deport millions and threats to tear up the North American Free Trade Agreement have been met with measured, understated responses. Adding to his vulnerability are the millions of Mexican citizens living in the United States, whom Mr. Trump appeared to target in his executive orders on Wednesday.

For Mr. Peña Nieto, the economics were particularly difficult. Having begun his presidency with a focus on the economy, the idea of canceling Nafta or leaving Mexico a less desirable place for foreign investment was an existential crisis waiting to happen.

Dialogue, Mr. Peña Nieto said, was the only way forward. It was in keeping with the start of his administration, when he negotiated the passage of several major economic reforms with two rival political parties, paving the way for needed changes to the nation's antiquated systems of telecommunications, energy and education.

Soon after that, his administration began to face headwinds. The disappearance of 43 teaching students, a scandal involving his wife's purchase of a house, and a moribund economy began to gnaw at his popularity, and the slide in approval ratings continued from there.

By the time Mr. Peña Nieto invited Mr. Trump to Mexico for a visit during the American presidential campaign, his own image was as tarnished as the one Mr. Trump had painted of Mexico. The Mexican leader was trying to find common ground and engage in dialogue with the candidate, but at home, it was a political miscalculation. His reputation in Mexico sank even further.

But once Mr. Trump took office and pushed to make good on his campaign pledge to build a wall, the pressure on Mr. Peña Nieto became too great. Across the Mexican political and intellectual class, calls for him to cancel the meeting reached a fever pitch this week. Officials and experts said Mr. Trump's Twitter post Thursday morning, suggesting he might cancel the meeting, made the decision less controversial: Mr.

Peña Nieto could not let Mr. Trump be the one to cancel.

"It would have been like a cousin inviting us to dinner and then uninviting us, or worse, said we were only allowed to come if we paid for dinner," Mr. Silva-Herzog said, referring to Mr. Trump's repeated promises to make Mexico pay for the wall.

Now, despite the tensions with the United States and the problems

they may cause, there is a silver lining, especially for the perception of Mr. Peña Nieto at home.

"These are ugly times, and things will get uglier. I don't really see a way out it, but in this context, our great advantage will be that Mexicans are united," Javier Solórzano, a prominent journalist, said in a video posted online. The country, he added, "is now united around the president."

## POLITICO How Trump's wall could beckon a global trade war

By Megan Cassella

A so-called "border adjustable tax" could trigger cases before the World Trade Organization. | Getty

Trump's embrace of the tax proposal comes as he moves forward with plans to shake up decades of carefully negotiated agreements that bind the global economy together.

President Donald Trump's plans to pay for a Mexican border wall could trigger the global trade war he has long threatened.

A House Republican plan he embraced Thursday as a means of paying for the barrier would slap imported goods with a 20 percent tax — a levy aimed at boosting consumption of domestic products that could backfire by angering allies and upending the entire global trading system.

Story Continued Below

Longtime trading partners — and not just Mexico — could retaliate, making American consumers pay more for everything from food to electronics and putting U.S. companies out of business. The so-called border adjustment tax could trigger cases before the World Trade Organization, spur other countries to slap levies on American products and put some U.S. companies at a disadvantage with international competitors.

Trump's embrace of the tax proposal comes as he moves forward with plans to shake up decades of carefully negotiated agreements that bind the global economy together. On Monday, he pulled out of the Trans-Pacific Partnership — a sweeping trade deal among Pacific Rim nations — and reaffirmed his intention to reopen NAFTA. Then, a spat on Thursday with Mexican president Enrique Peña Nieto over who would pay for the border wall escalated to

the point that Peña Nieto canceled a trip to the U.S. to meet with Trump next week.

"Would they retaliate immediately?" asked Dan Ikenson, director of the trade policy center at the free-market Cato Institute, referring to the response of trading partners to the border tax plan. "In the age of Trump, governments may not have the manners that they once had and may just unilaterally go after U.S. products. That's quite possible."

By raising the cost of imported goods, the tax would push Americans away from buying products that come from outside of the United States — from avocados, which are heavily sourced from Mexico, to cheap household appliances shipped in from China and sold at Wal-Mart. The resulting hit to the economies of foreign nations that depend on the massive American marketplace to gobble up their goods could prompt those governments to retaliate.

And their methods could take myriad forms.

They could launch trade enforcement cases at the World Trade Organization — an option that could take years and still not be successful, given the likelihood that lawmakers would try to write the tax in such a way as to fall within the global trading body's regulations.

Or foreign countries could move to retaliate against the United States outside the WTO system, especially larger U.S. trading partners that would bear the brunt of the lost sales. That includes China, which accounted for about 22 percent of the \$2.25 trillion in U.S. imports in 2015, and Canada and Mexico, which represented slightly more than 13 percent apiece.

Mexico, as the United States' third-largest trading partner, could disrupt the trading system by levying a reciprocal tax on imports of American goods, an idea that some

mainstream Republicans are already warning against.

"Any tariff we can levy they can levy," Sen. Lindsey Graham (R-S.C.) posted on Twitter Thursday evening. "Huge barrier to econ(omic) growth."

But Mexico City — or other trading partners — could try to punish Trump and other supporters of the tax by targeting goods in politically sensitive areas, said Gary Hufbauer, a senior fellow at the Peterson Institute for International Economics.

"The Mexican minds will be thinking about what they could do that would give President Trump the most pain in his political base," he said, adding that that might mean "stopping imports of certain products made in Indiana or Michigan or wherever."

And they could go after areas not associated directly with legal trade.

"They can do all sorts of things we don't like," Hufbauer said. "They can legalize marijuana. They can legalize cocaine. They can stop cooperating with the U.S. with respect to refugees from Guatemala, Honduras, and so forth."

The plan, which would target imports while allowing tax-free exports, would boost the value of the dollar, giving customers more purchasing power to manage the higher costs, supporters say.

But some say the costs of the tax would hit wallets immediately, well before the value of the dollar rises: The levy on imported agricultural products, for example, would mean that a \$100 grocery bill for a shopping cart full of bananas, mangoes and other produce not grown within the United States would rise to \$120.

But Americans could mitigate the rise in costs simply by changing what they buy, Ikenson said. "If we

import oranges but we produce our apples domestically, apple prices are going to go down and orange prices are going to go up."

And proponents maintain the costs would even out eventually, even with what Ikenson called a likely "adjustment period" at the start.

Ways and Means Committee Chairman Kevin Brady, the top tax writer in the House and a supporter of the plan, told Fox News in an interview Thursday night that he was "convinced this world economy recognizes changes."

"We will strengthen our made-in-America exports," Brady said. "Our dollar will appreciate. Imports — you will be buying more of them at a lower price. I think it balances out in a major way."

Businesses could protect consumers from the higher prices by swallowing the costs themselves — but those that are heavily dependent on imports, particularly small businesses and retailers, say they won't be able to handle the adjustment.

"We're sort of a poster child for victims of this," said Rick Woldenberg, chief executive of Learning Resources, a small Illinois company that manufactures educational toys in China and sells them in 80 countries around the world. "We're in a cutthroat business."

"I'm in favor of tax reform. Come on, this is obvious," Woldenberg said during a discussion Thursday on the Republican plan hosted by the Washington International Trade Association. "But 97 percent of American importers are small businesses, [companies] with under 500 employees." "Small businesses are in the center of the bullseye in this law."

*Doug Palmer contributed to this report.*

Updated Jan. 26, 2017 8:07 p.m.  
ET 497 COMMENTS

Donald Trump's path to the Presidency as an outsider always implied on-the-job-training. This week's lesson: The world is not a Republican primary. President Trump's Twitter broadsides against Mexico have unleashed a political backlash that has now become a diplomatic crisis with a friendly neighbor.

Mr. Trump fancies himself a negotiating wizard, but in this case he is out-negotiating himself. The White House announced last weekend that Mr. Trump had asked Mexican President Enrique Peña Nieto to Washington to talk about trade, immigration and the border. Despite Mr. Trump's many slights against Mexico during the campaign, Mr. Peña Nieto accepted.

Mr. Trump proceeded to roll out the red carpet by announcing his plan to build "the wall" on the U.S. southern border that Mexicans of all political stripes consider an insult. On Wednesday he also rolled out press secretary Sean Spicer to aver that "one way or another, as the President has said before, Mexico will pay for it."

That cornered the Mexican President, who represents a nation unified by Mr.

Trump's anti-Mexico rhetoric. Late Wednesday Mr. Peña Nieto delivered a short national address repeating that Mexico won't pay for the wall. The Mexican government also let slip that he might cancel his Washington visit.

On Thursday morning Mr. Trump tweeted "if Mexico is unwilling to pay for the badly needed wall, then it would be better to cancel the upcoming meeting." Mr. Peña Nieto cancelled. Later Thursday Mr. Spicer added confusion with some comments about a border fee as part of tax reform. Chief of Staff Reince Priebus tried to walk that back, but this is amateur hour.

Doesn't the "art of the deal" include giving your negotiating partner room to compromise? Mr. Trump made it impossible for Mr. Peña Nieto even to negotiate, all the more so after Mr. Peña Nieto went out of his way in August to invite Mr. Trump for a visit. That campaign stop helped Mr. Trump show he could stand on stage as an equal with a foreign leader, but Mr. Peña Nieto took a beating at home when Mr. Trump returned to Mexico-bashing.

When Mr. Trump visited the Journal in November 2015, we asked if the U.S. should encourage political stability and economic growth in Mexico. "I don't care about Mexico

honestly, I really don't care about Mexico," he replied.

That's obvious, but he should care—and he will have to—if Mexico regresses to its ways before its reformation began in the 1980s. For decades our southern neighbor was known for one-party government, anti-Americanism, hyperinflation and political turmoil.

With U.S. encouragement, Mexico began to reform its statist economic model and embrace global competition. Ahead of the 1993 North American Free Trade Agreement (Nafta), Mexico privatized thousands of state-owned companies and deregulated much of the economy. With Nafta it cut tariffs and opened to foreign investment. Mexican agricultural was especially hard-hit by U.S. competition, but its businesses became more efficient and Nafta helped the country rebound from the 1994 peso crisis.

Mexico's main political parties have since traded stints in power, but both the PRI and the PAN have pressed economic reforms that have raised living standards and given Mexicans reasons to stay on their side of the Rio Grande.

The peso is the only emerging-market currency that trades 24/7 and it is broadly used as a hedge for emerging-market risk. Mr. Trump

has accused Mexico of seeking a weak currency, but the central bank has been vigilant against inflation. The main reason the peso has fallen to 21 to the dollar from 17 in less than a year is Mr. Trump's threats to destroy Nafta and start a trade war. The U.S. President is devaluing Mexico's currency—the opposite of what he claims to want.

With a population of 128 million, Mexico is America's second-largest export market for goods. Some six million U.S. jobs depend on trade with Mexico. But the much larger risk is that Mexicans will sour on progress toward joining their North American neighbors as prosperous free-market democracies. This is the moment that Mexico's left—dormant but not dead—has been waiting for as anti-American Andrés Manuel López Obrador prepares to run for President again in 2018.

Mr. Trump is a foreign-affairs neophyte, but he is already learning that nations can't be bullied like GOP candidates or CEOs. They have their own nationalist political dynamics and when attacked they push back. Mr. Trump said as a candidate that he'd treat America's friends better than Mr. Obama did, but his first move has been to treat Mexico like Mr. Obama treated Israel. On present course he may get comparable results, or worse.

**The  
New York  
Times**

## Editorial : Donald Trump's Mexico Tantrum

The Editorial  
Board

Doug Chayka

Less than a week into the job, President Trump on Thursday raised the specter of a trade war with America's third-largest partner, Mexico, as the White House warned that the United States could impose a 20 percent tariff on Mexican imports.

This absurd threat, issued as a proposal to cover the cost of a border wall, came just hours after President Enrique Peña Nieto of Mexico canceled a visit to the United States. The visit was supposed to improve the relationship between the two countries, deeply strained by Mr. Trump's relentless scapegoating of Mexicans during his presidential campaign. But Mr. Peña Nieto decided he'd heard enough after Mr. Trump issued executive orders on Wednesday to begin rounding up unauthorized immigrants and building his border wall.

The tariff tantrum was the latest in a head-spinning torrent of lies, dangerous policy ideas and threats

from the White House since Mr. Trump was sworn in last Friday. They have underscored just how impulsive and apparently ignorant the new occupant of the Oval Office is of international economic and security relationships that serve American interests. His advisers appear unwilling to rein in his impulses or, as in the case of the tariff, hapless as they struggle to tamp them down.

It's hard to tell whether the animus Mr. Trump has conveyed toward immigrants, particularly Mexicans, is deeply felt, or if he simply came to recognize how powerfully it would appeal to voters disaffected by an uneven economic recovery and the nation's demographic changes.

But allowing this view to drive trade and foreign policy toward Mexico could have disastrous consequences for workers and consumers in both countries, given how tightly intertwined the two economies have become since the North American Free Trade Agreement went into effect in 1994.

Nafta eliminated most tariffs and other trade barriers among Canada, Mexico and the United States,

creating a continent-size market. The agreement led to production chains for cars, planes and other items that straddle borders and provide millions of jobs. Work that requires cheaper labor typically occurs in Mexico, where earnings are lower, while design, engineering and advanced manufacturing tends to take place in Canada and the United States.

Imposing a tariff on Mexico would mean pulling out of Nafta, a move that would severely disrupt the flow of parts and goods across North America and stall production in factories in the United States and Canada. It also could lead to shortages of fresh vegetables and fruits in American grocery stores and drive up the cost of many other consumer goods from Mexico. Mexico's economy, which is hugely dependent on American trade, would be devastated. But American businesses and workers would stand to suffer immediate harm as well. Mexico would retaliate with tariffs of its own. And no matter how Congress tried to structure the tariff, which would require legislation, it would probably still violate World Trade Organization rules.

Mr. Trump has pointed to America's trade deficit with Mexico as a sign that the United States is being swindled. Trade with Mexico — imports to the United States totaled \$296 billion in 2015 — benefits America by lowering the cost and increasing the availability of goods, like avocados and mangoes in winter. While the trade deficit with Mexico has resulted in job losses in some industries (possibly about 700,000 jobs in the first 16 years), a 2014 study estimates that 1.9 million American jobs depend on exports to Mexico. And trade, by raising wages and the standard of living in Mexico, is a big reason that illegal immigration from Mexico has dropped steadily over the years.

Sending the Mexican economy into a tailspin is the surest way to reverse that trend, which historically has been driven by market forces, and has never been deterred much by fences or walls. Besides, a tax on Mexican imports would be paid by American consumers and businesses that buy those goods. Americans would pay for the wall, not Mexicans.



## Editorial : Trump is starting a trade war we don't need

<https://www.facebook.com/washingtonpostopinions>

UNTIL A few days ago, the U.S.-Mexico relationship was a strong one that benefited both countries. In the first week of his term, President Trump seems determined to change that — and for no good reason.

After decades of economic integration, the United States and its southern neighbor have established a valuable trading relationship exchanging \$1.4 billion in goods every day. Mexico is the second-largest foreign market for U.S.-made products. Trade and investment between the two nations create wealth for both nations, and for innumerable American companies, workers and consumers, all of whom would be harmed by a trade war. Moreover, Mexico has become a valuable partner in promoting liberal values, having institutionalized multi-party

democracy and steadily increased economic freedoms within its borders. As it has matured into a middle-class nation, the flow of Mexicans north has reversed, with more returning home in recent years than migrating to the United States.

In deference to this mutually beneficial relationship, Mexican President Enrique Peña Nieto has strained against provocation to get along with Mr. Trump. He invited him to a meeting in Mexico City last year, to Mr. Trump's political benefit and at Mr. Peña Nieto's own political risk. He was planning a visit to Washington next week to look for constructive cooperation.

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Then, *boom*. Mr. Trump planted a stick of dynamite under a structure that leaders of various parties in both nations have been carefully constructing for decades. And for what?

The president first announced this week that he intended to proceed with construction of an expensive and unnecessary border wall, fulfilling a campaign promise based on misunderstandings of both the extent of illegal immigration and the best way to deal with it. Then Mr. Trump revived his pledge that Mexico would finance its construction. The humiliation was too much to bear for Mr. Peña Nieto, who faced understandable political pressure at home. The Mexican president canceled a scheduled meeting with Mr. Trump.

At that point, wiser heads still could have defused and de-escalated. Instead, White House press secretary Sean Spicer announced

that the president is considering a new tax on Mexican imports to pay for his gratuitous wall. Mr. Spicer, without providing many details, suggested the tax would raise some \$10 billion a year. He later explained that this is just one of several options. Depending on its design, such an imposition could indeed hurt Mexico. But it also would likely act as a tax on American consumers of Mexican goods. American consumers, that is, would pay for the wall by paying higher prices for Mexican-grown tomatoes, Mexican-sewn clothing and Mexican-built cars.

U.S. officials should reach out and seek to repair the week's damage. It took the United States nearly a decade to recover from the economic wreckage of the last recession. A wealth-destroying trade war with one of America's closest partners would threaten that long-sought recovery.

## Doomsday Clock Moves Closer to Midnight, Signaling Concern Among Scientists

By JONAH ENGEL  
BROMWICHJAN. 26, 2017

Members of the Bulletin of Atomic Scientists with the updated Doomsday Clock in Washington on Thursday. Credit: Win McNamee/Getty Images

It is getting closer to midnight.

On Thursday, the group of scientists who orchestrate the Doomsday Clock, a symbolic instrument informing the public when the earth is facing imminent disaster, moved its minute hand from three to two and a half minutes before the final hour.

It was the closest the clock had been to midnight since 1953, the year after the United States and the Soviet Union conducted competing tests of the hydrogen bomb.

Though scientists decide on the clock's position, it is not a scientific instrument, or even a physical one. The movement of its symbolic hands is decided upon by the Science and Security Board of the Bulletin of the Atomic Scientists. The organization introduced the clock on the cover of its June 1947 edition, placing it at seven minutes to midnight. Since then, it has moved closer to midnight and farther away, depending on the board's conclusions.

Thursday's announcement was made by Rachel Bronson, the

executive director and publisher of the bulletin. She was assisted by the theoretical physicist Lawrence Krauss, the climate scientist and meteorologist David Titley, and the former United States ambassador Thomas Pickering.

Ms. Bronson, in a post-announcement interview, explained why the board had included the 30-second mark in the measurement. She said that it was an attention-catching signal that was meant to acknowledge "what a dangerous moment we're in, and how important it is for people to take note."

"We're so concerned about the rhetoric, and the lack of respect for expertise, that we moved it 30 seconds," she said. "Rather than create panic, we're hoping that this drives action."

In an op-ed for The New York Times, Dr. Titley and Dr. Krauss elaborated on their concerns, citing the increasing threats of nuclear weapons and climate change, as well as President Trump's pledges to impede what they see as progress on both fronts, as reasons for moving the clock closer to midnight.

"Never before has the Bulletin decided to advance the clock largely because of the statements of a single person," they wrote. "But when that person is the new

president of the United States, his words matter."

The board has held the responsibility for the clock's movements since 1973, when the bulletin's editor, Eugene Rabinowitch, died. Composed of scientists, and nuclear and climate experts, the board meets biannually to discuss where the clock's hands should fall in light of world events.

In the 1950s, the scientists feared nuclear annihilation, and since then, the board has begun to consider other existential threats, including climate change, compromised biosecurity and artificial intelligence.

There were crises that the clock was not quick enough to take into account. The Cuban Missile Crisis, for instance, in 1962, did not change the hands of the clock, which at the time stood at seven minutes to midnight.

An explanation on the Bulletin's website accounts for this seeming lapse in timekeeping: "The Cuban Missile Crisis, for all its potential and ultimate destruction, only lasted a few weeks," it says. "However, the lessons were quickly apparent when the United States and the Soviet Union installed the first hotline between the two capitals to improve communications, and, of course, negotiated the 1963 test ban treaty, ending all atmospheric nuclear testing."

The end of the Cold War came as a relief to those who had lived in fear of nuclear annihilation for decades, and the minute hand slowly moved away from danger. In 1990, it was at 10 minutes to midnight. The next year, it was a full 17 minutes away, at the relatively undisturbing time of 11:43.

"The illusion that tens of thousands of nuclear weapons are a guarantor of national security has been stripped away," the Bulletin said at the time.

But over the next two decades the clock slowly ticked back. Conflict between India and Pakistan, both of whom staged nuclear weapons tests three weeks apart, had the clock at nine minutes to midnight in 1998. By 2007, fears about Iranian and North Korean nuclear capacity had pushed it to 11:55.

By 2015, the scientists were back in a state of unmitigated concern, with the clock at three minutes to midnight, the closest it had been since 1984.

"Unchecked climate change, global nuclear weapons modernizations, and outsized nuclear weapons arsenals pose extraordinary and undeniable threats to the continued existence of humanity," the bulletin said. "World leaders have failed to act with the speed or on the scale required to protect citizens from potential catastrophe."

"These failures of political leadership endanger every person

on Earth," it added.

**The  
New York  
Times**

The Editorial  
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## Editorial : Mr. Trump's 'Gag Rule' Will Harm Global Health

With a single memorandum, President Trump may well have made it harder for health workers around the world to fight cancer, H.I.V., Zika and Ebola. The memorandum, signed on Monday, reinstates and expands a policy barring health organizations abroad, many of which provide an array of services, from receiving federal funds if they even talk to women about abortion as a method of family planning.

The so-called Mexico City policy, also known as the global gag rule, was established by President Ronald Reagan in 1984, and has since been supported by every Republican president and opposed by every Democratic one; Barack Obama renounced it in 2009. Mr. Trump has not only reinstated it but greatly broadened its impact.

Women in Rabai, Kenya, getting information about family planning and reproductive health services. Jonathan Torgovnik/The Hewlett Foundation, via Getty Images

In the past, the policy has applied only to international family-planning funds, which currently total around \$600 million. Mr. Trump's memorandum, however, would apply the policy to "global health assistance furnished by all departments or agencies." Although reproductive health groups are still studying the memorandum, this language would appear to apply to any international health funding, around \$9 billion, used to fight malaria, H.I.V., Zika, Ebola and many other global health threats. This would seem to go well beyond family-planning aid from the Agency for International Development and the State Department, to also include money from all American governmental agencies and departments.

Federal funding for abortions abroad has been banned since 1973, except in cases of rape, incest or a threat to the mother's life. Mr. Trump's gag rule goes far beyond the 1973 ban to bar funding to all organizations that provide abortion or abortion referrals, even if they do so with their own funds

and even if abortion is not the focus of their work.

By cutting off family-planning funds to reproductive health care providers, the gag rule eliminated contraceptive and maternal health services to countless women around the world. After losing funding during the Bush administration, a group known as Family Health Options Kenya had to close six clinics, leaving 9,000 people with little access to health care.

Perversely, the gag rule appears to have led to an increase in abortions, which its proponents obviously did not intend, and would be likely to do so in the future. In one 2011 study, African countries that relied heavily on aid from the United States experienced increased abortion rates when the policy was in effect, relative to countries that got less funding from the United States.

The policy will also limit access to providers of safe abortions. Under the Bush-era policy, the International Planned Parenthood Association of Ghana reported a 50

percent increase in the number of women needing treatment following unsafe abortions.

Though the potential damage from Mr. Trump's memorandum is still being tallied up, the International Planned Parenthood Federation calculates that it may lose \$100 million over four years, leading to reductions in services in at least 30 countries.

President Trump's decision will limit health organizations' ability to fight disease and promote reproductive health, and other governments will have to pitch in to help. On Wednesday, the Dutch government announced plans to establish an international fund to help fill the gap left by the reinstatement of the policy, paying for contraception, abortion and education for women. Representative Nita Lowey, Democrat of New York, and Senator Jeanne Shaheen, Democrat of New Hampshire, have introduced bills that would permanently repeal the Mexico City policy. Neither, regrettably, is likely to pass.

**The  
Washington  
Post**

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## Editorial : In China, torture is real, and the rule of law is a sham

A NATION under the rule of law must have a commitment that no one is exempt from justice. China has courts, judges and lawyers, but the Communist Party remains above the law. Two recent cases have dramatically illustrated how brutal and arbitrary punishment from the Chinese party-state can be, including its use of torture to silence dissent and break dissenters.

Imprisonment, forced confessions and deprivation are hardly new in China, but the fresh examples are raw and disturbing. The victims were lawyers committed to peaceful advocacy of human rights and dignity.

Xie Yang, 44, a lawyer from the southern province of Hunan, was rounded up in a mass crackdown on human rights lawyers and

advocates that began in July 2015. He is still in prison. In early January, he met with his attorneys and courageously gave them a harrowing account of how he has been tortured. The transcript has been published on the website China Change, and it is a story of beatings and abusive punishment designed to crack his willpower. "They just deliberately tortured and tormented me," he recalled. For example, Mr. Xie said, he was subject to a perverse technique called the "dangling chair." He was forced to sit on a tower of stacked plastic stools for nearly 24 hours a day, both feet unable to reach the ground. His legs became swollen and painful. Other times, guards sat on either side of him for hours, smoking cigarettes and exhaling in his face. They threatened to harm his family and beat, kicked and head-butted him in an effort to coerce a confession. He insists he is innocent of the subversion charges against him.

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Another lawyer, Li Chunfu, also 44, once was "a lively and tough human rights lawyer" who had advocated against the use of torture, according to a report by The Post. Mr. Li was kept in secret detention for 500 days, and when finally released on Jan. 12, his wife, Bi Liping, said he was thin, was ill and had become paranoid. Associates and relatives told the same China Change website that Mr. Li was tortured and drugged while confined.

On top of all this, the chief justice of the country's Supreme Court, Zhou Qiang, gave a speech this month imploring "provincial judges to resist 'erroneous' Western ideals of judicial independence, constitutional democracy and the separation of

powers." Jerome Cohen, a professor at New York University School of Law, called the speech "the most enormous ideological setback for decades of halting, uneven progress toward the creation of a professional, impartial judiciary." In effect, the chief justice was telling legions of judges and lawyers: The party, not the law, reigns supreme.

The United States has regularly spoken out about the universal values of human rights and rule of law. President Trump has shown no interest in either and has endorsed the use of torture in interrogations. That can only embolden China's leaders the next time they decide to apply thumbscrews to the champions of democracy and rule of law.

**ETATS-UNIS**

## How Donald Trump fits in the 'post-truth' world

The Christian Science Monitor

January 26, 2017 Washington—"Is it your intention to always tell the truth?"

That question, posed by ABC News's Jonathan Karl at Sean Spicer's first briefing as White House spokesman, was extraordinary. It demonstrated the depths to which White House-press relations had sunk just three days into Donald Trump's presidency.

There was cause for mistrust on both sides. Mr. Spicer had presented false information, later amended, in a statement to the press on Saturday. And a Time magazine reporter had misreported that the bust of Martin Luther King Jr. had been removed from the Oval Office, a mistake that was quickly corrected.

But there's something much deeper at play here than just miscues between White House staff and reporters in the early days of a new administration. The words "truth" and "fact" are themselves now objects of fierce debate.

The phrase "alternative facts," used by Trump adviser Kellyanne Conway in discussing the size of President Trump's inauguration audience, has entered the lexicon. Sales of George Orwell's dystopian novel "1984" have skyrocketed.

Trump himself is fanning the flames by continuing to boast about the size of his inaugural crowd and make unsubstantiated claims about voter fraud last November, which he says cost him the popular vote. The shift in style from former President Obama to Trump has been sharp.

But Trump is in many ways the culmination of a years-long trend. By setting himself as a crusader against Washington and the media, he has played on Americans' declining trust in both.

"It's fascinating to watch," says Jennifer Mercieca, a historian of American political discourse at Texas A&M University in College Station. "And it's as much about Donald Trump personally as it is about the context of this historical moment."

### Word of the year: post-truth

Right after the November election, Oxford Dictionaries announced "post-truth" as word of the year, as a way to describe "circumstances in which objective facts are less influential in shaping public opinion than appeals to emotion and personal belief."

The "post-truth" concept has been around a while; Oxford Dictionaries reports the term's first known use in 1992. But its usage spiked last year, both with the populist Brexit movement, resulting in the UK's vote to quit the European Union, and Trump's rise to the presidency.

But the advent of social media and a steady decline in the public's trust in institutions — including government and the media — have prepared the ground.

"Fueled by the rise of social media as a news source and a growing distrust of facts offered up by the establishment, post-truth as a concept has been finding its linguistic footing for some time," Oxford Dictionaries' Casper Grathwohl tells the BBC.

Trump's use of language, repetitive and at times hyperbolic in its populist appeal, fit right into this trend. And his success didn't come out of nowhere, despite the insistence of many in the media that he couldn't win.

His words resonated with a slice of the electorate that had felt ignored by both Democrats and Republicans alike. His supporters took him seriously, but not literally, as an oft-cited essay in the Atlantic observed.

### Taking Trump seriously — and literally

Now Trump is president, and world leaders are taking his words both seriously and literally. On Thursday morning, the Mexican president canceled a visit to the US after Trump tweeted that he should do so if Mexico is unwilling to pay for the border wall.

Members of Congress, too, need Trump to play it straight with facts — that is, agreed-upon information that will shape legislation.

It is a given that politicians say things that aren't true all the time. But for Trump, the propensity for unsubstantiated claims has risen to a new level.

His incendiary assertion that the votes of illegal immigrants in the November election cost him the popular vote, which he lost by almost 3 million votes, threatens to undermine trust in the democratic process, analysts say.

When asked by ABC's David Muir about the claim in a Wednesday interview, Trump cited a Pew Research Center report from 2012. Mr. Muir pointed out that the author found "no evidence of fraud," but Trump did not back down. He has

called for an investigation into the alleged fraud.

Trump also insisted to Muir that he had the biggest inaugural crowd in history, "including television and everything else." It's the qualifiers that give Trump some wiggle room; living-streaming is impossible to quantify.

But that's the issue — inauguration crowd size — that put both Mr. Spicer and Ms. Conway in the center of the weekend maelstrom over what's true and what is Trumpian hyperbole.

### 'Alternative facts'

Among many questionable assertions, Spicer on Saturday had put out inaccurate figures for Metro ridership in Washington on inauguration day, numbers that he later corrected.

"I've gotten out of the quantifying game," Spicer said with a smile Tuesday at his daily briefing.

On Sunday, Ms. Conway uttered the now-infamous phrase "alternative facts" in an interview with NBC's Chuck Todd, who immediately replied: "Alternative facts aren't facts, they are falsehoods."

The entire exchange became a textbook case of how low trust between reporters and a new administration can devolve into recriminations. "I think we're going to have to rethink our relationship here," Conway told Mr. Todd.

In fact, Todd might have heard Conway out before labeling her statement a falsehood, says Kathleen Hall Jamieson, director of the Annenberg Public Policy Center at the University of Pennsylvania.

"Spicer was presenting alternative ways of seeing the numbers," says Ms. Jamieson. "Some turned out to be false. But he also talked about people watching [the inauguration] on mobile devices; that's an alternative way of counting the numbers."

The larger point, she says, is that when speaking off the cuff, everyone needs to cut one another some slack.

"It would be good if everyone on all sides called a truce," says Jamieson. "The problem is, Trump made many, many, many false statements as a candidate. It's not that the press is engaging in this high level of vigilance for no reason whatsoever."

And now, analysts say, the stakes will only get bigger. Today, it's the

size of Trump's inaugural crowd; tomorrow, it could be the state of Russia's nuclear arsenal.

### When is a false statement a lie?

Another debate raging in the press is whether to refer to false statements made by Trump and his aides a "lie." The New York Times has used "lie" on occasion regarding a Trump statement; NPR sticks with "falsely stated."

The word "lie" suggests an intent to deceive, and without firm evidence, that can be impossible to determine. Ms. Mercieca of Texas A&M expresses concern that calling a statement a lie will alienate a segment of the audience. And, she says, "I think it contributes to polarization."

The news media face another profound challenge: The public deeply distrusts them — far more, in fact, than it distrusts Trump.

But the media, of course, are not a monolithic entity. Consumers of news pick their favorite outlets, often determined by ideological viewpoint, thus leading to further fracturing of society.

"I think that facts do matter, and I think Donald Trump has been able to take advantage of the fact that we live in different media realities," says Mercieca. "Those mediated realities contain their own complete worldview, with their own facts. But those two worlds don't often speak to each other, and in fact are very distrustful of one another."

During the campaign, focus groups of voters sponsored by the Annenberg Center brought out those starkly competing realities. At one session last June with working-class voters near Pittsburgh, several voters said they liked Trump because he's "honest." And by that, they didn't seem to be referring to the accuracy of his statements but that he says what he thinks.

"I agree on the honesty," said Glenda, a 40-something bartender. "We've been lied to for so long."

Geoffrey Nunberg, a linguist at the University of California, Berkeley, School of Information, notes that politicians tend to speak in generalities, but Trump is different.

"Trump is exactly the sort of campaigner George Orwell said people should want," Mr. Nunberg adds, referring to the British author's famous 1946 essay "Politics and the English Language," which slammed intentionally vague political language. "Trump says what he thinks, and doesn't use

circumlocutions. People hear it as straight talk."

# The New York Times Tax Plan Sows Confusion as Tensions With Mexico Soar

Michael D. Shear, Binyamin Appelbaum and Alan Rappeport

PHILADELPHIA — President Trump's decision to build a wall along the length of the United States' southern border with Mexico erupted into a diplomatic standoff on Thursday, leading to the cancellation of a White House visit by Mexico's president and sharply rising tensions over who would pay for the wall.

With the conflict escalating, Mr. Trump appeared to embrace a proposal by House Republicans that would impose a 20 percent tax on all imported goods. The White House press secretary, Sean Spicer, told reporters that the proceeds would be used to pay for the border wall, estimated to cost as much as \$20 billion.

But a furious uproar prompted Mr. Spicer to temper his earlier remarks, saying the plan was simply "one idea" that might work to finance the wall. Mr. Spicer said it was not the job of the White House to "roll something out" on tax policy, while Mr. Trump's chief of staff, Reince Priebus, said the administration was considering "a buffet of options."

If Mr. Trump does eventually announce his support for the tax plan, it could have a broad impact on the American economy, and its consumers and workers, by sharply increasing the prices of imported goods or reducing profits for the companies that produce them. Other nations could retaliate, prompting a trade war that could hit consumers around the globe.

Retail businesses could see their tax bills surge, said David French of the National Retail Federation, who predicted that those costs would be passed on to consumers. He called the idea "very counter to the way consumers are feeling at the moment."

If nothing else, the rapid-fire developments showed Mr. Trump that international diplomacy and a top-to-bottom overhaul of the tax code would not be as easy as an announcement before a campaign microphone. The events unfolded after Mr. Trump signed an executive order on Wednesday to strengthen the nation's deportation force and start construction on a new wall along the border.

Adding to Mexico's perception of an insult was the timing of the order: It came on the first day of talks

between top Mexican officials and their counterparts in Washington, and just days before a scheduled meeting between Mr. Trump and the Mexican president, Enrique Peña Nieto.

The sense of chaos and confusion about the tax issue added to the fallout from Mr. Trump's conflict with Mr. Peña Nieto, his first direct clash with a world leader since becoming president a week ago. The Mexican peso bounced sharply with each new development.

Tensions between the two have been simmering for months, despite comments by both men that they were trying to work together. Mr. Trump's immigration and border-wall decisions on Wednesday appeared to shatter the remaining good will between them.

In a video message delivered on Twitter on Wednesday night, Mr. Peña Nieto reiterated his commitment to protect the interests of Mexico and the Mexican people, and pledged to devote the resources of Mexico's consulates in the United States to protecting its citizens.

"I regret and condemn the United States' decision to continue with the construction of a wall that, for years now, far from uniting us, divides us," Mr. Peña Nieto said.

Mr. Trump responded on Twitter, "If Mexico is unwilling to pay for the badly needed wall, then it would be better to cancel the upcoming meeting."

Within hours, that is just what happened. Blasting Mr. Trump for sowing division between the countries, Mr. Peña Nieto angrily backed out of the White House meeting, which had been scheduled for next week.

In remarks at congressional Republicans' retreat in Philadelphia, Mr. Trump portrayed the decision to cancel the meeting as his own and issued a stern warning to Mr. Peña Nieto about the consequences of refusing to cooperate with him on financing the wall.

"Unless Mexico is going to treat the United States fairly, with respect, such a meeting would be fruitless, and I want to go a different route," Mr. Trump said. "We have no choice."

In the same remarks, Mr. Trump alluded to the idea of a border tax, saying, "We're working on a tax reform bill that will reduce our trade deficits, increase American exports,

and will generate revenue from Mexico that will pay for the wall if we decide to go that route."

After the speech, in a brief, impromptu news conference as Mr. Trump flew back to Washington, Mr. Spicer told reporters that the president now favored the plan to impose a 20 percent border tax as part of a sweeping overhaul of corporate taxation. Only last week, Mr. Trump had dismissed the tax as too complicated, favoring his own plan to impose a 35 percent tariff on manufactured goods made by American corporations in overseas factories.

Mr. Spicer said that the plan for the tax was "taking shape" and that it was "really going to provide the funding" for the wall.

Mr. Spicer said that was a direct reference to the centerpiece of House Republicans' proposal to overhaul the tax code. They have been pushing the idea for months, but with little evidence, until Thursday, that Mr. Trump was interested in it.

## President Trump's First Actions

In his first week in office, President Trump canceled the Trans-Pacific Partnership trade deal, promised to make his proposed border wall a reality, began to roll back the Affordable Care Act, and more.

By DAVE HORN and SHANE O'NEILL on January 26, 2017. Photo by Doug Mills/The New York Times. Watch in Times Video »

But by the time Mr. Spicer returned to the White House two hours later, he had already recanted. In another hastily arranged conversation with reporters, he called the proposal "one idea" that might work and said it was not the job of the White House to "roll something out" on tax policy.

"We've been asked over and over again: 'How could you possibly do this? There's no way that Mexico will pay for it,' " Mr. Spicer said. "Here's one way. Boom. Done. We could go in another direction. We could talk about tariffs. We could talk about other custom user fees. There are a hundred other things."

The White House and House Republicans have been hashing out their respective tax proposals as they press forward with Mr. Trump's agenda to revive American manufacturing and increase exports.

The House proposal would replace the current system of corporate taxation with one that more closely resembles the approach taken by many other developed nations. The government would impose a 20 percent tax on corporate income earned in the United States, which would have the effect of taxing imports while exempting exports.

The approach, known as border adjustment, creates the appearance of taxing trade deficits. The goods that the United States imported from Mexico in 2015 were worth about \$60 billion more than the goods it exported to Mexico, so federal revenue in the short term would increase by roughly \$12 billion.

But the House plan would offset that revenue by reducing the 35 percent corporate income tax rate, and would thus generate no new federal revenue over all. It was unclear how that fit with Mr. Spicer's repeated contention Thursday afternoon that revenue from the tax adjustment would help finance construction of the border wall.

By siphoning off that revenue, Mr. Trump would make it impossible to reduce the tax rate as far as Republicans wish. He is pressing for a 15 percent corporate tax rate.

Moreover, the tax would not be paid by Mexico. It would be paid by companies selling Mexican goods in the United States. Some might raise prices, imposing the cost on consumers, while others might be forced by competitive pressures to absorb the tax, reducing their profits. Many economists also doubt that the change would end up penalizing imports or encouraging exports. They predict that the value of the dollar would rise, offsetting those effects.

Nonetheless, many businesses in industries such as retail and energy, which rely heavily on imports, were in a panic.

Representative Kevin Brady, the Texas Republican who wrote the plan, told Fox News on Thursday afternoon that he was pleased that Mr. Trump appeared to be on board with it after his appearance in Philadelphia.

"What I heard today from this president was that in tax reform, that they would level the playing field for imports around the world and level it with the U.S. products here in America at the exact same rate," Mr. Brady said.



# Ambiguous statements muddle Trump's strategy on funding border wall

<https://www.facebook.com/anaclaireswanson>

The White House added more uncertainty to President Trump's plan to fund a wall along the southern border with ambiguous statements on Thursday — remarks that emphasized the practical difficulties for the new administration in delivering on Trump's campaign-trail promise to make Mexico pay.

Initially, White House press secretary Sean Spicer suggested that the wall would be funded through a 20 percent tax on imports from Mexico. "The idea is ... that here is an easy way that generates more than enough revenue right off the bat that achieves the goal," he said.

This sounded similar to an idea being championed by House Speaker Paul D. Ryan (R-Wis.) and other House Republicans working to overhaul the tax code: a border adjustment tax.

The esoteric idea has gained notice in the House in recent months as a way for Republicans, who usually shun measures that limit free trade, to respond to Trump's complaints that companies are able to move jobs to Mexico and other countries and then sell products back into the United States tax-free.

Until recently, the border adjustment tax was not a commonly discussed idea in the United States, where companies generally pay taxes on the income they generate regardless of how much they import or export. The border tax would tax imports into the United States, but not exports.

Because the United States imports a lot more than it exports, such a policy could raise a lot of money for federal coffers.

House Republicans had planned to use that revenue to help pay for a broader overhaul of the tax code, which would involve slashing corporate and personal income tax rates.

Amid confusion about the White House's proposal Thursday, Spicer clarified that he was only suggesting one possible way of funding Trump's proposed wall. He said tariffs, which are different from border adjustment taxes, are also a possibility. "There have been questions about how the president could pay for the wall," he said. "We've been asked over and over again, 'How could you possibly do this? There's no way that Mexico will pay for it.' Here's one way. Boom. Done."

Trump has previously threatened to impose tariffs on Mexico and other countries if they don't agree to renegotiate trade deals. A tariff is different from a border adjustment tax in a few ways. One is that while a tariff imposes a fee on goods or services imported into the United States, it does not subsidize exports. Also, while a border adjustment tax would likely affect all imports and exports, a tariff could be directed toward a specific country or product.

So which one was it?

Trump previously criticized the border adjustment tax idea as overly complicated and said he did not favor it. But Republicans took Spicer's comments to suggest Trump was warming to the idea.

The White House's challenges in explaining how Trump would make Mexico pay for the wall — or which policy it was advocating — underscore how difficult it will be for Trump to achieve what he wants. A border tax or a tariff would not have an easy-to-predict impact on the economy and, while it would seem that Trump was achieving his objective, would not be an easy way to make Mexico pay for the wall.

A border adjustment might seem like a way to help U.S. companies whose products compete with goods imported from abroad, economists say. That's because on the surface, it would make U.S. exports cheaper (since companies won't have to pay taxes on the income earned with those sales) and imports from foreign companies more expensive.

But many economists say it's not that simple. If U.S.-made goods and services were made cheaper to buy overseas through a tax mechanism, there would be greater demand for them. As a result, economists predict the price of the dollar would climb, making exports once again more expensive and canceling out the benefits for American companies.

There is disagreement among economists about how fast, or how much, this would occur. Proponents, such as economist Alan Auerbach of the University of California at Berkeley, say the reaction would be swift and painless for consumers. "Exchange rates are determined in markets that move with lightning speed," he said. "The exchange rate adjustment should occur before the policy is actually

adopted," once investors see the measure is likely to pass.

Others say the policy would offer advantages to U.S. companies. "What would probably happen is there would be some appreciation of the U.S. dollar but not enough to offset the effects of the tax," said Marcus Noland, director of studies at the Peterson Institute for International Economics.

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Who'd pay?

While Trump and Republicans could frame the border adjustment tax as a way of forcing Mexico to pay for the wall, the reality would be more complex. For one, the tax would raise revenue overall for the U.S. government — from imports from all countries — and Congress and the administration could simply choose to direct some of it toward paying for the wall.

Second, House Republicans had planned to use the border adjustment tax to offset the cost of tax reform. If some of those funds were redirected toward the wall, Republicans would have to find other sources of revenue — or borrow — to fund tax cuts.

A tariff would be more disruptive.

The price of consumer products that are imported from Mexico would rise, but so might the price of products that are made in America using components from Mexico — including motor vehicles, consumer electronics and other products.



## Editorial : Trump's wall is a huge waste of money

The Editorial Board, USA

TODAY

The border fence between Tijuana, Mexico, and California on Thursday. (Photo: Guillermo Arias, AFP/Getty Images)

Since 2005, the federal government has added hundreds of miles of walls and fencing along the U.S.-Mexico border. It has doubled the size of the Border Patrol by hiring more than 10,000 agents. And it has ramped up spending so rapidly that it is plagued with duplicative programs.

So when President Trump says he is moving ahead with a massive border wall, it has all the hallmarks of a multibillion dollar boondoggle. And his insistence that Mexico be forced to pay for his costly campaign pledge threatens to rupture relations with an important ally and trading partner.

Physical barriers certainly have a significant place in border security. But any major expansion of the existing barriers should be done in the context of cost-benefit analysis. By any reasonable accounting, the surge of spending on border enforcement has already reached a point of diminishing return.

The federal government now spends more policing immigration than it does on all other law enforcement activities — combined. More, that is, than on drug trafficking, gangs, counterfeiting, identity theft, financial fraud, would-be assassins, routine interstate crime, illegal arms sales, computer hacking, corporate malfeasance, government corruption and the domestic part of the war on terror.

Most of California, Arizona and New Mexico already have some kind of barrier. Texas is another matter, thanks to the difficulties of building along the snaking, flood-prone Rio Grande River, and the fact that

much of the border land is in private hands.

Since 2007, the estimated number of undocumented immigrants has dropped from 12.2 million to slightly more than 11 million, thanks to some combination of increased enforcement, declining birth rates and rising economies, particularly Mexico's.

This isn't to say illegal immigration has stopped outright. But it is being offset by people returning to their home countries. What's more, an estimated 35% to 50% of the inflow is people who come in legally and overstay their visas, people who are

not impacted by walls or other border control efforts.

Taking all this into account, Trump's wall would be a colossal waste of money. His idea of forcing Mexico to pay for it has already led

to cancellation of next week's scheduled meeting between Trump and Mexican President Enrique Peña Nieto. Slapping a 20% tax on imports from Mexico, which a Trump spokesman floated Thursday as a way to recoup the construction

costs, would set off a mutually destructive trade war and effectively make U.S. consumers pick up the tab.

Cracking down on visa overstays and on employers who hire illegal

workers would do far more to improve immigration enforcement than spending an additional \$12 billion or more on steel and concrete.



## Editorial : Trump's Wall: A Wasteful, Foolish Boondoggle

The Editors

President Donald Trump's promised wall has already stopped at least one Mexican from entering the U.S.: President Enrique Peña Nieto, who has canceled his planned trip to Washington next week. Trump tweeted on Thursday that if Mexico didn't want to pay for the wall, then maybe Peña Nieto shouldn't come. The Mexican president complied.

Such is the state of relations between the U.S. and its southern neighbor, which is also its third-largest trading partner. Building a wall on the U.S.-Mexican border has never made much sense -- economically, financially or symbolically. Now its political costs are coming into view.

A Trump spokesman said the meeting will be rescheduled, and

Peña Nieto has said he is open to it. It should go without saying that they have far more important issues to discuss than Trump's plans for a wall along their 2,000-mile border.

Not only would the wall be needlessly expensive -- Trump says it will cost \$8 billion, engineers have said at least twice as much -- but there are far better ways to prevent the flow of undocumented immigrants and drugs from Mexico.

Never mind that the number of people trying to sneak into the U.S. through Mexico is dropping to levels last seen in the 1970s, or that most drug smuggling takes place at border crossings. In fact, if Trump wants to secure the border, he should focus on those crossings, which are badly in need of new technology and manpower. This

would also break bottlenecks that block legitimate commerce.

To further reduce the illegal population in the U.S., nearly half of whom entered legally, Trump could order the full implementation of the E-verify system to screen legal workers and the long-promised biometric entry-exit system. Both of these would be just a fraction of the real-world cost of a wall.

All this said, Trump promised his supporters a wall, he may feel obligated to deliver. One face-saving idea is stronger and more imposing physical barriers in urban areas, where it's easier for criminal elements to melt into the landscape. Another (admittedly unlikely) idea is to help Mexico build a better wall along its border -- with Guatemala. That could also have the effect of

reducing illegal immigration to the U.S. from Central America.

The mere prospect of the wall is already disrupting relations with a neighbor whose enthusiastic partnership is vital to helping the U.S. grow its economy, achieve energy independence, prevent crime and terrorism, and protect the environment. All of these efforts require cooperation, not confrontation. If Trump continues to insist on making the wall an issue, he will continue to endanger a relationship that has long served both countries well.

To contact the senior editor responsible for Bloomberg View's editorials: David Shipley at davidshipley@bloomberg.net.



## Stein : Better barriers are worth the cost

Dan Stein 6:57 p.m. ET Jan. 26,

2017

President Trump shows his executive order on Jan. 25, 2017. (Photo: Nicholas Kamm, AFP/Getty Images)

On Wednesday, President Trump ordered completion of border security measures that were promised by Congress in 2006 but never fulfilled. The centerpiece of the president's order is secure barriers (a wall, perhaps) along the areas of the border required to achieve operational security. It also includes upgrades in electronic monitoring of the border and an additional 5,000 border agents. All

of these things are badly needed to gain control of the border, and would help both Mexico and the U.S. eliminate cartel operations.

Who will pay is now under debate. Regardless of who pays, it is a great deal for taxpayers. U.S. taxpayers now absorb recurring costs in excess of \$100 billion a year to provide basic services to illegal aliens and their children. Even at the high end of the one-time cost estimate for constructing a wall, in the \$15 billion and \$25 billion range, the structures are cheap at twice the price.

While border security infrastructure is important to stemming the flow of illegal immigration and protecting

national security, it is just one component of an overall strategy. Equally important, we must give people reasons not to cross our borders illegally in the first place.

President Trump has also taken the first steps toward ending the magnets that draw large numbers of illegal aliens to this country, while adding deterrence through the end of "catch and release" folly. On Wednesday, he put sanctuary jurisdictions with non-cooperation policies on notice: Maintain those policies and forfeit billions of federal dollars. Trump will insist Congress send a bill that mandates the use of E-Verify by all employers, thereby finally — after years of waiting —

addressing the lure of jobs in this country.

Our relationship with Mexico is important, even vital. But it must be based on a mutuality of respect for our borders and our laws.

This integrated border and interior enforcement strategy will restore our national footing as a nation that will enforce its laws and protect the public interest.

*Dan Stein is president of the Federation for American Immigration Reform, a non-profit group that favors more restrictive immigration policies.*



## Military Brass Fill Donald Trump's National Security Council

Jay Solomon

Jan. 26, 2017

7:48 p.m. ET

WASHINGTON—President Donald Trump is filling the top ranks of his National Security Council with active-duty and retired military officers extensively schooled in the fight against Islamist extremists and intent on containing Iran's power in the Middle East, according to officials involved in the staffing decisions.

The appointments mark a sharp break from former President Barack

Obama's foreign-policy brain trust, which was light on Pentagon brass and stacked with diplomats and strategists committed to exploring openings with Iran, Cuba, Russia and other traditional U.S. adversaries.

Current and former U.S. officials said Mr. Trump is relying more heavily on military personnel to handle national-security issues than any president since Ronald Reagan.

Mr. Trump's staffing decisions, said the officials involved in them, reflect his push to make good on his

campaign pledges to eradicate Islamic State and get tough with Iran, which Mr. Obama spent eight years trying to engage.

One person familiar with the changes in the NSC described it as "a deliberate militarization" of the operation, driven by Michael Flynn, the retired lieutenant general who is Mr. Trump's national-security adviser.

"That is something they're seeking," this person said, and the shift is being implemented by Mr. Flynn's new hires.

White House officials didn't immediately respond to requests to comment on the nature of Mr. Trump's NSC appointments.

Many of the new National Security Council officials are close to Mr. Flynn. Others worked for David Petraeus, the retired general and former Central Intelligence Agency director who oversaw the U.S. wars in Iraq and Afghanistan under both Mr. Obama and former President George W. Bush.

Among key appointees, retired Army Col. Derek Harvey will oversee Middle East affairs in the

NSC, according to the officials. Mr. Harvey led counterinsurgency operations in both Afghanistan and Iraq during his tenure at the Pentagon's Central Command and the Defense Intelligence Agency.

The White House appointed Army Col. Joel Rayburn as one of Col. Harvey's deputies to develop U.S. policy toward Iraq, Syria, Iran and other Mideast hot spots. Col. Rayburn was a top adviser to Mr. Petraeus in Iraq and has written extensively about broader Mideast issues and the regional role of Iran.

The Trump administration also has appointed Matthew Pottinger, a former Marine, a close aide to Mr. Flynn and a onetime Wall Street Journal staff writer, to oversee Asia issues at the NSC.

Mr. Trump has appointed a pair of retired generals—Jim Mattis and John Kelly—to head the Pentagon and Department of Homeland Security.

Former Pentagon and State Department officials who have worked with the new NSC appointments said they have an exceptional understanding of the Middle East and the threats posed by the region's terrorism. At the same time, they said, there is a concern the White House might now not have enough diplomats and strategists.

"These are very experienced people whose knowledge of the Middle East goes back decades," said James Jeffrey, a former U.S. ambassador to Iraq and Turkey, now at the Washington Institute for Near East Policy. "But you also need people at the NSC who have diplomatic experience. This requires tradecraft as well."

Mr. Obama's top adviser on the Mideast during his first term was Dennis Ross, a career diplomat who spent decades working on the Arab-Israeli peace process. In recent years, Mr. Obama's top Mideast hand was Robert Malley, an

academic and diplomat who regularly engaged leaders of militant groups, such as Hezbollah and Hamas, before he entered government service.

Col. Harvey and Col. Rayburn, in contrast, largely focused while at the Pentagon on developing counterinsurgency and counterterrorism operations to combat al Qaeda and Iran's elite military unit, the Revolutionary Guard.

The Trump administration has made other top NSC appointments by drawing from conservative circles outside the military.

Christopher Ford has been named the top White House official working to counter nuclear-weapons proliferation. Mr. Ford held a senior State Department position during the George W. Bush administration and worked closely with John Bolton, a onetime State Department official. Mr. Bolton has been among the most outspoken critics of the

nuclear deal Mr. Obama reached with Iran in 2015.

The White House also has appointed Victoria Coates, former national security adviser to Republican Sen. Ted Cruz of Texas, to oversee "strategic initiatives." Mr. Cruz is another ardent opponent of the Iran deal.

The key for the Trump administration's foreign-policy success, said some current and former officials, is whether it includes a broader strategic vision.

"My concern, beyond the military bent, is that much of the experience seems to be tactical," said Brian Katulis of the Center for American Progress, a think tank aligned with the Democratic Party. "The Middle East today has a lot of strategic crosswinds."

—Carol E. Lee and Damian Paletta contributed to this article.

**Write to** Jay Solomon at [jay.solomon@wsj.com](mailto:jay.solomon@wsj.com)

## THE WALL STREET JOURNAL

Andrew Tangel and Valerie Bauerlein

Updated Jan. 27, 2017 12:07 a.m. ET

For all of the debate sparked by the North American Free Trade Agreement, most economists say its concrete impact on the U.S. economy has been modest—a small gain in growth and efficiency, and a small loss in jobs and lower wages for certain factory workers.

But as with most free-trade agreements, the gains over 23 years have been diffuse and the pains more concentrated, helping stoke the intense political backlash that powered Donald Trump's presidential campaign, and now his White House move to rip up the agreement.

"Nafta produced large changes in trade volumes, tiny efficiency gains overall, and some very significant impacts on adversely affected communities," Harvard economist Dani Rodrik said on his blog this week. Mr. Trump exaggerated the pact's cost on manufacturing jobs, he said, but was "able to capitalize on the very real losses...in certain parts of the country in a way that Democrats were unable to..."

All sides agree Nafta has coincided with a significant increase in economic activity across the U.S.-Mexican border: more trade, more

## Nafta's Net U.S. Impact Is Modest

Jacob M. Schlesinger,

foreign direct investment, and a more-integrated regional manufacturing system, particularly for the auto industry. But they differ on which numbers matter most.

In two tweets Thursday morning, Mr. Trump singled out the trade imbalance. "The U.S. has a 60 billion dollar trade deficit with Mexico," he wrote. "It has been a one-sided deal from the beginning...with massive numbers of jobs and companies lost."

Mr. Trump is correct that Nafta has coincided with a big shift in U.S. trade terms with its southern neighbor, swinging from a trade surplus of \$1.7 billion in 1993, the year before Nafta took effect, to a deficit of \$61 billion last year, though on a far greater value of bilateral trade overall.

In addition to the impact attributable to tariff cuts under Nafta, currency swings exacerbated the deficit. The Mexican peso plunged the year after the deal took effect, making Mexican exports much cheaper and pricing many American products out of the Mexican market.

Moreover, the numbers and trends behind that top-line figure paint a more complex picture. While Mexico is shipping more to the U.S., it isn't as if it has closed its borders to U.S. products. In Nafta's first two decades, U.S. exports to Mexico soared from \$41.6 billion in 1993 to \$240.3 billion in 2014. Imports from Mexico, however, grew even faster

in those years, from \$39.9 billion to \$294.2 billion.

Among the American winners from the deal: soybean farmers, who enjoyed a quintupling of their sales to Mexico from 1993 to 2015. "We're watching the administration's decisions very, very closely, and it's fair to say that we're nervous," said Ron Moore, president of the American Soybean Association.

Caterpillar Inc. last year exported \$33 million more in products to Mexico than it imported from the country, according to Chris Rogers at trade analysis firm Panjiva. He said the data highlight how the Peoria, Ill., company runs a "flexible, cross-border supply chain and sales business," allowing it "to move parts and completed vehicles to where the optimal labor cost and skill sets are, without having to suffer significant bureaucratic or tariff hurdles."

The impact of trade numbers are hard to sort out, because parts are shipped back and forth within expanded regional production systems. "When we look at the cross-border trade...when you really dig deep, you see that...a lion's share has value-added on both sides of the border and is inextricably linked to our economy," Union Pacific Corp. CEO Lance Fritz said on an earnings call last week.

That interdependence flows from a huge increase in American foreign

direct investment into Mexico, from \$15.2 billion in 1993 to \$101.0 billion in 2013. That has taken the form of U.S. manufacturers—of both parts and full products, like cars—shifting into Mexico.

The trade agreement was influential, for example, in Oreo maker Mondelez's decision to eliminate 600 factory jobs in Chicago and move more production of its cookies to Mexico. Mondelez chose to ultimately upgrade a factory in Mexico instead of investing some \$130 million to expand the Chicago factory in 2015. The decision drew criticism from Mr. Trump in his campaign, when he vowed on social media to never eat Oreos again.

A large portion of the big commercial trucks now traveling on U.S. roads and interstate highways were built in Mexico. A decade ago, most of Navistar International Corp.'s heavy-duty models were built at plants in Ontario and Texas. The Illinois-based company closed both facilities to consolidate production in Escobedo, Mexico, near Monterrey. Besides lower labor costs, Navistar said the move brought its production closer to key suppliers that had also relocated to Mexico.

Yet the pact's advocates say that shift lifted the efficiency of the factories that stayed in the U.S., pre-empting what would have been an even bigger loss of



manufacturing. "What seems to have happened is that the North American auto industry reacted to Nafta by rationalizing itself," Berkeley economist Brad DeLong wrote this week for Vox, "moving those parts of it that could be effectively performed by relatively low-skill workers to Mexico, and thus gaining a cost advantage vis-à-vis European and Japanese producers."

The hot-button question is what effect Nafta has had on the American workforce—measured by jobs lost and the damping effect on wages as production has shifted to a lower-paid workforce.

Nafta boosters and critics generally agree the pact has led to a reduction of U.S. jobs, but their estimates vary widely, from about 100,000 to 700,000 or so. The pact's defenders say its critics are looking at the steady drop in U.S. manufacturing workforce in recent decades and improperly tying all of it to Nafta—discounting other factors such as

the persistence of a long-term decline that predated Nafta, the sharp increase in automation, and a surge in Chinese imports after Beijing entered the World Trade Organization.

"For the average worker, there is not much of an impact, but for certain important pockets of workers, the lowered import barriers resulting from Nafta do seem to have lowered wage growth well below what it would have been," John McLaren, a University of Virginia economist said in an interview posted on his school's website. "This is particularly true for blue-collar workers."

Mr. McLaren said his study found the largest impact "in parts of Georgia, North Carolina, South Carolina and Indiana, with areas like Washington, D.C., Northern Virginia and Maryland among the least vulnerable locales." The study tried to document how the losses in certain communities might ripple beyond the factories affected. "A high-school dropout living in an

apparel and footwear dependent small town in South Carolina, even if she is employed in the nontraded sector such as in a diner where she would appear to be immune to trade shocks, would see substantially lower wage growth," the paper says.

The collapse of the textile and apparel industry was devastating in central North Carolina, where mill towns dried up in places like Richmond County. The county is poorer, older and less educated than the state and the U.S, with 13% holding a bachelor's degree, less than half the national average of 30%.

"Nafta destroyed this county," said Robert Lee, owner of a local gun shop. "It took all the jobs."

The county is slowly shrinking in population, and jobs are commonly in low-paying service jobs without benefits, which limits their ability to buy things. "People that wait tables and flip burgers, they don't buy new cars and new homes," Mr. Lee said. "They work to go to work."

Nafta advocates say the economic debate misses the bigger point of the deal, which has been to ameliorate longstanding tensions across the border and turn Mexico into a more steadfast U.S. ally. By that standard, they say, the pact has been a great success, fostering more bilateral cooperation on issues from crime to the environment—and keeping Mexico from following the path of left-wing Latin American countries or drifting closer to American rivals like China.

It is that immeasurable gain that Mr. Trump seems most skeptical about, and most willing to put at risk.

—Annie Gasparro and Jesse Newman contributed to this article.

**Write to** Jacob M. Schlesinger at [jacob.schlesinger@wsj.com](mailto:jacob.schlesinger@wsj.com),  
 Andrew Tangel at [Andrew.Tangel@wsj.com](mailto:Andrew.Tangel@wsj.com) and  
 Valerie Bauerlein at [valerie.bauerlein@wsj.com](mailto:valerie.bauerlein@wsj.com)

## THE WALL STREET JOURNAL

### Trump Tax Idea for Wall Echoes House GOP Plan

Richard Rubin

Updated Jan. 26,

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The Trump administration took a step toward a House Republican tax plan Thursday when it tentatively endorsed a proposal to tax U.S. imports and exempt exports from taxation, an idea known as "border adjustment."

House Republicans are banking on the idea to help pay for deep cuts in corporate and individual income-tax rates but face resistance from industry groups and, until Thursday it seemed, the White House itself.

President Donald Trump and press secretary Sean Spicer floated the border adjustment idea—which Mr. Trump criticized two weeks ago—as their way of paying for a wall on the U.S.-Mexico border. Mr. Spicer later said the proposal was just one option being considered "to demonstrate that paying for the wall can be done." Mr. Trump's chief of staff, Reince Priebus, said the administration was considering "a buffet of options."

The comments by Messrs. Trump and Spicer give fresh momentum to the border adjustment idea, though the administration and House Republicans still face political and technical obstacles, including opposition from retailers, oil refiners and other importing industries, as well as skepticism from some senators.

Border adjustments are often used in countries that have value-added taxes, which tax domestic consumption. The House plan would drop the corporate tax rate from 35% to 20%, prevent companies from deducting expenses on imported goods and exempt exports from taxable income.

"This president is looking at a very bold tax reform approach," Rep. Kevin Brady (R., Texas) told Fox News. "Our competitors are already doing this."

A border adjustment is different from the "big border tax" that Mr. Trump often talks about and has described as a targeted 35% levy on firms that outsource production and bring goods back into the U.S.

In the short run, border adjustment would raise money for the government—about \$1 trillion over a decade. That's because the U.S. imports more than it exports, running an annual trade deficit in excess of \$500 billion.

The U.S. runs about a \$50 billion annual trade deficit with Mexico. Applying the 20% tax to Mexican imports and exempting U.S. exports to Mexico would generate net revenue of about \$10 billion annually, enough to pay for a wall in the next few years without leaving a big dent in the House tax plan. It isn't clear, however, whether Mexicans would actually bear the burden of the tax.

"We're working on a tax reform bill that will reduce our trade deficits, increase American exports and will generate revenue from Mexico that will pay for the wall if we decide to go that route," Mr. Trump said at a congressional Republicans' retreat in Philadelphia.

Such a tax could drive up costs of imported goods, including produce, toys and consumer electronics—the easiest and most obvious line of attack for opponents.

"Simply put, any policy proposal which drives up costs of Corona, tequila or margaritas is a big-time bad idea," Sen. Lindsey Graham (R, S.C.) said on Twitter. "Mucho sad."

Economists and proponents of the tax say imposing it would also drive up the value of the U.S. dollar, which could soften the blow to importers by lowering the pretax cost of the goods and services they bring into the U.S.

The large retailers and oil refiners who have been opposing the House plan doubt the currency adjustment would happen as neatly or as quickly as economists predict, and think the tax plan would force them to raise prices.

If a dollar rise does occur, it could unsettle markets, hurt American investors with holdings overseas, and change the Federal Reserve's calculations about interest-rate decisions.

Mr. Trump had criticized border adjustment in an interview with The

Wall Street Journal Jan. 13, saying both that it was "too complicated" and that he didn't like how it sounded.

Republican leaders in the House have vowed to press ahead, warning that the provision is central to their plans. The apparent shift in Mr. Trump's view, if the administration holds to it, is a way for him to say he has kept his promise of forcing Mexico to pay for the wall, take a step toward Republican House Speaker Paul Ryan, and take a major revenue source he can use to pay for the income and corporate tax rate cuts on which he campaigned.

Viewed this way, Mexico's government—which has vowed not to pay for the wall—wouldn't be paying directly, and the statements from the U.S. administration Thursday are an admission of how unlikely that is.

In fact, the costs would be collected by companies selling Mexican-made products in the U.S. There are still many details to work out as lawmakers write a major tax bill over the next few months. Republican senators have been cautious about backing the House tax plan and Democrats view it as part of an unacceptable package that benefits high-income households too much.

If it becomes law, other countries could retaliate by border-adjusting their own corporate taxes or challenging the U.S. plan at the



World Trade Organization as an impermissible export subsidy.

—Carol E. Lee, Siobhan Hughes and Kristina Peterson in Philadelphia, and Santiago Perez in

Mexico City contributed to this article.

Write to Richard Rubin at richard.rubin@wsj.com

**The  
New York  
Times**

N. 26, 2017

President Trump greeted Speaker Paul D. Ryan as he and Vice President Mike Pence attended a retreat for congressional Republicans in Philadelphia on Thursday. Credit Doug Mills/The New York Times

PHILADELPHIA — From the time Donald J. Trump became their candidate until he took the oath of office, congressional Republicans treated his policy pronouncements — largely out of step with Republican dogma — as essentially a distraction. He would talk. They would drive the policies.

But now, the question of whether congressional Republicans would change President Trump or Mr. Trump would change them has an early answer. Mr. Trump cheerfully addressed the group here at their policy retreat on Thursday, and they responded with applause to many proposals they have long opposed.

Republican lawmakers appear more than ready to open up the coffers for a \$12 billion to \$15 billion border wall, perhaps without the commensurate spending cuts that they demanded when it came to disaster aid, money to fight the Zika virus or funds for the tainted water system in Flint, Mich. They also seem to back a swelling of the federal payroll that Mr. Trump has called for in the form of a larger military and 5,000 more border patrol agents.

They have stayed oddly silent as Mr. Trump and Senate Democrats push a \$1 trillion infrastructure plan, larger than one they rejected from President Barack Obama. Once fierce promoters of the separation of powers, Republicans are now embracing Mr. Trump's early governing by executive order, something they loudly decried during Mr. Obama's second term.

Continue reading the main story

Speaker Paul D. Ryan, whose own website this week still praised the Trans-Pacific Partnership trade deal, now applauds Mr. Trump for putting the final shovel of dirt over the accord, with the president saying he is interested in bilateral agreements instead.

## Republicans Now Marching With Trump on Ideas They Had Opposed

By JENNIFER STEINHAUERJA

Many Republicans, who have been longstanding opponents of Russia and written laws that prohibit torture, have chosen to overlook, or even concur with, Mr. Trump's embrace of both. Even on the subject of Mr. Trump's call for an investigation into voter fraud, a widely debunked claim, Republicans have often demurred. "The notion that election fraud is a fiction is not true," said the Senate majority leader, Mitch McConnell of Kentucky.

Mr. Trump said he could not wait for lawmakers to get to work on their newfound common ground. "This Congress is going to be the busiest Congress we've had in decades, maybe ever," Mr. Trump said. In an apparent reference to forthcoming bills, he added, "We're actually going to sign the stuff that you're writing. You're not wasting your time."

Photo

Mr. Trump took his first official flight on Air Force One on Thursday. Credit Doug Mills/The New York Times

Many Republicans in Congress say his presidency is off to a substantive start, delivering on campaign promises to quell illegal immigration, reduce regulations, start the rollback of the health care law and reverse the Obama administration's decisions to halt the Keystone XL and Dakota Access pipeline projects.

"I think he's completely winning the expectation game," said Representative Peter Roskam of Illinois. "I think he's a genius at lowering expectations and overperforming," he said, adding, "It's really remarkable."

In one significant way, congressional Republicans potentially seemed to pull Mr. Trump to their end of the policy pool. On Thursday, the administration initially appeared to endorse taxing imports as a way to pay for the Mexican border wall, reversing its earlier preference for imposing a heavy tax on companies that move jobs overseas. But the White House later said it was just one option under consideration.

"We are in a very good place on tax reform," Mr. Ryan said. "It can get

complicated when you get into the details of tax reform, but once we go through how tax reform works and what it's going to take to get the kind of competitive tax system, the kind of competitive tax rates, I think most people agree that this is the right approach."

Congressional Republicans are also struggling to keep up with Mr. Trump's rapid-fire announcements, let alone push their agenda. "It's fast-paced stuff," said Senator John Hoeven, Republican of North Dakota. Investigating voter fraud, for instance, is not something he would like to see Congress take on. "Our priorities are the ones we laid out," he said.

They are also eager to get on with the rest of that agenda — specifically a repeal and, ostensibly, a replacement of the Affordable Care Act. "We are on the same page with the White House," Mr. Ryan insisted Thursday. "The president agrees with this agenda."

But it is the sudden embrace of federal spending that represents perhaps the most striking departure, with Republicans backing the concept of starting the financing for the border wall with a new appropriation.

And the list is much longer. By contrast, last year, Senator John Cornyn of Texas, the No. 2 Senate Republican, called Democrats' request for \$600 million in aid to Flint added to an energy bill "a huge earmark," adding, "I think it's not something I could support," in keeping with most of his colleagues. Republicans also pushed for and partly succeeded in offsetting a bill to fight Zika last year.

The talk of a spending surge has left some Republicans worried about an exploding deficit. "There are going to have to be some cuts," said Representative Jason Chaffetz of Utah. "I am not interested in raising our spending levels."

Senator John Barrasso of Wyoming, the chairman of the Environment and Public Works Committee, seemed tense when asked about the open checkbook. "We're a fiscally conservative group," he said of the committee. "We're going to want to see things paid for."

Republicans are also at times confused about what Mr. Trump is actually seeking when he makes policy declarations on Twitter. "'Appears' I think is the big word," said Representative Ryan Costello of Pennsylvania. "I don't think anyone in the House of Representatives on the Republican side of the aisle wants to go through the legislative process," only to have the Trump administration send a bill back, he said.

Republicans had expected to reveal great progress on their plans to replace the health care act here, but instead seemed stuck in a perpetual debate over the timeline of coming up with a replacement. Senators in large part made a strong argument for making sure that a replacement plan had been fashioned before repealing the law, while many in the House continue to push for a repeal with replacement coming much later.

Also notable is the Republicans' acceptance of something they have despised: the use of the executive pen to make policy. Several House Republicans dismissed the notion that Mr. Trump would abuse his power to issue executive orders in the way they complained that Mr. Obama did during his second term.

"What you do by the pen can be dismantled by the pen," said Representative Tom Reed of New York.

Mr. Trump is also trying to work his will on how the Senate operates. In an interview with Sean Hannity on Fox News, Mr. Trump said he thought Mr. McConnell should get rid of the Senate filibuster rule for Supreme Court nominees, calling those who would oppose his coming pick "obstructionists."

About three blocks from where Mr. Trump spoke, hundreds of protesters packed a plaza just across from City Hall to rally against the president. While the demonstration was organized around preserving the health care law, protesters showed up for a variety of causes. "I don't trust anything he says," said Ken Snyder, 62.

**THE WALL  
STREET  
JOURNAL**

## Strassel : A GOP Regulatory Game Changer

Kimberley A. Strassel

Jan. 26, 2017 7:48 p.m. ET

Todd Gaziano on Wednesday stepped into a meeting of free-

market attorneys, think tankers and Republican congressional staff to unveil a big idea. By the time he stepped out, he had reset Washington's regulatory battle lines.

These days Mr. Gaziano is a senior fellow in constitutional law at the Pacific Legal Foundation. But in 1996 he was counsel to then-Republican Rep. David McIntosh. He was intimately involved in drafting and passing a bill Mr. McIntosh sponsored: the Congressional Review Act. No one knows the law better.

Everyone right now is talking about the CRA, which gives Congress the ability, with simple majorities, to overrule regulations from the executive branch. Republicans are eager to use the law, and House Majority Leader Kevin McCarthy this week unveiled the first five Obama rules that his chamber intends to nix.

The accepted wisdom in Washington is that the CRA can be used only against new regulations, those finalized in the past 60 legislative days. That gets Republicans back to June, teeing up 180 rules or so for override. Included are biggies like the Interior Department's "streams" rule, the Labor Department's overtime-pay rule, and the Environmental Protection Agency's methane rule.

More By Kimberley Strassel

But what Mr. Gaziano told Republicans on Wednesday was that the CRA grants them far greater powers, including the extraordinary ability to overrule regulations even back to the start of the Obama administration. The CRA also would allow the GOP to dismantle these regulations quickly, and to ensure those rules can't come back, even under a future Democratic president. No kidding.

Here's how it works: It turns out that the first line of the CRA requires any federal agency promulgating a rule to submit a "report" on it to the House and Senate. The 60-day clock starts either when the rule is published or when Congress receives the report—whichever comes later.

"There was always intended to be consequences if agencies didn't deliver these reports," Mr. Gaziano tells me. "And while some Obama agencies may have been better at sending reports, others, through incompetence or spite, likely didn't." Bottom line: There are rules for which there are no reports. And if the Trump administration were now to submit those reports—for rules implemented long ago—Congress would be free to vote the regulations down.

There's more. It turns out the CRA has an expansive definition of what counts as a "rule"—and it isn't

limited to those published in the Federal Register. The CRA also applies to "guidance" that agencies issue. Think the Obama administration's controversial guidance on transgender bathrooms in schools or on Title IX and campus sexual assault. It is highly unlikely agencies submitted reports to lawmakers on these actions.

"If they haven't reported it to Congress, it can now be challenged," says Paul Larkin, a senior legal research fellow at the Heritage Foundation. Mr. Larkin, also at Wednesday's meeting, told me challenges could be leveled against any rule or guidance back to 1996, when the CRA was passed.

The best part? Once Congress overrides a rule, agencies cannot reissue it in "substantially the same form" unless specifically authorized by future legislation. The CRA can keep bad regs and guidance off the books even in future Democratic administrations—a far safer approach than if the Mr. Trump simply rescinded them.

Republicans in both chambers—particularly in the Senate—worry that a great use of the CRA could eat up valuable floor time, as Democrats drag out the review process. But Mr. Gaziano points out another hidden gem: The law allows a simple majority to limit debate time. Republicans could easily whip through a regulation an hour.

Imagine this scenario: The Trump administration orders its agencies to make a list of any regulations or guidance issued without a report. Those agencies coordinate with Congress about when to finally submit reports and start the clock. The GOP puts aside one day a month to hold CRA votes. Mr. Obama's regulatory legacy is systematically dismantled—for good.

This is aggressive, sure, and would take intestinal fortitude. Some Republicans briefed on the plan are already fretting that Democrats will howl. They will. But the law is the law, and failing to use its full power would be utterly irresponsible. Democrats certainly would show no such restraint were the situation reversed. Witness their treatment of Mr. Trump's cabinet nominees.

The entire point of the CRA was to help legislators rein in administrations that ignored statutes and the will of Congress. Few White House occupants ever showed more contempt for the law and lawmakers than Mr. Obama. Republicans if anything should take pride in using a duly passed statute to dispose of his wayward regulatory regime. It'd be a fitting and just end to Mr. Obama's abuse of authority—and one of the better investments of time this Congress could ever make.

Write to kim@wsj.com.

Los  
Angeles  
Times

## Editorial : Trump's freeze on immigrants and refugees plays into the hands of Islamic terror recruiters

Los Angeles Times

President Trump is expected to sign orders Friday to temporarily freeze immigration from seven Muslim nations and halt refugee resettlements from everywhere — a classic example of a solution in search of a problem, and just the kind of symbolic act that gives weight to radical Islamists when they argue that the U.S. is an enemy of their faith.

Trump's campaign for president was built on a foundation of fear and resentment, and that dark cloud hangs over these putative attempts to bolster national security. Based on a draft version of the executive order, it seems that Trump will impose a 30-day suspension of visas for people from seven predominately Muslim countries — Iran, Iraq, Libya, Somalia, Sudan, Syria and Yemen — while the government reviews and presumably tightens its visa-vetting protocols. He also will direct security officials to determine within 30 days what information

they need to evaluate potential visitors, and list the countries around the world that don't provide it. Countries that don't correct the error of their ways within 60 days of that report — including the seven affected by the ban — will have their citizens barred until they comply.

Worse, Trump apparently plans to suspend U.S. acceptance of all refugees — people fleeing war or oppression for whom returning home is not an option — for 120 days as the government reviews and revises its screening procedures, and he is expected to slash the number of refugees the U.S. would accept through October 2017 from 110,000 (set by President Obama last September) to 50,000. Trump also will prioritize the resettlement of refugees seeking asylum on grounds of religious persecution, officially valuing people oppressed because of their religion over those targeted for political dissent, sexual orientation or other reasons.

And Trump wants plans drawn for "safe areas" for Syrians within Syria or nearby nations, which could help the administration at a later point if it wants to institute a longer-term ban on Syrian refugees. But the draft order offers no details on how the safe zones would be secured, or the legal basis for the U.S. establishing control of territory in a sovereign (if war-torn) state.

Such efforts to restrict access to the U.S. by people fleeing war-torn parts of the world would be misguided and inhumane. The Migration Policy Institute, a nonpartisan think tank, reported in 2015 that in the 14 years after the 9/11 terror attacks, 784,000 refugees resettled in the U.S. Yet during that time only three resettled refugees were convicted on terror-related charges — two of them for plotting against an overseas target and the third for hatching "plans that were barely credible," according to the report. The vast majority of refugees allowed into the U.S. are first vetted by the United Nations High Commissioner for

Refugees, whose screeners then recommend placements in third countries. When the U.S. gets a referral, it conducts its own security screening before offering resettlement, a process that routinely takes one to two years.

What's more, a study by the New America Foundation shows that 80% of the terrorist attacks in this country since 9/11 have been carried out by American citizens (although some of those perpetrators were naturalized citizens).

It is not surprising that some Americans are worried by the hostility directed at them from a small, radicalized segment of the Islamic world. But such fears should not be channeled into a broad, discriminatory retrenchment that is at odds with the best of our humanitarian principles — especially if that retrenchment would likely do little to protect us.

The U.S. became a wealthy world power in large part through immigration. And its openness has

provided a lifeline to the oppressed of the world — the U.S. has formally resettled more refugees than any

other country (though at the moment it is not bearing its fair share of the burden of

resettling the tens of millions of migrants currently fleeing war zones). Trump's actions are not

only inhumane, they are a betrayal of what the United States stands for.

**Los Angeles Times**

## Editorial : Trump needs to stop sending mixed messages on torture

The Times Editorial Board

The Times Editorial Board

One of the applause lines of Donald Trump's presidential campaign was his suggestion that he would bring back waterboarding and "a hell of a lot worse than waterboarding."

Trump later drew back to some degree from that sickening suggestion, but the idea that his administration might subject suspected terrorists to torture keeps resurfacing.

This week it was reported that a draft executive order is circulating that contemplates modifications in

interrogation practices and implies that limits in current law are too restrictive. Equally ominous, the document also floats the idea of re-establishing overseas detention centers operated by the CIA at which "high-value alien terrorists" would be interrogated outside the reach of U.S. law.

Barack Obama ordered the closing of such "black sites" shortly after he took office in 2009. At the same time Obama ordered CIA interrogators to abide by the standards of the Army Field Manual, which prohibited waterboarding and other inhumane interrogation methods. Congress later wrote that requirement into federal law.

White House Press Secretary Sean Spicer said the proposed executive order was "not a White House document." But The New York Times quoted three administration officials who said it had circulated among staff members of the National Security Council.

Meanwhile, Trump told an interviewer for ABC News this week that he has spoken to intelligence experts who were "big believers" in waterboarding. Not only that: He said he had asked people at the highest levels of intelligence: "Does torture work?" And the answer was, "Yes, absolutely."

To be fair, Trump said that he would defer — for now anyway — to

Secretary of Defense James Mattis "who said he's not a believer in torture." The president added that "I want to do everything within the bounds of what you're allowed to do legally."

The problem is that those legal boundaries could change: The draft executive order is a catalog of possible changes, all of them bad, which is why the White House needs to strongly and clearly disavow the document.

Torture is not a subject on which the administration can afford to send mixed signals.

**THE WALL STREET JOURNAL**

## Share of U.S. Workers in Unions Falls to Lowest Level on Record

Eric Morath and Kris Maher

Jan. 26, 2017 1:17 p.m. ET

The share of American workers in unions fell to the lowest level on record in 2016, showing a return to the downward trend for organized labor after membership figures had stabilized in recent years.

The total number of union members fell for both private- and public-sector workers last year, the first overall decline in four years, the Labor Department said Thursday. New policies from the Trump administration threaten to put more downward pressure on organized labor's last stronghold, government employees, but might help stem membership losses among manufacturing and construction workers.

Only 10.7% of workers were union members last year, down from 11.1% in 2015, and from more than 20% in the early 1980s. It is unclear whether any of Republican President Donald Trump's policies could reverse this decadeslong slide in private-sector union membership, especially when unions were unable to gain traction with a union-friendly Democrat in the White House.

The share of union members in the workforce stabilized between 2012 and 2015 after suffering losses during President Barack Obama's first years in office. At the same time, the total number of union workers increased along with growing employment. Still, while unions went into the Obama administration with optimism, their

biggest priority, getting a law passed to make it easier to organize workers, was sidelined within months of his presidency as other issues took precedence.

Lee Saunders, president of the American Federation of State, County and Municipal Employees, said last year's drop in union membership was evidence of continuing attacks by Republican politicians and corporations.

He said that his own union, which represents public employees, was able to add 12,000 members over the past year, thanks to its organizing efforts, "even in the face of an antilabor onslaught."

The latest data reflect labor unions' inability to make gains despite favorable treatment from a Democratic-controlled National Labor Relations Board, said the U.S. Chamber of Commerce, which represents millions of businesses.

"Big labor's membership rolls continue to sag for the simple reason that workers remain uninterested in the product that the unions are selling," said Randy Johnson, senior vice president overseeing labor issues at the chamber.

Broadly, the share of private-sector workers who are union members fell over the past three decades largely because blue-collar manufacturing jobs have been replaced by service-sector positions that are less likely to come with a union card. Meanwhile, the share of government employees who are union members—including police officers and public-school

teachers—held relatively constant, at about one in three.

As a result, public-sector workers last year accounted for nearly half of all union members, but only about 15% of the workforce.

Mr. Trump's policy moves could upend both those long-running trends, if he helps unionized private employers create more jobs.

Companies can also ramp up work at nonunion sites, and Mr. Trump hasn't said his aim is to help unions grow. But labor leaders are hoping they can benefit from policies that help their industries.

Maintaining and expanding manufacturing jobs are among Mr. Trump's top priorities. Since his election in November, United Technologies Corp.'s Carrier division, Ford Motor Co. and General Motors Co. all announced plans to retain or add jobs in the U.S. Mr. Trump had taken each firm to task on Twitter for plans to expand outside the U.S.

While those companies are largely organized, manufacturing unions are challenged by strong growth in nonunion shops. Manufacturers added 236,000 jobs last year, but the number of unionized workers in the sector fell by 74,000, according to the data released Thursday.

This week, Mr. Trump helped clear the way for two pipeline projects to proceed and repeated pledges to back infrastructure investments that could create construction jobs. Both moves were applauded by building and trades unions, some of whom

were hosted in the Oval Office on Monday.

The number of union members employed in manufacturing fell more than 50% from 2000 through last year. The number of unionized construction workers increased in 2016—one of the few categories showing growth—but is still well down since 2000.

"For thousands of hardworking men and women who have been shut out of our economy for too long, it is beginning to feel like a new day," said Terry O'Sullivan, general president of the Laborers' International Union of North America, who attended the meeting with the president. The pipeline projects "embodies the president's commitment to creating good middle-class jobs."

Mr. Trump also formally withdrew this week from a 12-nation Pacific trade agreement.

Unions praising that move included the International Brotherhood of Teamsters and the United Steelworkers. "We want to work with President Trump and his administration to do much more," said Leo Gerard, president of the steelworkers union, which also represents workers in the paper, glass and rubber industries.

Mr. Gerard, a strong critic of Mr. Trump's during last year's campaign, said withdrawing from the Trans-Pacific Partnership and renegotiating Nafta should just be a start. "Dumping, subsidies, evasion, and so many other unfair trade practices are sapping America's industrial strength and undermining



the lives and livelihoods of countless workers," he said.

Representatives from much of the labor movement—including the AFL-CIO, the Teamsters, Steelworkers and unions representing service-sector workers, teachers and government employees—didn't attend Monday's meeting with Mr. Trump.

Also among the president's actions this week was a move to freeze federal hiring for 90 days and direct the creation of a plan to scale back the size of the government, outside the military. That could erode union

membership in an area that had stabilized in recent years.

The hiring freeze "is not a good way to manage the federal workforce," said J. David Cox, president of the American Federation of Government Employees, a union representing about 300,000 federal workers. He said past attempts to shrink the federal workforce have resulted in increased use of contractors, who are less likely to be unionized.

Mr. Trump said contractors couldn't be used to circumvent his directive.

A potentially bigger threat to public-sector unions is Mr. Trump's plan to appoint a conservative justice to the Supreme Court. Last year, the court split 4-4 on a decision involving California teachers that could have overturned precedent allowing public-employee unions to collect mandatory dues from represented workers, if authorized by state law.

Such a ruling would "make the entire public sector right-to-work," said Lawrence Mishel, president of the Economic Policy Institute, a left-leaning think tank. In right-to-work states, workers don't have to pay dues or a fee if they decline to join a

union. The change could reduce union membership among government workers by 10% to 25%, he said.

In recent years, "the public sector has been the only engine of growth for unions," said Gary Chaison, professor of industrial relations at Clark University. "Labor should be very worried about anything that changes the financial incentive for those workers to organize."

**Write to** Eric Morath at [eric.morath@wsj.com](mailto:eric.morath@wsj.com) and Kris Maher at [kris.maher@wsj.com](mailto:kris.maher@wsj.com)



## Trump called the government's job numbers 'phony.' What happens now that he's in charge of them?

<https://www.facebook.com/anaclaireswanson>

During the campaign, Donald Trump called the official unemployment rate published by the Labor Department "such a phony number," "one of the biggest hoaxes in American modern politics" and "the biggest joke there is." He variously described the real rate as 18, 19, 20, 21, 22, 24, 25, 28, 29, 30 and 35 percent. In August, he told Time magazine that the "real unemployment rate is 42 percent."

The criticism didn't stop after the election: As recently as December, Trump called the rate "totally fiction."

These statements are generating concern among some economists as Trump, a professed outsider and enemy of entrenched Washington bureaucrats, takes charge of the agencies responsible for publishing the numbers he has criticized. It has left some economists questioning whether the Trump administration could undermine the credibility of government-issued economic data in the future, either in its words or actions.

"Will they continue to say that facts don't matter, will they denigrate the statistical agencies of the country?" said Bill Spriggs, the chief economist to the AFL-CIO. "If we can't agree on the facts, then we're not going to be able to discuss the specifics of his policies, and I'm very nervous ... to see how they act."

Investors around the world move markets based on data collected and published by the Department of Labor, the Department of Commerce and other agencies. Business leaders use the statistics to determine their strategies, while officials at all levels of the government, as well as the press

and academics, look to the data to plan and evaluate their actions.

Following President Trump's statements in recent days about the size of his inaugural crowd and voter fraud in the 2016 elections, his administration has faced questions about its commitment to transparently releasing accurate data. On Tuesday, government employees expressed misgivings as Trump administration officials ordered multiple federal agencies to halt their communication with the public or the press, including news releases, social media messages and correspondence.

During a confirmation hearing for Rep. Mick Mulvaney (R-S.C.), Trump's pick for budget director, Sen. Claire McCaskill (D-Mo.) pressed him for assurances that the data released from the Office of Management and Budget would be trustworthy.

"I have been astounded over the last three days over what has occurred," McCaskill said. "If the president asks you to not issue real data or asks you to alter data according to his narrative, what would your reaction be?"

Mulvaney vowed to bring a "fact-based approach" to the Office of Management and Budget. "The credibility that I think I bring to this job is that I believe very firmly in real numbers," he said. "My job is to tell the president the truth."

He added: "I don't imagine the president of the United States will tell me to lie."

### Beyond fiddling with the numbers

Economists and current and former employees of the statistical agencies agree that it would be

difficult for Trump's administration to tamper with economic data directly.

At the Bureau of Labor Statistics, an independent agency within the Labor Department that computes important figures like the national unemployment rate, hundreds of career economists and mathematicians are involved in calculating any one number, and the data they draw on to reach those calculations is publicly available, said Victoria Battista, an economist at the BLS.

"It's not just one number that a manager can change in a spreadsheet after closing time," said Salim Furth, a research fellow at the Heritage Foundation.

Trump will be in charge of making just one political appointment at the BLS — the commissioner. And many of the statistics that BLS gathers are mandated by law.

Heidi Shierholz, the former chief Labor Department economist under President Barack Obama, said she isn't worried about the threat of tampering, because of extensive safeguards. Still, she said there could be other risks to the integrity of economic statistics.

"The thing that is a much deeper concern in my mind is how those agencies are respected, and the undermining of the public's faith in the quality of the data is a real threat," said Shierholz, now a director of policy at the left-leaning Economic Policy Institute. "When your president is saying, 'Oh the unemployment rate is not what they say it is,' people don't know what to believe. And that's a real problem."

The other threat, according to Shierholz, would be a cut in the bureau's funding. "There's not room to cut anymore. It would severely damage our data resources," she said.

### A different way of looking at the data

While some might worry about the sanctity of government statistics under Trump, economists also agree that Trump and his advisers have a point in saying that the traditional unemployment rate isn't always the best measure of the economy.

The traditional unemployment rate — known by government statisticians as the U-3 rate, now at 4.7 percent, counts only those who are unemployed and actively looking for work. But it doesn't include people who have given up looking for work, so-called discouraged workers, or those who are working part-time but would like to be full-time. The U-6 rate, which does incorporate those workers, was 9.2 percent in December.

Michael Strain, the director of economic policy studies at the American Enterprise Institute, said focusing on the broader U-6 rate rather than the more traditional U-3 rate is "completely defensible." However, that's different than some of Trump's other claims about economic data, he said.

"It is flatly untrue to say the Obama administration has been lying about the unemployment rate, and the real unemployment rate is 42 percent. It was inappropriate to say that," Strain said.

The White House did not offer comment for this story, but pointed to remarks press secretary Sean Spicer made earlier this week when asked what the national unemployment rate was. Spicer did not answer the question directly, saying that the government puts out an array of unemployment figures "so that economists can view them and decide, look at different landscapes on ... how to make economic policy."



"Too often in Washington, we get our heads wrapped around a number and a statistic. And we look at and we forget the faces and the

families and the businesses that are behind those numbers," Spicer said.

"I think [Trump] addressed that in his inaugural speech when he

talked about shifting power outside of Washington D.C. back to the American people because for too long it's been about stats ... and it's

been about, what number are we looking at as opposed to what face are we looking at?"

## **POLITICO** Trump's regulation freeze makes losers out of some U.S. businesses

By Lorraine Woellert

President Donald Trump's quick suspension of new federal regulations has triggered some unintended consequences: sudden pain and deeper uncertainty for a broad array of U.S. businesses.

Oil and gas companies, ethanol producers, real estate agents and small farmers are among those that could be hurt by the regulatory freeze. Some are lobbying to preserve regulations that Trump put on hold.

Story Continued Below

"I want him and whoever's in his Cabinet to look at what the rules are saying," said Eric Hedrick, a West Virginia chicken farmer trying to save an Obama-era rule. "Don't just say that it's another regulation. Look at what it says. Look at what the rule will do for farmers and ranchers across the country."

The sweeping executive order, signed hours after the president's inauguration, was intended to help American businesses by halting rules developed in the waning days of the Obama administration. Trump later vowed to cut regulations by 75 percent.

While many businesses are cheering Trump's sprint to deregulate, the reaction from some corners of the business landscape underscores how complicated the issue is. For every government regulation, there are winners as well as losers.

Trump's moves have also created uncertainty, the one thing corporate executives curse even more than government interference.

The administration's first week has shaken foundations companies

have been building on for decades. FedEx Corp., John Deere and Hollywood were among the big losers when Trump torpedoed TPP this week. Target, Wal-Mart and other big retailers that depend on imports are struggling to decipher the president's statements on a border tax, which could force them to raise prices they charge to customers.

"Disruption has come to Washington in a big, big way, in a way we've never seen before," said Matthew Shay, president of the National Retail Federation. In a speech to NRF members last week, Shay called the border tax "potentially disastrous."

The National Association of Realtors, whose 1.2 million members lean Republican, was the first group to feel the pain of Trump's regulatory freeze. Just hours after being sworn in as president, even before issuing his broad executive order on regulation, Trump rolled back an Obama plan to lower costs for some homebuyers.

The \$831 billion mortgage insurance industry rejoiced. But real estate agents hold out hope that the reversal at the Federal Housing Administration is temporary. They are making their case to the public and to Trump.

"We believe that the benefits of the mortgage insurance premium cut will shine through during this review period so it can be quickly put back into place," NAR President William Brown said.

A renewable-fuel market indicator had its biggest one-day drop in more than six weeks after the EPA said it would delay standards for adding biofuels to the U.S. gasoline supply.

Houston-based Westlake Chemical Partners notified shareholders that the president had suspended a tax rule favorable to the business. Other companies might get tax relief — a plan to raise estate taxes on certain businesses was suspended, too.

"It can be exhilarating for certain businesses who can see the prospect of drastically reduced burdens. But it's also unsettling," said Philip Wallach, a senior fellow at the Brookings Institution. "Trump is Mr. Wild Card."

Some financial firms are also in the line of fire.

The Labor Department's so-called fiduciary rule, which would require brokers to act in their clients' best interest when offering retirement investing advice, may also be in jeopardy.

While many insurers, mutual funds and brokerage firms have fiercely resisted the rule, which will limit their sales practices, some businesses want it to stay in place. Many firms already have spent money to offer the passive, low-cost retirement savings products that the rule encouraged and that customers are increasingly demanding.

The rule "has some very great components to it," said BlackRock Chief Executive Officer Larry Fink said on a Jan. 13 earnings call.

Other financial companies are eagerly awaiting the repeal of key parts of the 2010 Dodd-Frank Act, a far-reaching financial industry overhaul Trump has vowed to dismantle.

But some businesses have benefited from the law, including Intercontinental Exchange Inc. The Atlanta-based company operates

exchanges — including the New York Stock Exchange — and clearinghouses for derivatives, which were boosted by Dodd-Frank's requirement that more derivatives be cleared through them.

In West Virginia, Hedrick, a Trump supporter, was put in limbo by the president's memorandum on rules, which blocked a regulation born of an eight-year fight between small farmers and big processors like Pilgrim's Pride and Tyson Foods.

The farmers won and the Department of Agriculture updated a Grain Inspection, Packers & Stockyards Administration regulation, the GIPSA rule, making it easier for small farmers to sue the big poultry processors they partner with.

Regulations, Hedrick said, aren't always bad for business.

"He said he was going to help fight for the little guy, that these big corporations and stuff were just running rampant," Hedrick said of Trump. "It's not a Republican thing, it's not a Democratic thing. It's a right and wrong thing."

The Trump administration blocked the GIPSA rule this week along with hundreds of others. Now the chicken, pork and beef industries are fighting to kill it outright.

"We'd be happy to see this go away permanently," said Tom Super, vice president of communications for the National Chicken Council. "This midnight regulation was really a gift to the trial lawyers on the way out the door."

*Tony Romm and Patrick Temple-West contributed to this report.*



## **Speechwriter Hurwitz : Fact-checking is Job 1 for any White House**

Sarah Hurwitz  
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Michelle Obama speaks at the Democratic National Convention, Philadelphia, July 25, 2016. (Photo: Nick Oza, Arizona Republic)

The role of a White House speechwriter is often glamorized — often by none other than former White House speechwriters

themselves. We tell breathless tales of meeting with the president or first lady to hear what they want to say in their speeches; working late into the night to come up with the perfect turn of phrase to capture their voices; traveling the country and the world and seeing audiences inspired by their words.

But the truth is that one of the most important and time-consuming parts of our jobs in the Obama White House, as in all recent

administrations, was also the least glamorous: fact-checking.

Every speech my colleagues and I wrote for the president or first lady was subjected to a painstaking review by the White House Research Department. And those folks were merciless.

If a speech contained a statistic they couldn't independently verify, they would ask us to produce the source — and if they deemed that

source insufficiently reputable, we cut the statistic from the speech.

If language in a speech seemed to contradict something the president or first lady had said elsewhere, they would point out the discrepancy so we could reconcile it.

If they saw an acknowledgment from the president or first lady at the top of a speech, such as "Thanks so much to my good friend, Mayor so-

and-so, for joining us here today, she's been a real leader on X issue," they would ask us to confirm that the mayor was indeed coming to the event and was truly a good friend as opposed to just an acquaintance. They might also email a bunch of articles they found in local newspapers criticizing that mayor's work on X issue and advise us to tone down the praise.

The words "always" and "never" were just asking for it. Researchers had an uncanny ability to find the one obscure exception to any blanket statement we wished to make.

It was exhausting. When it's 11 p.m. the night before a big speech, and you've been working around the clock for days, the last thing you want in your inbox is an email from a fact-checker that starts, "Thanks for sending the latest draft, we have some flags ..." and then goes on for

pages, picking apart the words you've poured your heart into crafting.

While our fact-checkers occasionally drove us crazy, we were incredibly grateful for their work. It is an awesome — and terrifying — responsibility to write speeches for the leader of the free world and his or her spouse. Their words can affect markets and cause international incidents. And through their speeches, the president and first lady speak directly to the American people about their most pressing and personal concerns.

This was not an abstract, intellectual exercise for us. We would often get to know people affected by the issues we were writing about — the parents who lost their son on 9/11 when he went up and down the stairs of a burning building to lead others to safety, the soldier who suffered life-threatening

injuries but defied all odds to walk again — and we would stay in touch long after the speech was delivered.

We would read letters the president and first lady received: From the man who had gotten a job as a dishwasher and was proud that he could now afford to donate a few cans each week to the church food pantry his family had relied on when he was unemployed. From the woman who heard the first lady's speech decrying Donald Trump's boasts about sexual assault and decided she would no longer feel ashamed about what had happened to her.

Some of the letters were supportive, some were highly critical. Often, they would start with something like, "I'm sure no one will ever read this, but just in case someone does ..." That hesitation followed by vulnerability and hope got us every time.

The thought of the president or first lady inadvertently saying something untrue to any of these people because we hadn't thoroughly checked it — that was unbearable to us, and it would have been unacceptable to them.

In the Obama White House, our ultimate bosses were the people we served — the people who paid our salaries and entrusted us with their aspirations, their worries and their high expectations. We felt that we always owed them the truth. We should all insist on nothing less from the current occupant of the Oval Office and his staff.

*Sarah Hurwitz was first lady Michelle Obama's chief speechwriter from 2010 to 2017. She will be a spring semester fellow at the Institute of Politics at Harvard University.*



## Newt Gingrich: Margaret Thatcher is the real model for the Trump presidency

By Newt Gingrich

*Newt Gingrich, a Republican from Georgia, was speaker of the House from 1995 to 1999. He served as vice chair of the Trump transition team.*

As British Prime Minister Theresa May becomes the first foreign leader to visit President Trump, it is a good time to consider that Margaret Thatcher, much more than Ronald Reagan, is the real model for the Trump presidency.

Trump's inaugural address last Friday had the directness and confrontational tone of a Thatcher speech. The president was clear that he stood for dramatic, bold change and that he regarded his election as a victory of the American people.

Trump's speech was not designed to reconcile with the Washington power structure. In fact, it was a declaration of loyalty to the American people against that very power structure.

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Furthermore, the address represented a direct threat to the value system of the left. In this head-on challenge to power and ideology, Trump resembles Thatcher far more than Reagan.

Reagan was focused on breaking the power of the Soviet Union, not breaking the power of political correctness and the elite media that has increasingly dominated the United States. They were frightened of Reagan, but they weren't enraged by him.

Trump is a direct, mortal threat to both the power structure and the ideology of the left. The left knows it and is responding just as the British left wing responded to Thatcher.

The young liberal fascists breaking windows and intimidating Trump supporters on Inauguration Day displayed the kind of hostility that Thatcher evoked on the left.

The congressional Democrats' decision to adopt pure negativity and opposition tactics is much more like the Labour Party's reaction to Thatcher than then-House Speaker Tip O'Neill's much more nuanced approach to Reagan. One-third of the House Democrats voted for the Reagan economic program in the summer of 1981. It is hard to imagine that happening in the House today.

The left in Britain became so unhinged with its bitter hostility that it kept drifting further and further out of the mainstream. The term "loony left" became a common description of the Labour Party in the 1987 election.

Today, the hysteria of the American left as the Elizabeth Warren-George Soros wing talks only to its own partisans is becoming increasingly

bizarre. Think about the optics of last weekend's anti-Trump marchers, with their vulgarity and dreams of blowing up the White House. This sort of rhetoric repels most Americans.

Claire Berlinski, in her brilliant book "There Is No Alternative: Why Margaret Thatcher Matters," argues that Thatcher had two great historic goals. First, Thatcher was dedicated to destroying the moral legitimacy of socialism. Second, she was determined to break Arthur Scargill and the coal miners union, which was the most powerful structure threatening the Parliament's right to govern.

Thatcher believed socialism was destroying the spirit of individual responsibility, hard work and entrepreneurship, which she felt was at the heart of Britain's success. Her campaign against the values and principles of socialism was a moral campaign.

Furthermore, she believed Scargill was challenging the legitimacy of a popularly elected government to set the rules.

In Thatcher's analysis, if socialism prevailed and the coal miners union could dictate its own terms, then Britain as a country would be transformed into a very different place. Thus, she saw her fight as Churchillian in the depth and intensity of the fight and the scale of the stakes.

Trump's decision to put a bust of Winston Churchill back in the Oval

Office is a clear signal of that same resolve.

Like Thatcher, Trump is similarly focused on destroying the moral legitimacy of the left and breaking the power of the lobbyist and bureaucratic establishment in Washington. His actions thus far in office, including steps to restore the rule of law in immigration and move forward with vital energy infrastructure projects, have been consistent with these goals.

It is no accident that May will be the first foreign leader to meet with Trump. The president instinctively wants a much closer alliance with Britain. Where President Barack Obama warned that voting for Brexit would put Britain at the back of the line, Trump believes the vote for Brexit puts Britain at the front of the line. Britain may have had more riding on the outcome of the U.S. election than any other foreign country.

Those who fear Trump's protectionism might note that one of his first goals is to begin working on a bilateral agreement with Britain (which may become a trilateral agreement if the Canadians are invited in). This is a much more sophisticated president than his critics believe.

This week's visit may revitalize the special relationship that the United States and Britain have had ever since 1941. Prime Minister Thatcher would have approved.

## Brooks : The Politics of Cowardice

President Trump outside the White House on Thursday. Credit Stephen Crowley/The New York Times

This is a column directed at high school and college students. I'm going to try to convey to you how astoundingly different the Republican Party felt when I was your age.

The big guy then was Ronald Reagan. Temperamentally, though not politically, Reagan was heir to the two Roosevelts. He inherited a love of audacity from T.R. and optimism and charm from F.D.R.

He had a sunny faith in America's destiny and in America's ability to bend global history toward freedom. He had a sunny faith in the free market to deliver prosperity to all. He had a sunny faith in the power of technology to deliver bounty and even protect us from nuclear missiles.

He could be very hard on big government or the Soviet Union, but he generally saw the world as a welcoming place; he looked for the good news in others and saw the arc of history bending toward progress.

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When he erred it was often on the utopian side of things, believing that tax cuts could pay for themselves, believing that he and Mikhail Gorbachev could shed history and eliminate all nuclear weapons.

The mood of the party is so different today. Donald Trump expressed the party's new mood to David Muir of ABC, when asked about his decision to suspend immigration from some Muslim countries: "The world is a mess. The world is as angry as it gets. What, you think this is going to cause a little more anger? The world is an angry place."

Consider the tenor of Trump's first week in office. It's all about threat perception. He has made moves to build a wall against the Mexican threat, to build barriers against the Muslim threat, to end a trade deal with Asia to fight the foreign economic threat, to build black site torture chambers against the terrorist threat.

Trump is on his political honeymoon, which should be a moment of joy and promise. But he seems to suffer from an angry form of anhedonia, the inability to experience happiness. Instead of savoring the moment, he's spent the week in a series of nasty squabbles about his ratings and crowd sizes.

If Reagan's dominant emotional note was optimism, Trump's is fear. If Reagan's optimism was expansive, Trump's fear propels him to close in: Pull in from Asian entanglements through rejection of the Trans-Pacific Partnership. Pull in from European entanglements by disparaging NATO. It's not a cowering, timid fear; it's more a dark, resentful porcupine fear.

We have a word for people who are dominated by fear. We call them cowards. Trump was not a coward in the business or campaign worlds. He could take on enormous debt and had the audacity to appear at televised national debates with no clue what he was talking about. But as president his is a policy of cowardice. On every front, he wants to shrink the country into a shell.

J.R.R. Tolkien once wrote, "A man that flies from his fear may find that he has only taken a shortcut to meet it."

Desperate to be liked, Trump adopts a combative attitude that makes him unlikable. Terrified of Mexican criminals, he wants to build a wall that will actually lock in more undocumented aliens than it will keep out. Terrified of Muslim terrorists, he embraces the torture policies guaranteed to mobilize terrorists. Terrified that American business can't compete with Asian business, he closes off a trade deal that would have boosted annual real incomes in the United States by \$131 billion, or 0.5 percent of G.D.P. Terrified of Mexican competition, he considers slapping a 20 percent tariff on Mexican goods, even though U.S. exports to Mexico have increased 97 percent since 2005.

Trump has changed the way the Republican Party sees the world. Republicans used to have a basic faith in the dynamism and openness of the free market. Now the party fears openness and competition.

In the summer of 2015, according to a Pew Research Center poll, Republicans said free trade deals had been good for the country by 51 to 39 percent. By the summer of 2016, Republicans said those deals had been bad for America by 61 percent to 32 percent.

It's not that the deals had changed, or reality. It was that Donald Trump became the Republican nominee and his dark fearfulness became the party's dark fearfulness. In this case fear is not a reaction to the world. It is a way of seeing the world. It propels your reactions to the world.

As Reagan came to office he faced refugee crises, with suffering families coming in from Cuba, Vietnam and Cambodia. Filled with optimism and confidence, Reagan vowed, "We shall seek new ways to integrate refugees into our society," and he delivered on that promise.

Trump faces a refugee crisis from Syria. And though no Syrian-American has ever committed an act of terrorism on American soil, Trump's response is fear. Shut them out.

Students, the party didn't used to be this way. A mean wind is blowing.

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## Krugman : Making the Rust Belt Rustier

Paul Krugman  
Ambridge, Pa., a former steel town west of Pittsburgh, was once a Democratic stronghold but supported Donald Trump in November. Hilary Swift for The New York Times

Donald Trump will break most of his campaign promises. Which promises will he keep?

The answer, I suspect, has more to do with psychology than it does with strategy. Mr. Trump is much more enthusiastic about punishing people than he is about helping them. He may have promised not to cut Social Security and Medicare, or take health insurance away from the tens of millions who gained coverage under Obamacare, but in practice he seems perfectly willing to satisfy his party by destroying the safety net.

On the other hand, he appears serious about his eagerness to reverse America's 80-year-long commitment to expanding world trade. On Thursday the White House said it was considering a 20 percent tariff on all imports from Mexico; doing so wouldn't just pull the U.S. out of NAFTA, it would violate all our trading agreements.

Why does he want this? Because he sees international trade the way he sees everything else: as a struggle for dominance, in which you only win at somebody else's expense.

His Inaugural Address made that perfectly clear: "For many decades we've enriched foreign industry at the expense of American industry." And he sees punitive tariffs as a way to stop foreigners from selling us stuff, and thereby revive the "rusted-out factories scattered like tombstones across the landscape."

Unfortunately, as just about any economist could tell him — but probably not within his three-minute attention span — it doesn't work that way. Even if tariffs lead to a partial reversal of the long decline in manufacturing employment, they won't add jobs on net, just shift employment around. And they probably won't even do that: Taken together, the new regime's policies will probably lead to a faster, not slower, decline in American manufacturing.

How do we know this? We can look at the underlying economic logic, and we can also look at what happened during the Reagan years, which in some ways represent a dress rehearsal for what's coming.

Now, I'm talking about the reality of Reagan, not the Republicans' legend, which assigns all blame for the early-1980s recession to Jimmy Carter and all credit for the subsequent recovery to the sainted

Ronald. In fact, that whole cycle had almost nothing to do with Reagan policies.

What Reagan did do, however, was blow up the budget deficit with military spending and tax cuts. This drove up interest rates, which drew in foreign capital. The inflow of capital, in turn, led to a stronger dollar, which made U.S. manufacturing uncompetitive. The trade deficit soared — and the long-term decline in the share of manufacturing in overall employment accelerated sharply.

Notably, it was under Reagan that talk of "deindustrialization" and the use of the term "Rust Belt" first became widespread.

It's also worth pointing out that the Reagan-era manufacturing decline took place despite a significant amount of protectionism, especially a quota on Japanese car exports to America that ended up costing

consumers more than \$30 billion in today's prices.

Will we repeat this story? The Trump regime will clearly blow up the deficit, mainly through tax cuts for the rich. (Funny, isn't it, how all the deficit scolds have gone quiet?) True, this may not boost spending very much, since the rich will save much of their windfall while the poor and the middle class will face harsh benefits cuts. Still, interest rates have already risen in anticipation of the borrowing surge, and so has the dollar. So we do seem to be following the

Reagan playbook for shrinking manufacturing.

It's true that Mr. Trump appears ready to practice a much more extreme form of protectionism than Reagan, who avoided outright violations of existing trade deals. This could help some manufacturing industries. But it will also drive the dollar higher, hurting others.

And there's a further factor to consider: The world economy has gotten a lot more complex over the past three decades. These days, hardly anything is simply "made in

America," or for that matter "made in China": Manufacturing is a global enterprise, in which cars, planes and so on are assembled from components produced in multiple countries.

What will happen to this enterprise if the United States takes a meat ax to the agreements that govern international trade? There will, inevitably, be huge dislocation: Some U.S. factories and communities will benefit, but others will be hurt, bigly, by the loss of markets, crucial components or both.

Economists talk about the "China shock," the disruption of some communities by surging Chinese exports in the 2000s. Well, the coming Trump shock will be at least as disruptive.

And the biggest losers, as with health care, will be white working-class voters who were foolish enough to believe that Donald Trump was on their side.

**The  
Washington  
Post**

## Robinson : We ignore Trump at our peril

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erobinson.columnist

Where to begin? That's the daily question for anyone trying to follow the words and deeds of the new administration, which is like drinking from two fire hoses — one gushing policy, the other spewing insanity.

Neither stream can be ignored. I wish I could agree with those who say we should pay little attention to President Trump's verbal eruptions and focus only on concrete actions, but I can't. It matters that the most powerful man in the world insists on "facts" that are nothing but self-aggrandizing fantasy. It matters that the president of the United States seems incapable of publicly admitting any error. It matters that Trump's need for adulation appears to be insatiable.

The president's most acute obsession is with the false notion that he lost the popular vote to Hillary Clinton only because of widespread election fraud committed by "millions" of people.

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There were, in fact, four documented cases of voter fraud in the election. Yes,

I said four; two of them involved individuals who said they were Trump supporters. House Speaker Paul D. Ryan (R-Wis.) is among the many officials who have acknowledged there is zero evidence of the kind of fraud Trump alleges. It simply did not happen.

When pressed on the subject, Trump cites a 2012 report by the Pew Center on the States that found problems with inaccurate voter registration rolls — but no indication of fraud, according to the study's author. When David Muir of ABC News pointed this out to Trump in an interview on Wednesday, the president claimed the author of the Pew study was now "groveling," whatever that means. I have read the study, and indeed it presents no evidence of voter fraud.

At a meeting with congressional leaders on Monday, Trump cited a different piece of purported proof, according to the New York Times: He told a story about how professional golfer Bernhard Langer tried to vote in Florida on Election Day but was not allowed to do so, while suspicious-looking voters ahead of and behind him, possibly Latin American immigrants, were permitted to cast provisional ballots.

At the risk of repeating myself, this simply did not happen. Langer indeed lives in Florida but is a German citizen. He has never voted in this country.

Why is any of this important? Because Trump, relying on a misinterpreted study and a garbled anecdote, has called for a "major investigation" of all this nonexistent voter fraud. He now has the vast resources of the Justice Department at his disposal, which means that if he wants a big investigation, he can have one. Press secretary Sean Spicer said Wednesday that the focus would be on "urban" areas, and he mentioned California and New York — both of which voted heavily for Clinton — as states that may be looked at carefully.

What we have, then, is an instance in which Trump's fixation on his own popularity, or lack thereof, dovetails with the Republican Party's long-standing political interest in minimizing the electoral weight of Democratic "urban" strongholds — meaning cities with large populations of minorities and liberals. We should prepare for a GOP attempt to channel Trump's delusion into the rational, but nefarious, purpose of voter suppression.

Another example is Trump's insistence on the value of torture in the fight against terrorism. Trump pledged during the campaign to bring back waterboarding and "much worse." Doing so would violate U.S. and international law. Trump has said he will leave the decision up to Defense Secretary James N. Mattis and CIA Director

Mike Pompeo, neither of whom has shown the slightest enthusiasm for getting the United States back into the torture business.

So can we relax? Not really, because Trump won't admit he was wrong. He said in the interview with Muir that "we have to fight fire with fire" in the battle against the Islamic State and that torture "absolutely" works. Since Trump is the commander in chief, words such as these create political problems at home for friends such as British Prime Minister Theresa May, who is scheduled to meet with Trump on Friday. How can allies fully share intelligence with the United States if they believe captured suspects may be tortured?

My point is that Trump's off-the-wall statements and Twitter rants cannot be dismissed as mere attempts to distract. We have a president who is obsessed with his public standing, given to outlandish statements, eager to believe in conspiracy theories and unwilling to admit when he is wrong. To our peril, his character and moods will shape his policies.

*Read more from Eugene Robinson's archive, follow him on Twitter or subscribe to his updates on Facebook. You can also join him Tuesdays at 1 p.m. for a live Q&A.*

**The  
Washington  
Post**

## Gerson : Why a tweeting president is so bad for our politics

By Michael Gerson

All political leaders, presidents in particular, dream of using technology to avoid the media filter and speak directly to the American people.

Thomas Jefferson — both eloquent founder and appalling political hack — weaponized the pamphlet, commissioning scandalmonger

James Callender to write a hit job on Alexander Hamilton. Warren Harding pioneered the political use of radio, which was perfected by Franklin D. Roosevelt, whose ambitions were aided by having a good radio voice. Not everyone was a fan of the medium. When a radio microphone was put in front of diplomat Elihu Root, he is said to have responded: "Take that away. I can talk to a Democrat, but I cannot speak into a dead thing."

John F. Kennedy's political appeal was unimaginable without televised images of his youth, vigor and physical grace. Ronald Reagan talked to the camera like an old, single-eyed friend.

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But no president has really possessed the technical means to routinely avoid edited, moderated mass communication until now. President Trump holds his office, in part, because of his talent for Twitter. He has shown a remarkable ability to dominate the news cycle and redirect the national conversation in increments of 140 characters. For Trump, this medium is a living, snarling and hungry thing.



Make no mistake: This is not only change, it is regression. I make this judgment both as a fogey and a former speechwriter. A presidential speech may be two thousand or three thousand words, every one of them run through the staffing process (in which senior White House officials can comment), fact-checked and approved by the president before delivery. A good presidential speech is the result of both thought and craft. A great presidential speech reflects literary, historical and moral inspiration and can speak far beyond its moment.

I understand the usefulness of social media in aggregating flows of information that people trust, enjoy and need. It allows people to essentially be their own editors (the value of which is determined by the news literacy of the user). And some people have a remarkable knack for communicating in vivid fragments. Pope Francis (with 10 million Twitter followers) distributes

bits of wisdom and comfort like virtual communion wafers. Katy Perry (with more followers than the population of Germany) says, well, whatever it is that Katy Perry says.

But in politics, Twitter has dramatic limits and can become a disturbing substitute for disciplined thought.

One hundred and forty characters are suitable to expressing an impulse, but not an argument. It is the rhetorical equivalent of a groan, a shriek, a sneer or a burp. If reason and persuasion are what our politics lacks and needs, Twitter is not the answer.

Trump's mastery and extensive use of Twitter are revealing in a way he does not intend. This is the only area in which Trump can be considered a great communicator. His stump speech was a disorganized, repetitive, unfocused mess. His inaugural address was memorable only in ways — such as its dark, shrunken view of the

United States itself — that deserve to be forgotten. His recent speech at the CIA was strangely inappropriate and offensive. So he often returns to the comfort zone of Twitter. He claims Hillary Clinton lost in a "landslide," or goes after a specific news organization, or makes entirely unsubstantiated claims of voter fraud.

Some feel that journalism would be better served by ignoring such shiny objects. But the shallowness of Trump's preferred form of communication indicates deeper things. His mind seems perfectly suited to a medium that rewards impulsiveness, that ignores fact-checking and that encourages incivility. Those are not generally the traits we hope for in a new president.

And Trump's use of Twitter raises the prospect of a serious abuse of power. A private citizen with 22 million followers (as Trump has) can be a vindictive jerk, attacking the

owner of the Chicago Cubs, the head of the United Steelworkers or a Gold Star family by name. A president with 22 million followers, including the shock troops of Internet bullying, can destroy an individual's life as surely as can targeting by the FBI or the IRS.

At moments of frustration, Trump will be sorely tempted to attack specific people on Twitter. But a government official should not be allowed to take the reputation or peace of any citizen without due process. It is the president's job to enforce laws without distinction, not to choose specific men and women for harm. This would be the practice of personal rule, and a scary detour toward Putinism.

*Read more from Michael Gerson's archive, follow him on Twitter or subscribe to his updates on Facebook.*

## The New York Times

Steven Rattner  
Mick Mulvaney at his confirmation hearing on Tuesday. Al Drago/The New York Times

President Trump will hardly be short of far-right cabinet members, including an education secretary who has called public schools a "dead end," a labor secretary who has been cited for employment law violations and an Environmental Protection Agency administrator who has sued his own department.

But within the Trump team, the views of Representative Mick Mulvaney, Republican of South Carolina, his little-known choice to lead the important Office of Management and Budget, rank as among the most reactionary.

Only slivers of this were visible in Mr. Mulvaney's uneventful confirmation hearing on Tuesday.

In fact, Mr. Mulvaney — a founding member of the Freedom Caucus with an almost perfect conservative voting record — spent his six-year congressional career leading the charge against federal spending and borrowing, voting against everything from Hurricane Sandy relief to reopening the government after the 2013 shutdown.

His intransigence placed him well to the right of Republican leadership, including former Speaker John Boehner, whom he repeatedly opposed for — get this — being excessively soft on curbing disbursements from the federal purse.

## Rattner : An Extremist Holding the Purse Strings

Steven Rattner

Not surprisingly, cutting deeply into core retirement and health care programs is at the top of his to-do list. "We have to end Medicare as we know it," he said on Fox Business Network, soon after entering Congress in 2011. (Medicare enjoys support from 77 percent of Americans, according to a 2015 Kaiser Foundation poll.)

While Mr. Mulvaney is not alone in his terrifying views, the difference between him and other members of his deeply conservative brigade is that he will likely soon have an unusual opportunity to cement them into place; O.M.B. (as it is universally known) is the control center for the administration's fiscal policy.

Each year, the budget office oversees the federal government's budgeting process, receiving requests from individual agencies, analyzing them and making recommendations to the president as to what spending should be requested from Congress and what the deficit should be.

From that perch, Mr. Mulvaney will be well positioned to help excise funding for the Affordable Care Act, defund Planned Parenthood, abolish the Export-Import Bank, eliminate government-financed research, raise the retirement age for Social Security to 70 and even clamp down on off-budget military spending, to name just a few of his targets.

We may already be starting to see the shadowy outlines of this kind of agenda; the new administration is reportedly considering proposals to

cut \$10.5 trillion of spending over the next decade, more than 40 percent of many important programs.

Mr. Mulvaney shares many extreme economic views with his first choice for the Republican nomination, the libertarian-leaning senator Rand Paul, particularly his belief that the mounting national debt is an existential crisis that must be addressed regardless of the consequences.

In that quest, the 49-year-old South Carolinian has argued for a balanced-budget amendment, a truly terrible idea that would eliminate the federal government's ability to use deficit spending in times of economic weakness.

Similarly, he has repeatedly voted against legislation to raise the debt ceiling, without which the federal government would shut down and possibly even default on its obligations, neither of which seemed to bother the congressman.

And like his new boss, Mr. Mulvaney has suggested that if the nation's debt continued to mount, one way to address that problem would be to push creditors to accept less than full payment.

The consequences of that, said Janet Yellen, the Federal Reserve chairwoman, with classic Fed understatement, would be "very severe," at a minimum resulting "in much higher borrowing costs for American households and businesses."

The feelings are mutual. Mr. Mulvaney has repeatedly blasted

the Federal Reserve's low interest rate policies, including at a dinner held by the John Birch Society, an ultraconservative organization founded in 1958 that today could be branded alt-right.

His antipathy toward the Fed has led him to support legislation that would severely compromise the central bank's independence. That's among Mr. Mulvaney's most misguided notions; the Fed's strong response to the financial crisis played a key role in the economic recovery of the last eight years.

And then there's the budget office's responsibility for reviewing every major proposed regulation — as well as existing ones — which will allow him to continue his war against government rules of almost every flavor.

I'll be curious to see how Mr. Mulvaney meshes with his new colleagues. As he acknowledged Tuesday, his unabashed advocacy of cutting Social Security and Medicare puts him at odds with his new boss.

The new president has also said that no one should lose their health care when Obamacare is replaced, while the alternatives that Mr. Mulvaney has supported would inevitably result in many losing their insurance.

In the same vein, he will surely hate Mr. Trump's plans for enormous unfinanced tax cuts and huge infrastructure spending, which are projected to increase total deficits by \$5.3 trillion over the next 10 years.

Policy differences aren't unusual within the new team. But those who know Mr. Mulvaney say that his

absolutism will make it difficult for him to make the compromises that

are inevitably necessary in the policy-making process.

Let's hope that cooler heads prevail.

## THE WALL STREET JOURNAL

### Kudlow and Moore : To Speed Job Growth, Cut Taxes Now

Larry Kudlow and Stephen Moore

Jan. 26, 2017 7:49 p.m. ET

Congressional Republicans say they plan to wait to take up tax cuts until later in the year, after they've dealt with ObamaCare, passed a 2017 budget resolution, confirmed President Trump's first Supreme Court nominee and tackled other initiatives.

This would be a big mistake. When Mr. Trump addresses Congress in a joint session Feb. 28, he should urge lawmakers to pass a jobs bill, including a tax cut, during his first 100 days in office. The centerpiece of the plan should be a reduction in the tax rates on corporations and, importantly, on America's 26 million small businesses. Broader reforms, including tax-rate cuts for families, should come in a second round of legislation later this year.

The tax plan Mr. Trump campaigned on—which the two of us helped write last year—is indispensable to economic revival. Our archaic and uncompetitive business tax system may be the single biggest obstacle to restoring economic growth and living standards. From 1950 to 2000, total business fixed investment averaged 5.3% annual growth. Since 2000, that figure has been only 1.7%. If new business incentives are put in place, long-run investment growth will be restored; real economic growth, languishing below 2% in the new millennium, will break through 3%; and wages will grow. Most of that benefit would come from lowering America's 35% corporate

rate, the highest in the industrial world.

Time is Mr. Trump's enemy. Any delay in passing the tax bill risks putting a damper on investment decisions and slowing the path to real economic recovery. The longer the delay, the lower the odds of getting a tax cut passed at all this year.

Two historical parallels are instructive. During Ronald Reagan's first year in office, he took on tax cuts first, and only after signing them into law moved to address the budget. If he had done the reverse, he never would have won the big tax-rate reductions so vital to boom of the 1980s and '90s. Moreover, the delay in the full tax-rate reductions until 1983 worsened the recession and postponed the recovery.

Similarly, though in the wrong direction, Barack Obama signed his enormous \$787 billion "stimulus" bill four weeks after taking office.

Mr. Trump needs to act with comparable urgency. A properly constructed tax plan can pass the House and Senate with bipartisan majorities. It should include three initiatives, all of which Mr. Trump has already endorsed:

- A reduction in the tax rate, retroactive to Jan. 1, 2017, for all businesses to between 15% and 20%, with immediate expensing for capital spending. Overnight, America would go from having the highest corporate tax in the industrial world to among the lowest—and that would be a

magnet for jobs. It is critical that the tax relief include small businesses, which are a major locomotive for hiring and growth.

- A 10% tax on the repatriation of foreign profits brought back to the U.S. This could attract up to \$2 trillion to these shores, raising \$200 billion for the federal Treasury while creating new jobs.

- An infrastructure fund through which all money raised from repatriation could be dedicated to rebuilding America's roads, highways, airports, pipelines, modernizing the electric grid, etc. This should include reforms in labor rules and environmental policies to reduce the cost of these capital projects. We're skeptical that more spending on public works will create many jobs, and "shovel-ready projects" didn't work out for Mr. Obama. But efficiently modernizing the nation's public and private infrastructure can enhance growth.

As the president sells this plan, he should aim not for 51 Senate votes but 60 or 70. It would be hard for either party to oppose a jobs bill that combines business tax cuts, a priority for Republicans, with infrastructure spending, beloved by Democrats and unions. This could be the biggest bipartisan economic bill since Madonna was rolling out hits.

Budget hawks will doubtless complain that the plan inflates the deficit. Not necessarily. We believe, and the Tax Foundation agrees, that the business tax cut would generate so much capital investment that it would largely pay

for itself over time. The new infrastructure spending would be paid for with the revenues from repatriation.

Some congressional Republicans oppose this strategy because it leaves cutting personal income taxes for another day. They worry that if the business tax cuts come first, the individual tax cuts will be forgotten.

That's a risk. But we have worked on tax reform since the early Reagan years, and overhauling the income tax will be a heavy lift. There are great benefits to be had from cutting income taxes and limiting deductions and loopholes—draining the swamp. But the lobbying from K Street special interests will be fierce. So will be opposition from the class-warfare Democrats. Unlike when Reagan was president, Democrats today want to raise top marginal tax rates, to 50% or more, not cut them.

Trying to rewrite the entire tax code without any Democratic support is a fool's errand. The smart play is for Mr. Trump to save that fight for another day and deliver a big jobs plan to voters quickly. A victory soon would help workers and the stock market, boost the president's job approval, and set the stage for broader tax reform down the road.

*Mr. Kudlow is a CNBC senior commentator. Mr. Moore is an economic consultant with FreedomWorks. They both served as economic advisers to the Trump campaign.*

## THE WALL STREET JOURNAL

### Facing Replacement, Top State Department Officials Resign

Felicia Schwartz

Updated Jan. 26, 2017 1:18 p.m. ET

WASHINGTON—Several senior career officials who help manage the massive State Department bureaucracy have resigned in recent days, State Department officials said, leaving a potential leadership vacuum before Secretary of State nominee Rex Tillerson is confirmed.

Under Secretary of State for Management Patrick Kennedy, Assistant Secretary of State for Consular Affairs Michele Bond, Assistant Secretary of State Joyce Barr and Ambassador Gentry Smith, director of the office of

foreign missions, all resigned Wednesday.

All are career foreign service officers who have served under Democratic and Republican administrations, and a majority were asked to leave by the Trump administration, a person familiar with the situation said.

Mr. Kennedy retired from the foreign service before he became under secretary for management, a job he has held for 10 years. It was unclear whether he was asked to leave or resigned on his own. He had been in the foreign service since 1973.

Ms. Bond, who oversaw consular services and immigration, was asked to leave by the Trump team, a person familiar with the situation

said. She has been in the foreign service for 40 years and will leave after Friday.

Gregory Starr, the assistant secretary of state for diplomatic security, resigned on Jan. 20. He was a career foreign service official.

While it isn't unusual for an incoming administration to pick its own team, career foreign service officers often remain in their posts until a new administration replaces them. All of the officials were selected for their posts by the Obama administration and were required to get Senate confirmation.

"Of course the incoming administration has a right to replace whatever under secretaries and assistant secretaries they'd like to,"

said Nicholas Burns, former under secretary of state for political affairs during the George W. Bush administration and a longtime diplomat. "Normally the outgoing person would stay in the job until his or her successor is confirmed. What you don't want to have is a vacuum without senior leadership."

State Department spokesman Mark Toner said it is standard practice for all politically appointed officers to submit letters of resignation and that the incoming administration decides which resignations to accept.

"The Department encourages and advocates for senior officers to compete for high-level offices in the Department," Mr. Toner said. "No officer accepts a political

appointment with the expectation that it is unlimited. And all officers understand that the President may choose to replace them at any time."

Mr. Toner said that of those whose resignations were accepted by the Trump administration, some will

retire and others will go on to other positions in the foreign service.

Mr. Tillerson's nomination was approved earlier this week by the Senate Foreign Relations Committee. He is expected to receive a full Senate vote next week.

Other career foreign service officers leading regional bureaus have resigned recently, including Assistant Secretary of State for European and Eurasian Affairs Victoria Nuland, Assistant Secretary of State for Near Eastern Affairs Anne Patterson, and Acting Under Secretary for Arms Control and

International Security Tom Countryman.

Write to Felicia Schwartz at Felicia.Schwartz@wsj.com

## THE WALL STREET JOURNAL

COMMENTS

Democrats have decided to oppose nearly every one of President Trump's nominees, and Betsy DeVos seems to be a particular target. Minority Leader Chuck Schumer unleashed a verbal assault on the education nominee on Thursday that might have made Harry Reid blush,

### Editorial : Chuck Schumer Goes Wild

Jan. 26, 2017  
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and it deserves notice as a sign of the political times.

"The president's decision to ask Betsy DeVos to run the Department of Education should offend every single American man, woman, and child who has benefitted from the public education system in this country. Public education has lifted millions out of poverty, has put millions in good paying jobs," Mr. Schumer declared in a statement.

"Betsy DeVos would single-handedly decimate our public education system if she were confirmed. Her plan to privatize education would deprive students from a good public education, while helping students from wealthy families get another leg up."

Calm down, Chuck, or people may start calling you Chuckie, as in the movie. Mrs. DeVos doesn't oppose public schools. She wants

competing models of public education so bad schools get better. By the way, do those "wealthy families" include Democratic Senators Bob Casey, Sheldon Whitehouse, Al Franken and Maggie Hassan, who sent their kids to private schools?

The tragedy here is that school reform was once bipartisan. Now Democrats do whatever the teachers unions tell them to.

## The Washington Post

### Dorsen : Antonin Scalia, part-time liberal

By David M. Dorsen

*David M. Dorsen, a Washington lawyer, is author of "The Unexpected Scalia: A Conservative Justice's Liberal Opinions," to be published by Cambridge University Press on Feb. 24.*

As President Trump prepares to name a successor to Justice Antonin Scalia, the conventional wisdom is that the choice will not change the liberal-conservative balance on the court. After all, this argument goes, if Trump chooses any of the names on his previously published list, the court and the country will simply be swapping one conservative justice for another.

That understanding is incorrect and, as the Senate considers Trump's nominee and the impact on the court, could be dangerously misleading. This will come as a surprise to many, but in a number of important areas, including the rights of criminal defendants and freedom of speech, the justice was actually quite liberal, as that term is commonly applied. Of Scalia's approximately 879 opinions, including comments on denials of petitions for certiorari, I have counted 135 as liberal and a number of others as arguably liberal.

No doubt, Scalia was personally a committed conservative and originalist. He relied on that pair of approaches to render conservative opinions on abortion, the right to die, women's rights, rights of gays and lesbians, obscenity, the death

penalty, habeas corpus, the exclusionary rule relating to illegal searches and seizures, regulatory takings of private property, gun rights, establishment of religion, states' rights, standing to challenge federal regulatory statutes, the scope of the commerce clause, the Freedom of Information Act and more.

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Yet Scalia's commitment to his jurisprudence led him to write many important liberal opinions, although they are less well-known than his conservative decisions, with their often provocative language.

In criminal cases, Scalia was the court's leading protector of defendants' rights under the confrontation clause. Because the testimony had not been subject to cross-examination, he disallowed the use of previous grand jury testimony by a witness who was unavailable at trial. He prevented screens to shield child witnesses in child abuse cases from seeing their alleged abusers. Likewise, Scalia was liberal in his interpretation of the double jeopardy clause and the prohibition against ex post facto judicial decisions under the due process clause. He insisted that indictments, to be valid, list all the elements of a crime, and consistently relied on the rule of lenity, which requires criminal statutes to be clear before they are

enforced against a defendant. He also broadly supported the right to trial by jury in civil cases, protected by the Seventh Amendment.

Scalia took a similarly liberal approach on questions of what constitutes an unreasonable search or seizure. He protected homes from searches by heat-detectors seeking signs of marijuana plants or dogs sniffing around a house to detect narcotics. He dissented when the court upheld the taking of a DNA sample from the mouth of someone arrested on one offense and then charged with another crime based on a DNA match. Invasive searches to detect the commission of other crimes, he said, violated the Fourth Amendment and due process. He insisted that any interference with personal property by law-enforcement officers amounted to a search that required a warrant or exigent circumstances, such as when the police affixed a GPS device on a suspect's car without a warrant.

When it came to the Sixth Amendment's right to trial by jury, Scalia once again was a leader of the liberal position. He insisted that juries, not judges, make the critical decision of whether an action amounted to a hate crime, and therefore was subject to more severe punishment. Scalia made the powerful point that judges were part of the state, and that trial by jury was designed to protect Americans from the state.

On matters involving the First Amendment, Scalia advocated a

broad scope for freedom of speech. Notwithstanding Trump's argument that flag-burners should be subject to criminal prosecution, Scalia joined the opinion of liberal justice William Brennan striking down laws making flag desecration a crime as unconstitutional. He wrote his own opinion striking down a law prohibiting cross-burning that intimidated African Americans. Scalia's First Amendment prohibited making distinctions based on the content of a statement. He opposed extending the limited protections afforded obscenity to animal cruelty and violence on First Amendment grounds. However, to the dismay of many liberals, he rejected all attempts by those who sought to curtail the influence of money in politics by voting to hold all limitations on campaign contributions and spending unconstitutional under the First Amendment's right to freedom of speech.

When the time comes to evaluate Trump's nominee to the Supreme Court, we should not be misled by statements that he or she is a conservative in the mold of Scalia. The reality is much more nuanced. The odds are that we are going to have a nominee who not only follows Scalia's conservative opinions, but also rejects his liberal ones. In short, the court without Scalia is likely to be a lot worse than the one with him still serving.

# Trump Strategist Stephen Bannon Says Media Should 'Keep Its Mouth Shut'

By MICHAEL M. GRYNBAUMJAN. 26, 2017

Stephen K. Bannon, center, President Trump's chief strategist, met with business leaders at the White House on Monday. Credit Doug Mills/The New York Times

WASHINGTON — Just days after President Trump spoke of a "running war" with the media, his chief White House strategist, Stephen K. Bannon, ratcheted up the attacks, arguing that news organizations had been "humiliated" by the election outcome and repeatedly describing the media as "the opposition party" of the current administration.

"The media should be embarrassed and humiliated and keep its mouth shut and just listen for a while," Mr. Bannon said in an interview on Wednesday.

"I want you to quote this," Mr. Bannon added. "The media here is the opposition party. They don't understand this country. They still do not understand why Donald Trump is the president of the United States."

The scathing assessment — delivered by one of Mr. Trump's most trusted and influential advisers, in the first days of his presidency — comes at a moment of high tension between the news media and the administration, with skirmishes over the size of Mr. Trump's inaugural crowd and the president's false claims that millions of illegal votes by undocumented immigrants swayed the popular vote against him.

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Mr. Bannon, who rarely grants interviews to journalists outside of

Breitbart News, the provocative right-wing website he ran until August, was echoing comments by Mr. Trump last weekend, when the president said he was in "a running war" with the media and called journalists "among the most dishonest people on earth." Mr. Bannon's remarks added to the growing acrimony between the press and a president who made attacks on the media a rallying point of his election campaign.

Among Mr. Trump's advisers in the White House, Mr. Bannon is responsible for putting into action the nationalist vision that Mr. Trump channeled during the later months of the campaign, one that stemmed from Mr. Bannon himself. And in many ways Mr. Trump has acted on that vision during his first week in office — from the description of "American carnage" he laid out in his inauguration speech to a series of executive actions outlining policies on trade agreements, immigration and the building of a border wall.

Mr. Bannon is one of the strongest forces in an administration with competing power centers. A savvy manipulator of the press, and a proud provocateur, he was among the few advisers in Mr. Trump's circle who were said to have urged Sean Spicer, the new press secretary, to give a confrontational, emotional statement to a shocked West Wing briefing room on Saturday, when the White House disputed news reports about the size of the inauguration crowd. He shares Mr. Trump's view that the news media misunderstood the movement that the president rode into office.

Speaking by telephone on Wednesday, Mr. Bannon delivered a broad indictment of the news media as being biased against Mr. Trump and out of touch with the American public. That is an argument familiar to readers of Breitbart and followers of personalities friendly to Mr. Trump, like Sean Hannity of Fox News.

"The elite media got it dead wrong, 100 percent dead wrong," Mr. Bannon said of the election, calling it "a humiliating defeat that they will never wash away, that will always be there."

"The mainstream media has not fired or terminated anyone associated with following our campaign," Mr. Bannon said. "Look at the Twitter feeds of those people: They were outright activists of the Clinton campaign." (He did not name specific reporters or editors.)

"That's why you have no power," he added. "You were humiliated."

Mr. Bannon spoke in blunt but calm tones, peppered with profanity, and humorously referred to himself as "Darth Vader." He said, with ironic relish, that Mr. Trump was elected by a surge of support from "the working-class hobbits and deplorables."

The conversation was initiated by Mr. Bannon to offer praise for Mr. Spicer, who has been criticized this week for making false claims at the White House podium about attendance at Mr. Trump's inaugural, for calling reporters dishonest and lecturing them about what stories to write, and for failing to disavow Mr. Trump's lie about widespread voter fraud in the election.

Asked if he was concerned that Mr. Spicer had lost credibility with the news media, Mr. Bannon chortled. "Are you kidding me?" he said. "We think that's a badge of honor. 'Questioning his integrity' — are you kidding me? The media has zero integrity, zero intelligence, and no hard work."

"You're the opposition party," he said. "Not the Democratic Party. You're the opposition party. The media's the opposition party."

Journalists reacted with alarm and defiance to Mr. Bannon's comments. "What country are we living in?" Christiane Amanpour, the CNN correspondent, wrote on Twitter.

"We are not the opposition," Stephen Engelberg, editor in chief of the nonprofit news organization ProPublica, wrote in an email. "We are part of an essential function in any democracy." He added that ProPublica had no intention of "shutting up in response to this or any other president's demand."

"We are here to tell the truth and we intend to continue doing so, regardless of how badly some might want us to parrot 'alternative facts,'" Mr. Engelberg said.

Mr. Bannon mostly referred to the "elite" or "mainstream" media, but he cited The New York Times and The Washington Post by name.

"The paper of record for our beloved republic, The New York Times, should be absolutely ashamed and humiliated," Mr. Bannon said. "They got it 100 percent wrong."

He added that he has been a reader of The Times for most of his adult life.

# Editorial : South Dakota Lawmakers Snuffing Out Ethics Reform Referendum

The Editorial Board

People in South Dakota protested the Republican Legislature's effort to repeal an ethics reform referendum. James Nord/Associated Press

Brutally rejecting the people's will, South Dakota's Republican-controlled Legislature is rushing to repeal a vital ethics reform referendum approved by voters in November.

The 52 percent of voters who approved the anticorruption referendum were "hoodwinked by

scam artists," Gov. Dennis Daugaard, a Republican, brazenly insisted, as he promised to sign the repeal. The referendum called for the creation of an independent ethics commission to investigate abuses by statehouse politicians and lobbyists, a public financing option to reduce election spending and a \$100 annual limit on lobbyists' gifts to elected officials.

The Republican-dominated committee that approved the repeal bill did so under South Dakota's "state of emergency" provision that

would prevent voters from reversing the repeal with another referendum.

This was not only shameless but cunning. In 2014, lawmakers excluded teenagers from a voter-approved referendum to raise the state minimum wage, claiming (as they did this time) that South Dakota's citizens did not know what they were doing. To their dismay, voters overruled them by a huge majority in a subsequent referendum in November, successfully raising the minimum wage for all workers.

Republican legislators — more eager for political revenge than mindful of the voice of the people — are now debating a bill that would double the number of signatures required to place referendums on the state ballot. Anyone wondering why South Dakota is ranked 47th in the nation for public accountability by the nonpartisan Center for Public Integrity need look no further than these multiple efforts to subvert the public will.

As the rollback moved this week toward approval, Republican lawmakers sounded hollow in



promising their own ethics substitute. "We are pretty squeaky clean," a Republican state

representative, Larry Rhoden, ludicrously maintained as the

G.O.P. machine snuffed out the democratic process.

**Bloomberg**

## Editorial : In Defense of Trump's Keystone Decision

The Editors

Keystone XL is back -- along with the usual misconceptions about its virtues and dangers. There should be no doubt, however, that President Donald Trump's executive order advancing the project is a good thing.

The reason is simple: By carrying heavy crude from the oil sands of Alberta, Canada, to refineries on the U.S. Gulf Coast and beyond, Keystone XL would strengthen U.S. energy security.

Keystone would not, as Trump suggests, create a lot of work for Americans. It will take maybe 10,000 people to build the pipeline, and those jobs will be temporary. Only a few dozen will be needed once it is operational.

At the same time, many environmentalists' warnings about Keystone are exaggerated.

Pipelines are a safe, reliable and efficient way to carry oil. Given that Keystone would be built to the latest safety requirements, it would be less spill-prone than the tens of thousands of miles of older pipelines that crisscross the U.S. (This advantage also holds true for the Dakota Access pipeline, another project Trump advanced on Tuesday.)

Keystone opponents also make more universal objections. Crude extracted from oil sands generates more than its share of greenhouse gases, because more energy is needed to remove the sand and dilute it for transport. Technology is already limiting this problem, however. Moreover, oil-sands emissions can be offset with reductions in other parts of the economy -- a likely scenario now that Canada has agreed to reduce carbon emissions as part of the Paris climate-change agreement,

and Alberta has adopted a carbon tax.

Finally, many environmentalists argue that pipelines such as Keystone only encourage the further extraction and use of fossil fuels, which contribute to global warming. Regardless of whether this will prove to be true, the reality is that there aren't enough sources of clean energy to meet the world's needs. And to protect against price shocks, it is preferable for the U.S. to get its oil from domestic sources or from friendly neighbors like Canada.

With or without Keystone, in any case, crude will continue to be extracted from the Alberta oil sands. Prime Minister Justin Trudeau recently approved two new pipelines designed to carry that oil through Canada to world markets.

Trump's executive order does not amount to approval for Keystone --

the company behind the project will have to submit another application - and there is always a danger, Trump being Trump, that he will make unreasonable demands. On Tuesday he suggested that he wants to the pipeline to use only American steel, and in the past he has vowed to demand a share of the pipeline's profits.

This would be unwise. Better not to jeopardize a decision that can be justified as a matter of both energy and economic policy and see to it that the pipeline, now almost a decade on the drawing board, is finally built.

To contact the senior editor responsible for Bloomberg View's editorials: David Shipley at [davidshipley@bloomberg.net](mailto:davidshipley@bloomberg.net).