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## FRANCE - EUROPE .....3

Russian Dissident Artist Will Seek Asylum in France (UNE).....	3
Life on the Farm Draws Some French Tired of Urban Rat Race.....	3
Schenker : The Euro's Parity Party Is on Hold .....	4
Mallaby : Trump says Europe is in trouble. He has a point. ....	5
Challenges Await Antonio Tajani, the European Parliament's New President.....	5
Britain's May promises clean break from Europe in Brexit speech (UNE).....	6
In 'Brexit' Speech, Theresa May Outlines Clean Break for U.K. (UNE) .....	7
Editorial : Theresa May Puts the Exit in Brexit .....	8
Editorial : The Risks of "Brexit Means Brexit" .....	8
U.K. Inflation Hit Two-Year High in December .....	8
Prime Minister Theresa May Says U.K. Won't Seek Membership of EU Single Market.....	9
Editorial : Trump's Cabinet knows NATO is important. It's not clear he agrees.....	10
Galston : Trump Should Listen to Mattis on NATO ....	10
Senior NATO General Says Alliance Working on Modernization, Efficiencies.....	11
A top NATO general echoes Trump, calling aspects of alliance 'obsolete' .....	11
German Court Rejects Effort to Ban Neo-Nazi Party ...	12

## INTERNATIONAL..... 12

Captured suspect in nightclub attack is Uzbek with Islamic State ties, Turkey says.....	12
Suspect in Istanbul Nightclub Attack Trained in Afghanistan.....	13
Obama's Stark Options on ISIS: Arm Syrian Kurds or Let Trump Decide .....	13
Islamic State Gains in Remote Syria Outpost.....	14
Russia's Lavrov Wants Trump Administration at Syria Peace Talks.....	15
Russia's Putin rejects Trump dossier report as plot against 'legitimacy' of president-elect.....	15
Ghitis : Is Trump preparing to surrender America's interests to Russia?.....	16
Editorial : Russia Gains When Donald Trump Trashes NATO.....	16
Libyan's Rendition Case Against Britain Can Proceed, Court Rules .....	17
Nigerian Jet Mistakenly Bombs Refugee Camp, Killing Scores (UNE).....	17
In Era of Trump, China's President Champions Economic Globalization (UNE) .....	18
China's Xi Jinping Seizes Role as Leader on Globalization (UNE) .....	19
A Trade War With China Could Lead to Shooting .....	20
Fontaine : Obama's Foreign-Policy Legacy: Limits of American Restraint.....	20

## ETATS-UNIS..... 22

Editorial : Not too big to jail .....	22
What Worries Ben Rhodes About Trump .....	22
Donald Trump waits in his tower — accessible yet isolated (UNE) .....	24
Trump Entering White House Unbent and Unpopular (UNE).....	25
Republicans Look to Reince Priebus, Trump's Chief of Staff, to Bring Stability (UNE) .....	26
Trump set to take office without most of his Cabinet ...	27
Editorial : Hard Questions for Trump's Health Secretary Pick .....	27

Health Law Repeal Could Cost 18 Million Their Insurance, Study Finds (UNE) .....	28
Pressure mounts on GOP for post-Obamacare plan following CBO report (UNE) .....	29
Betsy DeVos, Trump's education pick, lauded as bold reformer, called unfit for job (UNE) .....	30
Editorial : Breaking the fall of trust in institutions .....	31
Dollar Tumbles on Trump Comments (UNE) .....	31
Chelsea Manning to Be Released Early as Obama Commutes Sentence (UNE) .....	32

President Obama Commutes Chelsea Manning's Sentence (UNE) .....	33
Editorial : Politically Correct Clemency .....	34
Obama commutes sentence of Chelsea Manning, soldier convicted for leaking classified information (UNE) .....	35
Lake : Obama Trolls Trump With Clemency for Manning .....	36
Was Barack Obama a transformative president? .....	36

# FRANCE - EUROPE

**The  
New York  
Times**

## Russian Dissident Artist Will Seek Asylum in France (UNE)

Rachel Donadio

The accusations, however, have prompted even some supporters of Mr. Pavlensky to question his behavior. The theater where the actress works, Teatr.doc, is known for documentary-style plays that have criticized and angered the Russian government, and it has supported Mr. Pavlensky in the past. But its leadership has seconded the assault accusations and defended the actress against the couple's assertions that she was working for the state.

This is not the first time Mr. Pavlensky has found himself in the cross hairs of the Russian authorities. Over the years, they have ordered him to undergo a dozen psychiatric evaluations, a technique long used to quash political dissent. In 2014 he chopped off his right earlobe for a piece called "Segregation," inspired by van Gogh and intended, he said, to show that "psychiatry is a collection of subjective opinions."

After setting fire to the doors of Lubyanka, the Moscow headquarters of Russia's infamous security service, in 2015, he served seven months in pretrial detention on charges of vandalism. (He called that action "Threat" and said it was intended to illuminate "what people

prefer to forget," that the security apparatus hadn't changed since Soviet times.)

He was released last June with a fine, a move human rights activists said was intended to avoid an international incident of the kind that ensued after members of Pussy Riot were jailed in 2012 on charges of hooliganism for performing an anti-Putin song in a Moscow church.

Soon after, Mr. Pavlensky said, he gave some lectures at Teatr.doc. It was at one of them last September that he met the actress who later filed the assault complaint.

Mr. Pavlensky said that on Dec. 4, the actress texted Ms. Shalygina. The couple — who say they have an open relationship — invited her to their Moscow apartment that evening. "We talked about art," he said. "We sat and drank coffee. We drank Cognac, but not a lot."

"There was some form of intimacy," he added. "And then she said she wants to leave. We said, 'Fine, no problem.' We parted as friends."

Both Mr. Pavlensky, 32, and Ms. Shalygina, 37, said it was the first time the three had had sex together.

Yuri A. Lysenko, a lawyer for the actress, said that Mr. Pavlensky had committed a "crime," a rape, and

that he wanted to portray the police investigation as politically motivated to avoid punishment.

Adding to the confusion over the allegations, this week Teatr.doc posted on its Facebook page a video dated Oct. 31 that it said showed Mr. Pavlensky and others beating up a man they said was the actress's boyfriend, in the theater's parking lot.

Mr. Pavlensky said that the video was "murky" and that he didn't recognize himself in it. But he said he had been involved in a physical altercation with the actress's boyfriend in October, when he and others confronted the man over allegations that he had beaten her. The Interfax News Agency reported that the police told him that a criminal case had been opened about the fight. Mr. Pavlensky said that was not the case.

Mr. Lysenko said the fight with the boyfriend and the sexual assault allegations were "not related."

He then added: "You have to ask Mr. Pavlensky if he has seen a psychiatrist recently. What he did is part of his carefully crafted plan to paint his crime in political colors."

In a Facebook post that she said would be her last word on the

matter, Yelena Gremina, the director of Teatr.doc, called the couple's claims that the actress worked for the security services "slander."

On Russia's vibrant social media, artists are divided over the case. "The hysteria with Pavlensky is an alarming sign that anyone who becomes a significant 'fighter against the regime' is immediately put on a pedestal and declared a saint," the artist Lena Hades wrote on Facebook.

Others came out against Mr. Pavlensky. "Alas, yesterday a national hero and a great performance artist, today — it's true — a criminal, a psychopath and a rapist," Olga Papernaya, a former art director at a Moscow film club, wrote on Facebook, suggesting that she was friends with the actress.

"For now, the authorities are winning," Mr. Pavlensky said. The press is weak, he added, and "the so-called opposition" divided, even over Russia's annexation of Crimea. "But each move is not the last," he said of the country's situation. "It's not clear who will have the last word in this conflict."

**The  
New York  
Times**

## Life on the Farm Draws Some French Tired of Urban Rat Race

Benoît Morenne

SAULX-LES-CHARTREUX, France — Two years ago, Elisabeth Lavarde decided to quit her office job in Paris and start a new life in Saulx-les-Chartreux, a small town with two butchers and one baker just south of the capital.

Ms. Lavarde, 39, is now an apprentice farmer at a 24-acre farm that grows organic vegetables, sold directly to local consumers. New farmers like Ms. Lavarde usually make what they see as a decent salary of about 1,500 euros, or about \$1,600, a month, slightly above the French minimum wage.

"I wanted a job with more meaning," she said. "I felt like I was tilting at windmills."

Alongside the experienced farmer she has been paired with as part of

a training program set up by an association that nurtures small-scale farmers, Ms. Lavarde grows around 40 kinds of organic produce, including tomatoes, potatoes, cauliflowers and carrots.

As the sun was about to set behind rows of cauliflower plants on a recent afternoon, Ms. Lavarde gazed over the land she cultivates. A few yards away, a large shelter of tarpaulins rippled in the wind. Ms. Lavarde and her farming tutor, Guilain Vergé, 31, use the shelter to do their bookkeeping and to keep track of their crops on a whiteboard as they wait for authorization from the local government to build a decent barn.

It's all hard work, she acknowledges. But, she says, "Seeing the sky every day, be it blue or gray, it's amazing."

More younger people like Ms. Lavarde are making lives as small-scale farmers in France, drawn in some cases by idealistic notions of tilling the land and of getting away from the rat race of the cities. They often leave behind well-paid jobs, as well as relatively comfortable lives that they nonetheless find unfulfilling.

Powering this small-scale farming drive is a thriving market for organic food that amounted to nearly €7 billion in France in 2016, according to Agence Bio, which tracks the trade in the country. The drive has also been bolstered by an increased awareness of the environmental and health benefits of consuming local products.

Before they can set up shop, however, new entrants have to overcome a range of obstacles,

including navigating their way through a labyrinthine bureaucracy that oversees building permits and the distribution of land.

The Duke of Sully, a minister of King Henri IV of France in the early 17th century, once described "plow and pasture" as the lifeblood of the French economy, and farming has long been romanticized in a country that values gastronomic treasures like Camembert cheeses and Bordeaux wines.

But the reality is much bleaker for most farmers, who say they feel constrained by European Union regulations and who have been hit by global competition, shrinking margins and poor harvests in recent years. Generous agricultural subsidies mostly benefit large farms.

In France, a farmer commits suicide almost every other day, a rate 20 percent higher than the national average, according to a 2016 report by the national public health agency.

That dire outlook, however, has not deterred people like Ms. Lavarde from taking up farming, even if established farmers view their efforts with skepticism.

Standing near a frozen wheat field near Ms. Lavarde's farm, Bruno Gilles, 47, a third-generation farmer who grows cauliflowers, tomatoes and other vegetables, was skeptical about Ms. Lavarde's chances of success, citing narrow margins and competition from farms that produce vegetables year-round.

"It's going to be very hard," Mr. Gilles said, his arms folded over a military sweater.

The first test for new entrants might be their hardest: finding land.

"I find myself to be extremely lucky," Ms. Lavarde said. "When I see other people around me, access to land truly has been an obstacle for them."

Since the 1960s, that access has been tightly regulated through regional agencies that act as intermediaries between land-seekers and those either selling or renting.

The agencies have traditionally favored established farmers over new entrants, many of whom grow alternative products based on small-scale organic farming and have

modest farming experience.

Ms. Lavarde said that when a young farmer she worked with set out to find agrarian land in the area of Saulx-les-Chartreux, she discovered that a tract had been allocated to a conventional farmer without anyone informing her that it was available.

Ms. Lavarde found a plot to farm through Les Champs des Possibles, which translates roughly as Realm of the Possible, a nonprofit that pairs new farmers with experienced farmers on test farms for two or three years.

"We provide them with land if needed, with a status, with means of production, with professional support," said Jean-Baptiste Cavalier, an agronomist at Reneta, a national network of 70 testing grounds, of which Les Champs des Possibles is a member.

At the end of their training period, aspiring farmers have agrarian experience, some money in the bank and mentors to vouch for them when they fill out papers to apply for land.

Part of the problem with land allocations is the lack of farms on the market, said François Purseigle, a sociologist at INP-Ensai, an agronomy engineering faculty in Toulouse, in southern France.

"We have guys in the fields that think: 'I'm keeping my farm. My children are teachers or doctors, so they're not going to take over. I have a crummy pension. I'll still keep that

property because, you never know, it could gain in value,'" Mr. Purseigle said in a telephone interview.

Vincent Martin shielded his eyes from the sun on a recent morning at a farm near the village of St.-Augustin, about a two-hour drive east of Saulx-les-Chartreux. He said much of his future as a farmer relied on finding agrarian land.

"Land is key," said Mr. Martin 36, a single farmer who made a living selling health club memberships in Paris until he left his job about five years ago, eventually to take up farming.

To find agricultural land in the area, he was counting on word of mouth rather than on the regional agencies, despite having filled out piles of application forms.

His tutor, Philippe Caron, 58, who took up farming a few years ago, said he and his wife, Anna, would do all they could to help Mr. Martin get started.

The other challenge facing new producers is distribution, which for larger, established farms usually involves dealing with middlemen selling products to supermarkets and stores around the country. For small producers, the system cuts deeply into meager profits. The solution has been to find ways of selling directly to consumers, mostly through nationwide networks like the Association for the Defense of Small-Scale Agriculture, known by its French acronym, AMAP.

Under one AMAP plan, consumers sign up for a year and get a basket of vegetables, meat, cheese or fruits each week, delivered by a local producer. Prices for a basket range from €12 to €24, and customers, by paying in advance, agree to take their share of the risks that come with climatic contingencies.

Hélène Rouet, 43, a former logistics manager volunteering in one Paris-based AMAP office, quit her job to live in the country with a local producer. She said customers who took the produce baskets had a unique link to the food. "The farmer tells us about the difficulties he's faced; it's like he's bringing us his babies," she said.

Even when they've found land and distribution, some neo-farmers still find themselves having to commute to their land, whereas older farmers often live on the edge of their fields. New entrants often can't afford to buy the buildings on their farms, if there are any.

Some buy shabby trailers to stay in near their farms or sleep in their cars.

Mr. Martin said it sometimes took him over two hours to commute to the farm. He started work at dawn to plow, sow or harvest, depending on the season.

"It's worth it," Mr. Martin said, "for now."



## Schenker : The Euro's Parity Party Is on Hold

Jason Schenker

It's been two years since the European Central Bank decided to combat the region's economic woes by expanding the supply of money, buying bonds and slashing interest rates to nothing. The moves effectively debased the euro, prompting a chorus of investors and strategists to opine that the shared currency would soon tumble to parity with the dollar for the first time since 2002.

Although such predictions failed to come true, the parity chatter is picking up again as the euro dropped this month to levels not seen since 2003. The cause: broad dollar strength brought on by the prospect of higher interest rates from the Federal Reserve. But as was the case two years ago, those counting on further euro weakness are likely to be disappointed.

The fundamentals backing the euro are suddenly looking up. The ECB's quantitative easing program is working, engendering a positive

trend in euro-area growth, manufacturing and inflation. Any of these mean that euro-dollar parity may not be the right trade. And even if it were to happen, parity isn't likely to be sustainable.

That's the reason the euro was unable to close below 1.04 per dollar in early 2015 when the ECB's QE program was announced -- and it's also why subsequent support levels in 2015 were increasingly higher. Despite dropping to as low as 1.0341 earlier this month, the euro has been unable to hold below 1.04. As growth and inflation in the euro zone pick up, the ECB will need to reduce its monetary policy accommodation this year and shift to tightening in 2017. That reduces the chances of any sustained weakening of the euro, even if the Fed raises rates as expected.

The International Monetary Fund forecast this week that growth in the euro zone would be 1.7 percent for 2016, compared with 1.6 percent in the U.S. Although the IMF's 2017 forecast of 2.3 percent growth in the

U.S. is stronger than the 1.6 percent in the euro zone, there are risks to that outlook.

Gross domestic product growth doesn't happen in isolation from foreign-exchange rates, and U.S. expansion in the first half of 2017 is at risk from the combination of a strong greenback and a yearlong recession of fixed investment through the third quarter of 2016 -- which likely continued in the fourth quarter. In contrast, leading euro zone indicators such as the German Ifo index indicate that investment and growth estimates for Germany and the euro area may be revised higher.

When comparing the euro zone and the U.S., it's useful to look at purchasing manager indexes, which are critical bellwethers of growth. The euro zone manufacturing PMI has expanded for 42 consecutive months. The compounding effect of month-over-month expansions is likely to further fuel growth and inflation. Although the U.S. ISM manufacturing index recovered from

contractions in late 2015 and in some periods of 2016, it still shows weaker gains than its euro zone counterpart. In fact, the euro zone's manufacturing PMI has posted stronger monthly increases than the U.S.'s ISM manufacturing index in 15 of the past 18 months.

The Trump administration is expected to implement Reaganesque tax cuts and FDR-like public works projects, but any dissonance in the narrative of dual fiscal stimuli during the first half of 2017 would reduce hawkish expectations for the Fed and weigh on the greenback. For the euro zone, the story of continued expansion is likely to continue, fueling a growing narrative of future reductions in monetary accommodation and subsequent tightening.

ECB policy makers meet Thursday, and the focus, as usual, will be on President Mario Draghi's press conference and what he says about inflation. Consumer prices increased 1.1 percent in December from a

year earlier, the biggest surge since September 2013. Although the pace of inflationary is still relatively slow, the acceleration was sharp -- and unexpected.

And don't buy into the notion that a breakup of the European Union is inevitable, dooming the euro. The euro may be the euro zone's ugly baby, but EU members have to love

it. Of course, they should love it given the recent sustained improvements in growth, manufacturing and inflation.

This column does not necessarily reflect the opinion of the editorial board or Bloomberg LP and its owners.

**The  
Washington  
Post**

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Germany's foreign minister reports "astonishment and agitation." The French president protests indignantly about unsolicited "outside advice." Even Secretary of State John F. Kerry sees behavior that is "inappropriate." President-elect Donald Trump's weekend interview, in which he casually predicted the breakup of the European Union, has certainly attracted attention. But despite the consternation, there is some truth in Trump's message. The E.U., he observed, is dominated by Germany. "People, countries want their own identity," he said.

The most obvious vindication of Trump's warning comes from Britain, whose prime minister, Theresa May, has just laid out her plans for a hard break with the European Union. May could have interpreted June's Brexit referendum differently, seeking the "Norway model" of continued membership in the E.U.'s Single Market even while withdrawing from the E.U.'s political structures. But, to paraphrase Trump, the prime minister evidently believes that Britain must have its own identity. She is determined to curb E.U. migration, even though migrants contribute positively to the economy; she wants out of the European Court of Justice, even though that court has upheld British

## Mallaby : Trump says Europe is in trouble. He has a point.

commercial interests in the past. Combined, these two positions rule out continued Single Market membership. The E.U. is losing its second-biggest economic power.

(Reuters)

British Prime Minister Theresa May is setting out the principles that will guide her approach to Britain's withdrawal from the European Union in a speech in London January 17. Britain's Theresa May sets out plans for Brexit (Reuters)

Britain has always been a semi-attached member of the European Union, so the malaise at the heart of continental Europe is even stronger evidence that Trump is on to something. Ironically, all the pressures that are commonly wheeled out to explain Trump's election are far more evident on the other side of the Atlantic: sluggish growth, poor prospects for workers, a backlash against migrants, disaffection with elite governance.

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Americans may feel that their recovery since the financial crisis has been anemic. But, adjusted for inflation, the U.S. economy has actually grown by a cumulative 12 percent since 2008. In contrast, the 28 countries in the European Union managed combined growth of just 4 percent. And in the subset consisting of the eurozone minus Germany, output actually fell. Even

though the strong dollar may help Europe this year, most of the Mediterranean periphery has suffered a lost decade.

Naturally, this horrible performance has taken an enormous human toll. The unemployment rate in the euro area stands at 9.8 percent, more than double the U.S. rate. Unemployment among Europe's youth is even more appalling: In Greece, Spain, France, Croatia, Italy, Cyprus and Portugal, more than 1 in 4 workers under 25 are jobless. America's ability to put its economic house in order after 2008 shows that there was nothing foreordained about this. Europe has suffered an optional catastrophe. It has a lost generation to match its lost decade.

The decisions that delivered this destruction were made overwhelmingly in Germany, just as Trump seems to suspect. Angela Merkel, the country's sober, deliberate and altogether un-Trumpian chancellor, systematically slow-walked measures that could have accelerated Europe's recovery. Budget stimulus, bank recapitalizations and, at least early on, monetary policy were sluggish because of German resistance. At some points in this process, Merkel was protecting German taxpayers, which is both reasonable and yet at the same time supportive of Trump's view that national interests beat euro cohesion. At other points Merkel has been protecting nothing more vital than Germans' phobia of even modest public borrowing and inflation — and never mind the plight of Mediterranean youth.

Merkel's cautious leadership of Europe has sown the seeds of a populist backlash. This has been a surprisingly long time coming: For several years after the onset in 2010 of the euro crisis, austerity and mass unemployment did remarkably little to turn voters against establishment leaders. But a recent Italian poll suggests that, if an election were held today, the anti-globalization and anti-euro Five Star Movement would take as many votes as the leading establishment party. In France, polls have the anti-E.U. Marine Le Pen as the joint front-runner in this spring's presidential election. In Merkel's Germany, support for the anti-migrant AfD party has jumped from about 5 percent in 2013 to 16 percent now.

If you take Trump literally, his recent comments on Europe were exaggerated and confused. Populists may be on the rise, but we are a long way from a crackup of the European Union; and to denigrate Merkel for opening her country to "illegals," when what she did was welcome refugees, many of whom were fleeing a war fueled by U.S. vacillation, is infuriating and obtuse. But if you take Trump seriously rather than literally — to borrow the wonderful distinction made by Salena Zito in the Atlantic — then it has to be admitted that the president-elect has a point here. Europe is in deep trouble. It is time for its leaders to recognize that incremental policies are failing the continent's people.

**The  
New York  
Times**

## Challenges Await Antonio Tajani, the European Parliament's New President

James Kanter

Mr. Tajani is something of an insider, having previously worked alongside the former Italian prime minister Silvio Berlusconi, who appointed Mr. Tajani nearly a decade ago to the European Commission, the bloc's executive office. He served two terms there from 2008 to 2014, overseeing the transport sector and then taking the industry and entrepreneurship portfolio.

Some members of the European Parliament criticized Mr. Tajani for

failing to do enough in that role to address emissions from diesel-powered cars. "He wasn't a commissioner who was very open, transparent and fair," Ska Keller, a prominent German lawmaker with the Greens, said on Tuesday.

### What changes are expected?

Mr. Tajani has sought to distance himself from the approach taken by his predecessor, Martin Schulz, who announced in November that he would return to German politics. Mr. Schulz was regarded by some members of the Parliament as too

ready to use his perch to promote his personal views.

The Parliament needed a "president, not a prime minister," Mr. Tajani said on Tuesday before the voting. "When I stand in front of the Council, it won't be my ideas I'll be expounding on, it'll be the ideas of the majority in Parliament," he added, apparently referring to summit meetings of the European Council.

### Who else wanted the job?

There were five other candidates for the post, but Mr. Tajani's only real

rival during the voting was Mr. Pittella, from the Progressive Alliance of Socialists and Democrats.

By the fourth and final round of balloting on Tuesday night, Mr. Tajani won 351 votes in a runoff against Mr. Pittella, who took 282 votes.

Pivotal to Mr. Tajani's victory was a decision by Guy Verhofstadt, a former Belgian prime minister and the leader of the Parliament's centrist Alliance of Liberals and Democrats for Europe group, to



withdraw from the race and form a coalition with Mr. Tajani's center-right group.

Mr. Verhofstadt suggested that he was taking the step to ensure that the Parliament did not end up weakened by small but staunchly anti-European parties. Politics at the Parliament have become "hugely fragmented," Mr. Verhofstadt said.

#### 'Brexit' and other issues

The hottest issue in European Union affairs is how tough to be over Britain's exit, and the Parliament has a veto on any deal London reaches with the rest of the bloc.

Mr. Tajani pledged Tuesday to take a fair-minded approach: "We'll need to be very balanced here — we'll

need to defend the rights of Europe, but I think that in the future the U.K. will be an important partner of ours," he said.

Mr. Tajani must also balance demands among liberal and center-right lawmakers for greater openness and free trade with demands from factions of the center-left and fringe parties to take a more protectionist approach.

That will be tested when the Parliament votes in mid-February on whether to approve the Comprehensive Economic and Trade Agreement between the European Union and Canada.

Mr. Tajani will also need to oversee passage of highly contentious legislation that could oblige

European Union member states to share the burden of hosting asylum seekers under emergency conditions.

#### Why are Europeans uninterested in the Parliament?

The move in 1979 to hold direct elections for the Parliament was intended to bring the European project closer to ordinary citizens and to enhance the democratic legitimacy of its decisions.

But success has been limited and, in some respects, the initiative has backfired.

As the number of voters participating in elections held every five years has dropped steadily since 1979, to just above 40

percent, the body has become a foothold for a number of insurgent, anti-establishment parties with strongly anti-European views.

The Parliament has also become a magnet for lobbyists seeking to influence legislation on issues from the amount of permissible emissions from industry, including cars, to the way cellphone calls are priced. A number of lawmakers have been caught up in corruption scandals, breeding further disenchantment with the organization.



## Britain's May promises clean break from Europe in Brexit speech (UNE)

<https://www.facebook.com/griff.witte>

LONDON — Britain will seek a clean break from the European Union, Prime Minister Theresa May said Tuesday in a speech that eliminated any doubt her country would pursue a starkly different path outside the bloc, which for decades has been at the heart of attempts at continental integration.

The speech, long anticipated and rich with detail, was celebrated by Brexit advocates as an endorsement of their most fervent hopes for a full-scale liberation from the dictates of E.U. headquarters in Brussels. E.U. advocates countered that May was steering the country toward a potentially calamitous breakup, leaving Britain with the Donald Trump-led United States as a partner but with few true friends in Europe.

European leaders offered measured responses, suggesting that Britain was becoming more realistic about its prospects in the complex divorce negotiations to come. But they also maintained that the United Kingdom would meet resistance as it seeks to cherry-pick the benefits of the E.U. while throwing off the burdens.

Today's WorldView

What's most important from where the world meets Washington

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There was no immediate reaction from the incoming American president, who set alarm bells ringing across Europe just a day earlier by signaling he was indifferent to the future of the European Union — and expected

more countries to follow Britain's path out.

Whether that prediction proves accurate could hinge on whether May succeeds or fails in charting a new course — one she said would be independent of E.U. rules on immigration, trade and justice.

After refusing for months to give "a running commentary" on Britain's negotiating strategy, May offered the clearest indication to date of the country's departure plans, which were set in motion by last June's referendum on Britain's E.U. ties.

*[Read the full transcript of May's remarks]*

May said Britain wants to be "the best friend and neighbor to our European partners" but cannot be "half-in, half-out" of the bloc, which was born from the ashes of World War II and is designed to prevent future conflict by uniting Europe around a common economic and political project.

"We do not seek to hold on to bits of membership as we leave," she said. She went on to reject preexisting models for quasi-membership that have been favored by those seeking "a soft Brexit."

Her remarks instead point to a jarring departure that transforms Britain's relations with Europe.

Britain, she said, will jettison membership in both the single market — which guarantees the free flow of goods, services and people across national boundaries — as well as the customs union, which dictates the terms of trade between Europe and the outside world.

Instead, she said, Britain will seek preferential trade access to European markets through a new agreement. And she said the

country would strike out on its own in negotiating trade deals outside the European Union, which will be left with 27 members spanning from Ireland to Cyprus.

*[For Brexit backers, Trump's trade talk a welcome message]*

Such a break has been widely anticipated, though never formally spelled out. The British pound climbed Tuesday after drops over the previous several days as excerpts of May's speech began to circulate.

The pound's value jumped when May said she would give Parliament final say on Britain's new deal with the European Union. Unlike the country at large, most members of Parliament favored "remain." May declined to answer when asked what would happen if Parliament nixes the deal.

May's promise to allow for a transitional period — in which any new agreement is phased in — also seemed to please investors. British businesses have been concerned about the potential for a disruptive "cliff edge" in which the impact of an exit kicks in overnight.

Britain voted by 52 to 48 percent in June to leave behind the European Union after more than four decades of membership in the bloc and its precursors. Britain's anti-establishment message was seen as prelude to other populist backlashes around the world, led by the election of Trump in November.

*[Brexit tremors shake Rock of Gibraltar]*

May was a reluctant backer of "remain," but in the months since the vote she has done little to disappoint ardent Brexiteers. She has stressed that British voters want tighter control over immigration, and her

words Tuesday suggested that will be her priority in the breakup talks — even at the expense of economic pain from losing membership in the single market and customs union.

Brexit advocates were delighted by May's plan, while critics despaired.

Former U.K. Independence Party leader Nigel Farage, a Trump ally, tweeted after the speech that May "is now using the phrases and words that I've been mocked for using for years. Real progress."

But Tim Farron, leader of the pro-E.U. Liberal Democrats, told the BBC that May was careening toward a destructive Brexit that would harm the country's self-interest. "This is a theft of democracy, a presumption that the 51.9 percent of people who voted to leave meant the most extreme version of Brexit available," he said.

Farron's ally, former deputy prime minister Nick Clegg, said May was effectively "siding with Donald Trump and against [German Chancellor] Angela Merkel" and thereby "virtually guaranteeing that acrimony rather than compromise will prevail."

May's speech came a day after the publication of an interview in Britain's Times of London and Germany's Bild in which Trump dismissed the European Union as "a vehicle for Germany" and said that Britain was "so smart in getting out."

Trump, who backed Brexit, also expressed enthusiasm for a free-trade deal between the United States and Britain. Such a deal would be possible only if Britain leaves the customs union.

May welcomed those remarks, saying Tuesday that "Britain is not at the back of the queue for a trade

deal with the United States, the world's biggest economy, but front of the line."

The comment referenced President Obama's intervention in British politics last spring, when he urged Britons to say no to Brexit and insisted that the U.K. would have to wait its turn before negotiating an agreement with the United States should it leave the E.U.

May, who has been in office since July, has repeatedly promised to trigger the start of Britain's exit talks by the end of March. Once that's done — through a mechanism known as Article 50 of the E.U.'s Lisbon Treaty — Britain will have two years to negotiate the terms of its departure.

Europe has signaled it will take a hard line with Britain. At a time when other E.U. countries are flirting with

a departure, allowing Britain to keep the benefits of membership while unshackling itself from the burdens could prompt other nations to speed toward the exits.

*[Why Catholics are more pro-E. U. than Protestants]*

May's Tuesday speech was cautiously welcomed across the English Channel, where leaders had previously derided Britain for wanting to have its cake and eat it, too — a charge that British politicians did not exactly deny.

"Sad process, surrealistic times but at least more realistic announcement on #Brexit," tweeted European Council President Donald Tusk.

German Foreign Minister Frank-Walter Steinmeier welcomed "a bit more clarity about the British plans. [May] has underlined that Great

Britain is seeking a positive and constructive partnership, a friendship, with a strong E.U. That is good."

The prime minister delivered her speech at a gilded, neoclassical, 19th-century mansion — Lancaster House — in front of an audience that included foreign diplomats. Margaret Thatcher had used the venue 29 years ago to endorse Britain's single-market membership.

May spoke in front of a white backdrop emblazoned with the words "A Global Britain," and her speech emphasized the importance of the country's continuing ties with Europe and beyond.

"We are leaving the European Union, but we are not leaving Europe," she said.

But amid generally conciliatory words, there were also barbs.

She said any effort by Europe to negotiate "a punitive deal" with Britain would "be an act of calamitous self-harm."

If Europe fails to negotiate in good faith, she said, she could decide to "change the basis of Britain's economic model" — words that were interpreted as a thinly veiled threat to turn the U.K. into a tax haven that would undercut E.U. markets.

She also suggested she was prepared to walk away from the negotiating table, an outcome known as "dirty Brexit."

"No deal for Britain," she said, "is better than a bad deal for Britain."

Karla Adam contributed to this report.

## The New York Times In 'Brexit' Speech, Theresa May Outlines Clean Break for U.K. (UNE)

Stephen Castle and Steven Erlanger

"Let me be clear," Mrs. May said, acknowledging the differences. "What I am proposing cannot mean remaining in the single market."

She said that she hoped to complete a final deal with the European Union by March 2019 and that it would be voted on by both houses of Parliament. She was not clear about what would happen if Parliament rejected the deal, though some speculated that a rejection would result in the sort of chaotic, "cliff edge" breakup that she and Britain's bankers and business leaders hoped to avoid.

Mrs. May struck a diplomatic note, including an appeal for a new partnership with Continental Europe, but not at all costs.

"We seek a new and equal partnership — between an independent, self-governing, global Britain and our friends and allies in the E.U.," Mrs. May said. "Not partial membership of the European Union, associate membership of the European Union, or anything that leaves us half in, half out."

And she appealed to Britons, especially to those in Scotland, Wales and Northern Ireland, to unite behind the government and stop re-fighting the referendum that backed leaving the bloc, which she had opposed.

### Key Points From May's Speech

- Britain will not seek to remain a member of Europe's **single market**.

- But it will seek a **free-trade deal** with the European Union.
- The **legal jurisdiction** in Britain of the European Court of Justice will end.
- Both **houses of Parliament** must approve any final deal.

The reaction among her opponents in the "remain" camp was predictably harsh and seemed to herald a long and bruising process.

"Theresa May has confirmed Britain is heading for a hard Brexit," said Tim Farron, the leader of the centrist Liberal Democrats. "She claimed people voted to leave the single market. They didn't. She has made the choice to do massive damage to the British economy."

The Labour leader, Jeremy Corbyn, accused the Tories of turning Britain into "a bargain-basement tax haven," with their recent threat to slash corporate taxes if a good deal cannot be reached with the European Union.

The speech, which provided some degree of substance, gained a warmer reception in the markets, with the pound seeming to stabilize after several jittery days. It rose as much as 1 percent against the dollar during her speech, while stocks on the London exchange fell.

Supporters of a withdrawal have been encouraged as well by reports that other countries in the bloc have recognized that they might suffer if there was a complete rupture and they were denied access to London's financial services sector.

But British businesses remained nervous.

Carolyn Fairbairn, director general of the Confederation of British Industry, a business lobbying group, welcomed the greater clarity provided by Mrs. May but worried that "ruling out membership of the single market has reduced options for maintaining a barrier-free trading relationship between the U.K. and the E.U."

Kallum Pickering, senior Britain economist at Berenberg Bank in London, was more blunt, writing in an analysis that "as we do not expect the E.U. to compromise its principles, the U.K. is set to face significant economic consequences from Brexit."

Few analysts expect the negotiations to go as smoothly or as quickly as Mrs. May seemed to say in her speech. In recognition of the troubles that may lie ahead, Mark Boleat, the policy chairman for the City of London Corporation, the heart of Britain's financial services industry, urged Mrs. May to swiftly secure a transition deal that would provide the certainty that businesses crave.

Charles Brasted, a partner at Hogan Lovells, an international law firm, cautioned that the deal Mrs. May wanted was likely to be seen by the European Union as "precisely the cherry picking that they have warned against." He added: "The objectives are now clear. The path towards them is uncharted."

But he warned that "every one of the aspirations expressed by the U.K. government today will demand exceptional political skill to negotiate

and will be complex to implement legally and commercially."

In Europe, Donald Tusk, the president of the European Council, said on Twitter: "Sad process, surrealistic times but at least more realistic announcement on #Brexit." Germany's foreign minister, Frank-Walter Steinmeier, welcomed Mrs. May's "desire for a positive and constructive partnership, a friendship with a strong E.U.," which Germany would reciprocate.

Mrs. May's speech, delivered in the grand surroundings of Lancaster House in London, was the most closely watched statement on European policy since January 2013, when the prime minister at the time, David Cameron, promised to hold a referendum on European Union membership.

The prospect that Britain would remain part of the single market has been fading since Mrs. May said in October that she would demand complete control of migration from the European Union and release from the European Court of Justice.

The extent to which Mrs. May would be willing to compromise to maintain some access to the single market and to the customs union for goods was less clear. Membership in the customs union limits the ability of member countries to strike individual free-trade deals with non-European nations. So she said she wanted a deal that would allow Britain to trade freely with the world, but still have as much tariff-free trade as possible with European Union countries.

Ideally, Britain would like to have its cake and eat it, in the memorable phrase of the foreign secretary,

Boris Johnson. In other words, Britain would reject what it disliked about the bloc, like freedom of movement, but keep trade unencumbered as it tried to get the best possible trading deal consistent with its other objectives.

While European nations are expected to be stingy with market access, Mr. Pickering says he believes they will eventually bend.

In the final deal, he wrote, he still expects Britain and the European Union to agree to a deal in which "the U.K. maintains a good level of access to the E.U.'s goods markets and limited access to the less-developed services markets."

"Crucially, we expect the U.K. to lose its E.U. financial services passport," Mr. Pickering wrote, referring to a system that allowed banks based in Britain to offer

financial services throughout the bloc. "This follows from the U.K. raising some modest barriers to migration from the E.U."

Many European Union countries have backed taking a hard line against Britain to send a message to other member states that might consider leaving. Anticipating that, Mrs. May said that Britain wanted a successful European Union and a friendly partnership, but that "no

deal for Britain is better than a bad deal for Britain."

**Correction: January 18, 2017**

An earlier version of this article identified incorrectly when Prime Minister Theresa May said, "Get on with it." It was late in her speech, not early.

## The New York Times

### Editorial : Theresa May Puts the Exit in Brexit

In the six months since she came to office charged with carrying out the mandate of the British referendum to quit the European Union, Prime Minister Theresa May has seemed indecisive and ambiguous about how this might be achieved. That ended Tuesday, when she made clear that Britain intends to leave the single market, the central feature of the historic effort to eliminate all barriers to trade across the union and to uphold the free movement of goods, services, capital and — the one Britain could not swallow — people.

Whatever one makes of Brexit, it is critical to ensure that this extraordinarily complex divorce does as little damage as possible to long-

term economic and political relations between Britain and the Continent. So Mrs. May's speech is to be welcomed for spelling out her government's intentions on the core issue before it formally triggers the two-year exit process, which the prime minister has said she will do by the end of March.

In effect, Mrs. May confirmed what had become increasingly clear: that the core demands of the Brexiteers — an end to the free movement of the bloc's citizens and to the jurisdiction of the European Court of Justice over British law — are incompatible with core tenets of the European Union.

Ending uncertainty at least on that score sent the pound surging. Mrs. May also sought to diffuse a

smoldering constitutional clash by pledging to give both houses of Parliament a vote on the final deal. She made no reference, however, to a pending ruling by the supreme court on whether Parliament must vote on the formal notification to the union, and there is no certainty that legislators would support her on either vote.

On the E.U. side, Donald Tusk, the president of the European Council, seemed to sum up the predominant reaction in this tweet:

That may indeed be a measure of our times, that a dollop of realism becomes welcome news. But while Mrs. May took the single market off the table and insisted that Britain would cut its own deals outside the bloc, she said she would still seek to

maintain some tariff-free access to European markets. She also said she would seek transitional arrangements for financial services and businesses past the two-year deadline for completing exit talks.

All that may be hard for the union to accept. Its leaders said little, following a practice of avoiding negotiations before Britain starts the exit process. But a Czech official seemed to speak for many in suggesting that Mrs. May was still trying to ask for too much:

## Bloomberg

### Editorial : The Risks of "Brexit Means Brexit"

The Editors

On Tuesday, U.K. Prime Minister Theresa May set out her fullest account yet of her aims in the forthcoming Brexit negotiations. Greater clarity was overdue, and welcome -- but with it comes a clearer understanding of the enormous hazards Britain faces as this process moves forward.

May said, "What I am proposing cannot mean membership of the single market." That shouldn't have been surprising, because the European Union (regrettably) won't budge on the idea that single-market membership requires free movement of people within the EU, and May (rightly) won't budge on the idea that Brexit requires the U.K. to control its own immigration policy. But understanding this doesn't make May's choice any less wrenching.

May emphasized that she wants this clean break to be on the friendliest terms -- meaning close cooperation on trade, smooth transitional arrangements, and an end to "vast" (but notably not all) budget contributions to the EU. She also

said Parliament would get a vote on the eventual deal. Financial markets reacted favorably, and sterling moved sharply higher after the talk.

So far, the post-Brexit economic slump predicted by the Bank of England and others hasn't materialized. The International Monetary Fund on Monday raised its forecast for U.K. growth this year to 1.5 percent from 1.1 percent. But Britain is still in the EU. The question is what will happen when it isn't.

**QuickTake Why Britain Voted to Quit the EU**

Britain's close trading relationship with the EU has served the country well for more than 40 years. Weakening those links is a momentous step. According to Bloomberg Intelligence, membership in the world's biggest single market has boosted trade between the U.K. and the rest of the EU by 10 percent; if it lost all those trading privileges post-Brexit, Britain's national income might be 2 percent lower in the longer term.

London's finance industry, which contributes about \$55 billion annually to the economy, looks particularly vulnerable. The single market provides "passporting," which allows financial firms to sell products and services across the bloc no matter which member state they're based in. Quitting the single market may force the U.K. to instead rely on "equivalence," where cross-border selling is allowed so long as a non-EU country's rules are judged to be as stringent as the EU's. This is a complicated and much less secure arrangement. And as Bank of England Governor Mark Carney has explained, it could make the U.K. a "rule-taker," forced to accept regulations it has no say in framing.

Put it this way: May's speech gave no reassurance to the decision-makers wondering whether to move jobs in banking and finance to Paris or Luxembourg or Dublin -- all of which are maneuvering to stake their claim.

May echoed the veiled threat issued recently by Chancellor of the Exchequer Philip Hammond: If the EU shuts the U.K. out, Britain might

reinvent itself as an offshore tax and regulatory haven, intent on luring business away from Europe. Though it makes sense for Britain to avoid cowering and to encourage the EU to be friendly, this tough posture isn't all that credible. Selling rock-bottom corporate taxes and light-touch regulation to British voters wouldn't be easy. Europe's leaders know this, and they're unlikely to alter their main goal: Discourage other countries from following the U.K.'s example.

Months ago, May said "Brexit means Brexit"; all that remained was to work out what *that* meant. What she intends it to mean is finally clearer: Britain quits the single market, but otherwise negotiates the closest possible trading relationship with the European Union. It's what a narrow majority of Britons voted for, but the odds are still against May and the U.K. making a success of the mandate.

## THE WALL STREET JOURNAL

### U.K. Inflation Hit Two-Year High in December

Jason Douglas and Wiktor Szary

Updated Jan. 17, 2017 6:49 a.m. ET



LONDON—Consumer prices in the U.K. rose in December at their fastest annual rate for more than two years, fueled by a slide in the pound in the months since Britons voted to leave the European Union.

Annual inflation accelerated to 1.6% in December from 1.2% a month earlier, the U.K.'s Office for National Statistics said Tuesday, the fastest increase in prices since July 2014.

The pickup in inflation comes as Prime Minister Theresa May prepares to set out her vision for Brexit in a speech later Tuesday. Economists and policy makers warn that rising inflation is likely to weigh on consumer spending, one of the U.K. economy's main engines of growth.

Signs that Mrs. May will telegraph she favors tighter controls on

immigration over maintaining membership of the EU's single market sent the pound tumbling to a 31-year low against the U.S. dollar Monday, a weakening that is likely to add further momentum to price growth.

The currency is down almost 20% against the greenback since the referendum on EU membership June 23, a decline that is propelled a steep increase in the costs faced by British companies that is now starting to feed into higher prices for consumers.

The ONS said Tuesday the acceleration in inflation in December was driven by prices for gasoline, airfares, food and clothing. Food producers in particular have faced rapid increases in raw material costs, while sterling's fall has

exacerbated a rise in the price of oil globally, which is usually priced in dollars.

The acceleration in inflation was faster than predicted by economists polled by The Wall Street Journal, who had expected the annual rate to increase to 1.4%.

"We expect this rise in inflation to continue, based on cost pressures building up in the supply chain and the recent renewed weakness of sterling, taking it above its 2% target by mid-2017 and close to 3% by the end of the year," John Hawksworth, chief economist at PwC in London, said.

The Bank of England has said it expects annual inflation to exceed its 2% target by the middle of the year as sterling's fall drives up import costs. Mark Carney, the

central bank's governor, said in a speech Monday that he expects rising prices to squeeze household spending in the coming months, slowing growth in the wider economy.

Producer-price data for December suggest further gains in consumer-price inflation are in the pipeline. The cost of fuel and other raw materials rose 15.8% on the year, the fastest gain since September 2011. The prices charged by companies for their products at the factory gate rose 2.7% on the year, the largest rate of increase since March 2012.

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**THE WALL  
STREET  
JOURNAL**

## Prime Minister Theresa May Says U.K. Won't Seek Membership of EU Single Market

Jenny Gross and Nicholas Winning

Updated Jan. 17, 2017 3:01 p.m. ET

LONDON—Prime Minister Theresa May said the U.K. intends to leave the European Union's single market, outlining a plan for a definitive break from the bloc and answering the biggest open question about her vision for Britain's future.

In her most detailed speech yet, Mrs. May on Tuesday said the U.K. wouldn't seek a "half-in, half-out" relationship with the EU. Once it is out, she said, Britain would no longer abide by the bloc's immigration rules or be subject to jurisdiction of the European Court of Justice, which the EU insists are requirements for unfettered access to its market of 440 million consumers.

At times conciliatory and other times tough, the British leader described an independent U.K. with full control over its borders that would nonetheless maintain a close and friendly trading relationship with the EU. "We will continue to be reliable partners, willing allies and close friends," she said.

In comments that appeared to soothe investors, she said she would give lawmakers, a majority of whom backed staying in the EU, a vote on the final deal, adding she wanted a transition period to smooth the shift to new relations.

Sterling rose by as much as 2.8% against the U.S. dollar to \$1.228 during the speech, having plummeted to a 31-year low on Monday after newspapers suggested she would take an

uncompromising approach on leaving the single market.

"What I am proposing cannot mean membership of the single market," Mrs. May said. "Instead we seek the greatest possible access to it through a new, comprehensive, bold and ambitious free-trade agreement."

She said the U.K. wouldn't be seeking full membership to the EU's customs union—by which members apply a common set of tariffs and import quotas to nonmembers.

"I want Britain to be able to negotiate its own trade agreements," she said. "But I also want tariff-free trade with Europe and cross-border trade there to be as frictionless as possible."

It is unclear what sort of preferential trade access EU leaders and officials would agree to give the U.K. Eager to discourage anti-EU movements across Europe, they have said there is no appetite for giving the U.K. a better deal than existing membership.

Jeremy Corbyn, leader of the opposition Labour Party, said Mrs. May seemed to want to "have her cake and eat it" by leaving the single market but still having access to it.

Leaving the single market will create uncertainties for U.K. businesses that rely on trade with Europe, particularly financial markets, auto makers and aerospace. Nearly half of British goods and services exports go to the EU, compared with 5% to India and China, two markets with which Britain aims to increase trade once it leaves the bloc.

Brexit supporters said they welcomed the tough stance Mrs. May set out ahead of talks, which she is expected to trigger by the end of March.

"Britain must leave the EU at the earliest opportunity so that we can take full advantage of the huge benefits Brexit will bring," said Richard Tice, co-chair of Leave Means Leave.

A spokeswoman said Mrs. May had spoken to European leaders, including German Chancellor Angela Merkel and French President François Hollande, about the speech.

Mrs. May said the talks would require imagination on both sides, as well as "give and take." A deal that punishes Britain to discourage other countries from taking the same path would be "calamitous," she said.

Czech EU Affairs Minister Tomas Prouza tweeted that the "UK's plan seems a bit ambitious—trade as free as possible, full control on immigration...where is the give for all the take?"

German Foreign Minister Frank-Walter Steinmeier said after the speech that he welcomed Mrs. May's comments on wanting a constructive partnership and friendship with the EU.

Mrs. May said she planned for tough negotiations. "While I am confident that this scenario need never arise—while I am sure a positive agreement can be reached—I am equally clear that no deal for Britain is better than a bad deal for Britain," Mrs. May said.

Officials said if there is no free-trade deal, the U.K. would have to resort to World Trade Organization rules, meaning many U.K. exports to the EU would face new tariffs.

Mrs. May said without a trade deal Britain would still be free to set competitive tax rates and change its economic model, and warned that outcome could present the EU with "new barriers to trade with one of the biggest economies in the world."

Mrs. May said it was in the U.K.'s and EU's interest to set a period to phase in their new relationship, giving businesses enough time to plan and prepare for new arrangements.

U.S. President-elect Donald Trump said in a weekend interview that the U.S. wanted to come to a quick trade deal with the U.K., comments Mrs. May referenced in the speech.

Following her speech, some Brexit supporters called on Mrs. May to go further and set out a clear time frame for when the U.K. would no longer be subject to EU rules. "My worry is how long this is going to take and when we will start doing a deal with the U.S.A. and others," Nigel Farage, a chief Brexit campaigner and former leader of the anti-EU UK Independence Party, said from his Twitter account.

Mrs. May's confirmation that the U.K. would leave the single market marks a U-turn from comments before she became prime minister. In April, she warned that the EU accounts for a huge volume of Britain's trade and it wasn't realistic to expect the U.K. to replace European trade with new markets.

On Tuesday, she acknowledged her changed position, saying the economic indicators since the Brexit vote had been more positive than many economists had predicted.

**The  
Washington  
Post**

## Editorial : Trump's Cabinet knows NATO is important. It's not clear he agrees.

CONGRESSIONAL TESTIMONY by Donald Trump's national security nominees last week suggested that the incoming administration would not seek to dismantle the alliances that have undergirded the West — and U.S. global leadership — since 1945. "If we did not have NATO today, we would need to create it," said defense secretary nominee James N. Mattis. The U.S. treaty commitment to defend its European allies, said secretary of state nominee Rex Tillerson, is "inviolable."

It is still not clear, however, that Mr. Trump agrees. In an interview published by the Times of London on Monday, he recalled his claim last year that NATO was "obsolete" because it did not fight terrorism (though it does) and because many of its members did not meet its defense spending guidelines. He then went on to say that "it doesn't matter" to him whether the European Union exists, predicted more countries

European Council President Donald Tusk said on Twitter that the bloc was ready to negotiate the divorce. "Sad process, surrealistic times, but

at least more realistic announcement on Brexit," he wrote.

—Valentina Pop in Brussels and Andrea Thomas in Berlin contributed to this article.

will leave it and placed German Chancellor Angela Merkel on par with Russian President Vladimir Putin in meriting his trust. Unsurprisingly, Moscow hailed Mr. Trump's words, while senior European leaders reacted with alarm.

Ms. Merkel played down the statements, and maybe she's right: Perhaps Mr. Trump's words — he also said "NATO is very important to me" — were haphazard and should not be taken seriously. Yet if the president-elect's intention was to undermine the transatlantic alliance, encourage the disintegration of the European Union and tear down Ms. Merkel as she begins a reelection campaign — an agenda identical to Mr. Putin's — he could hardly have been more effective.

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Russia has already launched a disinformation campaign to discredit Ms. Merkel, using fake-news websites and Internet bots in the same way it targeted Hillary Clinton. Germans might be forgiven for thinking that Mr. Trump's intervention was designed to enhance that assault. He accused Ms. Merkel of making "a catastrophic mistake" by accepting desperate refugees from the Middle East and said Germany was using European integration as a vehicle for its own interests.

Mr. Trump's critiques of the European Union are shared by many Europeans. But he is wrong to suggest that the United States has no interest in the community's survival. In addition to making war between its great powers unthinkable, European integration has helped consolidate democracy and the protection of human rights in countries across the continent, from Portugal to Romania. If it broke up, more nations would drift into the corrupt, autocratic orbit of Russia.

As for NATO, Mr. Mattis was right to tell the Senate Armed Services Committee that it "is the most successful military alliance in modern world history." It has greatly magnified U.S. power and global influence, even when its members were underspending on their military forces. Without it, the West would have no effective way to contain Russian neo-imperialism.

Ms. Merkel said she will wait to see what Mr. Trump does when he is in office. It's probably naive to hope that he will modulate his rhetoric. But Americans who value their country's place in the world, including Mr. Trump's Cabinet members, should do their best to ensure that he does not act on it. Once destroyed, the West's alliances will not be easily rebuilt.

**THE WALL  
STREET  
JOURNAL**

## Galston : Trump Should Listen to Mattis on NATO

William A.  
Galston

A new struggle for Europe is under way and the U.S. may well end up on the wrong side. Many of us hoped that as Donald Trump approached his inauguration, his campaign rhetoric would give way to more considered judgments. His Jan. 15 interview with the Times of London dashed that hope.

In the interview, the president-elect called NATO "obsolete," as he did during the campaign. His evidence: The alliance "wasn't taking care of terror." This statement is false. In the aftermath of 9/11, fighting terrorism in Afghanistan became NATO's principal military activity, and it is now helping train the militaries of Middle Eastern countries to fight terrorism in their neighborhood.

Mr. Trump also asserted, as he did many times during the campaign, that most of the other members of NATO "aren't paying their fair share." This too is false. A formula based on per capita income and other factors determines members' contributions to collectively conducted NATO activities. Of the

current year's NATO budget, the U.S. pays 22.1%, compared with Germany's 14.7%, France's 10.6%, and Britain's 9.8%. If the formula were based on gross domestic product, the U.S. would shoulder a bit more than half the overall burden.

It is true that the U.S. spends a much larger share of its GDP on defense than do our NATO allies. But this reflects our global commitments, not the burden of NATO. It is also true that only four allies—the U.K., Poland, Greece and Estonia—now meet NATO's guideline of spending at least 2% of GDP on defense, and it is reasonable to ask others to close the gap as quickly as possible. But this standard should not be confused, as Mr. Trump always does, with direct contributions to NATO, of which the U.S. pays less than one-quarter.

Equally troubling is the president-elect's dismissive attitude toward the European Union. During his interview, he was asked which is better for the United States—a strong European Union or stronger nation-states. His answer: "Personally, I don't think it matters

much for the United States. I never thought it mattered." Mr. Trump then offered a distinctive analysis of Brexit: "You look at the European Union and it's Germany—basically a vehicle for Germany. That's why I thought the U.K. was so smart in getting out."

Asked whether other countries will follow Britain's example, the president-elect replied, "People want their own identity, so . . . I believe others will leave." He may turn out to be right, but most Europeans believe that he is encouraging as well as predicting this outcome, and that both his indifference to the fate of the EU and his balance-sheet metric for NATO reflect his determination to reach an accommodation with Vladimir Putin.

Mr. Trump was also asked whether he supports European sanctions against Russia. He ducked the question, suggesting that the sanctions could be used as leverage for a new nuclear arms reduction treaty.

This misses the point. The sanctions came in response to naked Russian aggression against Ukraine. If Mr. Trump is willing to trade them away

for progress on nuclear weapons, he will be signaling that if Mr. Putin compromises on core U.S. concerns, he will have a free hand in Eastern Europe, whatever the consequences for our allies.

Before he goes down this road, the president-elect should sit down with Gen. James Mattis, his choice for defense secretary, who last week told the Senate Foreign Relations Committee, "The most important thing is that we recognize the reality of what we deal with [in] Mr. Putin," who "is trying to break the North Atlantic Alliance."

Gen. Mattis believes this would be a huge setback for American interests because NATO is the "most successful military alliance in modern world history, probably ever." And he insists that its core mission of unifying Europe against the Russian threat is anything but obsolete: "There's a decreasing number of areas where we can engage cooperatively and an increasing number of areas where we're going to have to confront Russia."

Mr. Trump should also consult the American people he claims to

represent. A Pew Research Center study finds that during the past decade the share of Americans who regard Russia as a major threat has risen to 54% from 22%. In a recent Quinnipiac poll, 50% of Americans

regard Mr. Trump's attitude toward Russia as "too friendly," while 71% want him to defend "all of America's NATO allies." And according to a 2016 survey by the Chicago Council on Global Affairs, 75% of Americans

(including 60% of the president-elect's core supporters) favor either maintaining or increasing our current commitment to NATO.

Only ignorance and myopia can explain a policy of weakening ties with our European allies, and nothing can justify it.

## THE WALL STREET JOURNAL

### Senior NATO General Says Alliance Working on Modernization, Efficiencies

Julian E. Barnes

Jan. 17, 2017 1:55 p.m. ET

BRUSSELS—A senior general with the North Atlantic Treaty Organization said parts of the alliance were obsolete, following recent critiques from U.S. President-elect Donald Trump.

French Air Force Gen. Denis Mercier, who leads the command in charge of modernizing the alliance, said NATO is adapting, overhauling its command structure and looking at its partnership programs to improve how it helps combat terrorism.

"NATO has failed to look at the change in the strategic background. We have some structures that are obsolete," said Gen. Mercier, the most senior French general in the alliance. "In a certain way we have obsolescences."

While the Obama administration begins to deploy new tanks and thousands of additional U.S. forces to Europe aimed at deterring any potential Russian aggression, Mr. Trump has spoken of a new deal with Russia and

improved relations with Moscow.

Gen. Mercier said he didn't anticipate that the U.S. would prod NATO to taking a new approach in Europe and warned against a sudden change in strategy by Washington.

"If the U.S. stopped deploying it would be a strategic shock in Europe," said Gen. Mercier. "But I do not believe it will happen."

In Washington, some in Congress also have said the deployments were critical to security. "Our allies need to know that we are committed to their security, and to the solidarity of Western democracies in the face of Russian efforts to divide and undermine us," said Rep. Adam Smith (D., Wash.), the ranking member of the House Armed Services Committee.

In a weekend interview with European newspapers, Mr. Trump reiterated his comments that NATO was obsolete and needed to focus more on counterterrorism.

Gen. Mercier said it was the purpose of NATO's Allied Command

Transformation in Norfolk, Va., "to avoid this obsolescence."

"This is a huge opportunity for my headquarters when I hear the president-elect," he said. "This is our role: to transform."

Other NATO officials have been less eager to embrace the idea that parts of the alliance are obsolete but have backed Mr. Trump's call for European countries to boost military spending.

And Gen. Mercier's critique of the alliance's modernization challenge differed in key respects from Mr. Trump's. The French general argued that the alliance had focused too much on building so-called expeditionary capabilities as new threats gathered in Europe.

The senior uniformed officers from allied nations, including Marine Gen. Joseph Dunford, the chairman of the Joint Chiefs of Staff, met Tuesday in Brussels with top NATO generals.

To help improve the alliance's counterterrorism efforts, NATO military leaders are reviewing their work with partner countries to help train forces and prevent terrorism.

Gen. Mercier said NATO has too many overlapping initiatives aimed at building the military capacity of partner countries to fight instability and terrorism.

The alliance, he said, needs to eliminate duplicative efforts and streamline its initiatives with a new comprehensive plan that could be tailored to individual countries but would offer a three- to five-year road map for countries to help build up their forces.

The alliance also is reviewing its command structure. Gen. Mercier said that individual nations likely would respond to any erupting crisis first, later handing command over to the alliance. The alliance must work to build newer, stronger ties between its command structure and national headquarters to make oversight in a conflict seamless.

"My headquarters will try to push more flexibility in the command structure and more linkage with national command structures," he said. "My view is...we need a more federated approach."

## The Washington Post

### A top NATO general echoes Trump, calling aspects of alliance 'obsolete'

<https://www.facebook.com/michael.birnbaum1>

BRUSSELS — A top NATO general said Tuesday that aspects of the alliance were "obsolete," echoing President-elect Donald Trump's language and saying that the Western military alliance needs to adapt for a changing world.

The admission was a first sign of how NATO may try to pitch itself to the most skeptical U.S. president in the history of the bloc, which was formed as a defensive bulwark against the Soviet Union in the aftermath of World War II. But it appeared unlikely that French air force Gen. Denis Mercier, the senior NATO commander based in the United States, and Trump believe that the same aspects of NATO are obsolete.

*[European leaders shocked as Trump slams NATO and E.U., raising fears of transatlantic split]*

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Trump has said that he wants the 28-nation defense alliance to focus more on counterterrorism, a shift that NATO leaders say was already underway before Trump's insurgent candidacy transformed into an election victory. He has also left open the question of whether he would come to the aid of NATO allies that have not been meeting their defense spending commitments and left open the door to a deal with Russia that would be anathema to most other NATO members.

*[Trump says U.S. won't rush to defend NATO countries if they don't spend more on military]*

NATO leaders have been left to struggle with how to present

themselves to an incoming president even as U.S. and allied troops fan out across Eastern Europe to provide deterrence to a threat of a Russian invasion.

"When I look at the threats we are facing now, we see that we may have focused too much, until the Ukraine crisis, we may have focused too much on expeditionary operations, especially in Afghanistan, and doing that, NATO has a bit failed to look at the change in the strategic background," said Mercier, who is the supreme allied commander transformation of NATO, based in Norfolk.

His job, previously held by retired U.S. Marine Gen. James Mattis, Trump's nominee for secretary of defense, is focused on the technical side of developing NATO's future military stance and strategies, a command post that stands to benefit from major demands for change. His assessments do not appear to be shared by all senior staff at NATO.

"We have some structures that are obsolete," Mercier told a small group of journalists in Brussels, saying that aspects of NATO bureaucracy are duplicative and could be streamlined. One example he offered was a standardized blueprint for the way NATO partners with nonmember countries on security initiatives.

But in a sign that his vision of NATO's future may diverge from Trump's, he said that the July 2016 summit in which NATO nations committed thousands of troops to Eastern Europe was an example of successful adaptation.

"If there was not obsolescence in many areas of the alliance, we would not have decided this adaptation, in fact," Mercier said.

Mercier also said that NATO was working on counterterrorism efforts by committing military trainers to Iraq and by offering NATO radar planes to the coalition combating the



Islamic State. He said that additional initiatives were also possible as the world struggles to confront the terrorist group.

He carefully broke from Trump's desire to team up with Russia, saying that NATO needed to talk to the Kremlin but that Russia should not violate the territorial integrity of other nations.

"We always talk better with Russia when we are strong," he said, praising the current NATO troop deployments across Eastern Europe. Again pitching NATO's work to Trump, he said that resolving the complexities of the multinational deployment would speed future - counterterrorism efforts.

But he acknowledged that Trump's unorthodox approach to NATO, if

carried through to a full reversal of military commitments made under President Obama, could result in significant disruptions to the alliance.

"If the U.S. forces would stop deploying, it would be some kind of strategic shock in Europe," he said of the deployments to Poland, Lithuania, Latvia and Estonia.

Over the weekend, Trump called NATO "obsolete" and said that other nations were not paying enough for their own defense. "With that being said, NATO is very important to me," Trump told the Times of London and Germany's Bild newspaper.

## The New York Times

### German Court Rejects Effort to Ban Neo-Nazi Party

Melissa Eddy

BERLIN — Germany's highest court rejected on Tuesday an attempt to ban the National Democratic Party, the country's oldest far-right political organization, finding that it did not pose a danger to democracy even though its principles violate the Constitution.

The ruling by the Federal Constitutional Court came after years of deliberation and at a time of soul-searching in the country, where another right-wing party, Alternative for Germany, is poised to win representation in Parliament in national elections this year.

Although the National Democratic Party "pursues aims contrary to the Constitution," there was a lack of "concrete supporting evidence" that the neo-Nazi party would be able to successfully achieve its goals and to pose a genuine threat, said Andreas Vosskuhle, the president of the court.

"That a party has aims that run contrary to the Constitution is not sufficient grounds for banning a party," he said.

Germany's 16 states submitted a petition in 2013 to ban the party, citing its racist, anti-Semitic agenda,

but the law that allows a party to be banned is not based on "sympathies or worldview," but on evidence of a specific threat to the Constitution, he said.

Germany has strict laws on banning political parties, and only two have been outlawed since the defeat of the Nazis at the end of World War II — the neo-Nazi Socialist Reich Party, in 1952, and the German Communist Party, in 1956.

A 2003 attempt to ban the National Democratic Party also failed, after the court found that paid informants in the party were partly responsible for evidence the government used.

Over the past decade, the party has continued to lose popularity, with many of its members switching to Alternative for Germany.

That party was founded in 2013 on an anti-euro agenda, but it has attracted followers after emerging as a prominent voice against Chancellor Angela Merkel's decision to allow nearly one million refugees into the country since summer 2015. Although the influx has slowed, the issue remains a political point of contention.

In September, voters ejected the National Democratic Party from the

legislature in Mecklenburg-Vorpommern, the last state in which it had seats. Other than Udo Voigt, a member of the European Parliament, the party is now represented only at the local level.

The eight judges of the court cited the party's lack of playing a significant role in the political landscape as a reason for their decision not to ban it. "In more than five decades that it has existed, the National Democratic Party has not been able to achieve lasting representation in a state legislature," Mr. Vosskuhle said, reading from the 300-page ruling. "There are no indications that this will change in the future."

At the height of its popularity, the party narrowly missed winning seats in the West German Parliament and was represented in seven of the country's 11 state legislatures. Since German reunification in 1990, the party has been strongest in states of the former East Germany.

The ruling means the far-right party remains eligible under German law for financial support from the government, drawn from taxpayers, one of the arguments for the attempt to ban it. Mr. Vosskuhle acknowledged this point, suggesting

the idea of changing the Constitution to restrict funding from parties that are recognized as violating Germany's democratic principles.

On Tuesday, however, the party celebrated the ruling, with its leader, Frank Franz, posting on the party's Facebook page, "Two-time winner against an attempt to be outlawed."

Thomas de Maizière, Germany's interior minister, said that despite the ruling, he supported keeping the party under observation by the domestic intelligence services, a move that he credited for keeping the party from posing a substantial threat.

But the ruling also earned criticism, especially from Jewish groups such as the World Jewish Congress, which expressed "disappointment" and "dismay" at the court's ruling.

"This sends the wrong signal, all the more so as the court made it very clear that the NPD indeed strives to overthrow the democratic order and shares many of the aims of Hitler's Nazi Party," said Ronald S. Lauder, the group's president.

## The Washington Post

### INTERNATIONAL

#### Captured suspect in nightclub attack is Uzbek with Islamic State ties, Turkey says

ISTANBUL — Turkish officials on Tuesday confirmed the arrest of a suspect accused of fatally shooting 39 people at a New Year's Eve party in an Istanbul nightclub, saying he is an Uzbek national who is linked to the Islamic State militant group and who had received training in Afghanistan.

Officials said the suspect, Abdulkadir Masharipov, was arrested late Monday in Istanbul's high-rise Esenyurt district and detained along with four other people. He was the focus of a nationwide manhunt in several cities and had eluded police for weeks. He was shown bruised and bloody in

pictures that were apparently taken after he was in custody and that local news outlets distributed.

"The perpetrator of this vile attack has been captured," Prime Minister Binali Yildirim told reporters in Ankara, the Turkish capital. "The powers behind this will be revealed," he added, without elaborating.

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Vasip Sahin, Istanbul's governor, said that fingerprint evidence linked Masharipov to the killings and that

the suspect had “accepted his crime.”

The attack on the waterfront Reina nightclub was among the worst mass killings in recent memory in Turkey, which has been shaken by an onslaught of attacks from militants as well as Kurdish separatists.

*[U.S. boosts support for Turkish military in Syria]*

The details and surveillance footage from the brazen assault shocked the country, with the gunman blasting his way through the front entrance of the club, one of Turkey's most famous venues, as people fell around him.

The victims included more than two dozen foreigners, mostly from countries across the Middle East, as

well as a Turkish security guard who, just weeks before, survived another terrorist attack in the city.

The Islamic State quickly claimed responsibility, framing the carnage as retaliation for Turkey's military involvement in Syria's civil war. There, Turkish forces have battled Islamic State fighters in strongholds along the border. Turkey has also carried out air and artillery strikes on the Islamist militants.

*[Opinion: How Obama pushed Turkey into Russia's embrace]*

Hundreds of Uzbek militants have flocked to join the Islamic State in Syria and Iraq, according to researchers tracking the group's foreign fighters. Uzbek Islamic militants have been featured in the group's propaganda videos and

have carried out suicide attacks on Iraqi troops.

Turkish authorities did not say Tuesday whether Masharipov had spent significant time in Iraq or Syria. But his alleged training in Afghanistan raises questions about the potential role of the Islamic State affiliate there.

The affiliate, known as Khorasan Province, has struggled to establish a foothold and is not known to have ordered or participated in an attack outside Afghanistan.

But Uzbek militants have long fought in Afghanistan, where they were allied with the Taliban, and they have launched attacks on U.S. and NATO troops. In 2015, a faction of the Islamic Movement of Uzbekistan, which has a strong

presence in Afghanistan, pledged allegiance to the Islamic State.

Sahin, the Istanbul governor, said Tuesday that Masharipov speaks four languages and was “well trained.” He was born in 1983, Sahin said.

Authorities think he arrived in Turkey last year. Turkey is home to a number of residents from Central Asian countries, with which it shares linguistic and historical ties.

After the attack, the hunt for Masharipov involved about 2,000 officers searching dozens of locations, Sahin said.

The authorities found nearly \$200,000 in cash at the apartment where Masharipov was captured.

## THE WALL STREET JOURNAL

### Suspect in Istanbul Nightclub Attack Trained in Afghanistan

Margaret Coker  
and Emre Peker

Updated Jan. 17, 2017 2:43 p.m. ET

ISTANBUL—The gunman apprehended for allegedly opening fire at a fancy Istanbul night spot early on New Year's Day, killing 39 people, received training in Afghanistan before arriving in Turkey, according to a Turkish official.

Abdulgadir Masharipov, an Uzbek citizen, admitted to carrying out the assault shortly after being arrested at an apartment on the outskirts of Istanbul, according to the city's governor, Vasip Sahin, who described the man as a dedicated and well-trained terrorist.

The extremist group Islamic State claimed responsibility for the New Year's attack at the Reina, a club popular with partygoers from the Middle East and elsewhere that overlooks the Bosphorus in Istanbul. Mr. Sahin said that the attack was clearly the work of the terror group, but he didn't offer any direct evidence linking the Uzbek to Islamic State.

Mr. Masharipov was in custody and couldn't be reached to comment.

Turkish security services were touting the arrest following a two-

week nationwide manhunt. It was the fourth major terror attack in Turkey in one month by Islamist terrorists or the outlawed Kurdistan Workers' Party. But investigators' discoveries also revealed an uncomfortable truth about extremists' wide presence in the country.

Following the onset of Syria's civil war in 2011, Turkey became a main transit route for foreign fighters joining many of the rebel groups battling Syrian President Bashar al-Assad, with would-be jihadists coming from as far afield as the Xinjiang region of western China.

Ankara, which built a wall along parts of the Syrian border, has largely curbed the flow. But militants from abroad have succeeded in burrowing into Turkey.

Turkish officials have offered somewhat contradictory statements about the alleged shooter's motives. Deputy Prime Minister Numan Kurtulmus on Monday speculated he could have ties to a foreign intelligence organization.

A senior official said the gunman could have been driven by financial gain, in addition to ideology, citing a large amount of cash recovered by police during multiple overnight raids.

Security forces found \$197,000 in cash along with two weapons and two drones in those raids, Mr. Sahin said Tuesday. As they searched for Mr. Masharipov, police said they identified more than 150 foreign extremists in Turkey, many of whom are from the former Soviet Central Asian states. They arrested dozens of other terror suspects before they found the Uzbek man.

Turkish media showed pictures of a man they said was Mr. Masharipov wearing a gray bloodstained shirt. Mr. Sahin, the governor, said he was born in 1983 and had illegally entered Turkey in January 2016, apparently crossing the nation's rugged eastern border.

Police said Mr. Masharipov dropped his weapon and slipped away into the night in the early hours of Jan. 1, after spraying gunfire into the crowd.

Authorities traced him from fingerprints recovered at the crime scene and information gleaned from Mr. Masharipov's wife, who has been in custody in Turkey for several days, as well as other alleged associates detained in the aftermath of the shooting spree, Mr. Sahin said.

Mr. Sahin told reporters that Turkey set up a special task force of 2,000 officials, including intelligence and

special operations forces, to catch the gunman. The team reviewed 7,200 hours of security camera footage, chased down approximately 2,200 tips and raided 152 addresses nationwide, he said.

“Since that night, our police have been working as if digging a well with a needle,” the governor said. “In these operations, our aim is to capture the culprit alive.”

Mr. Sahin said that Mr. Masharipov had been living in Istanbul's western district of Basaksehir for an undisclosed period. But days before the New Year's Eve attack he moved addresses, most likely to try to evade detection, he said.

The manhunt picked up in recent days, and Istanbul police closed in on their suspect after narrowing the focus of their search to five addresses, according to the governor.

Four foreigners were arrested with Mr. Masharipov in his hideout—an Iraqi man and three women of African origin—the governor said. He added that these people are also suspected to be part of an extremist cell.

## The New York Times

Schmitt

### Obama's Stark Options on ISIS: Arm Syrian Kurds or Let Trump Decide

Michael R.  
Gordon and Eric

unlikely that he will resolve the contentious issue in the waning moments of his presidency.

That such a pivotal decision has been left to Mr. Obama's final weeks in office reflects the complexity of the debate about working with the

Y.P.G., as the Syrian Kurdish militia is known, as well as the caution the president has displayed about sending American forces to fight in the region.

Mr. Obama has vowed to deal the Islamic State crippling blows in

Mosul, Iraq, and Raqqa before he steps down on Friday. Allied airstrikes have increased in and around Raqqa in recent weeks as thousands of Syrian Kurdish and Syrian Arab fighters encircle the city, isolating it from the resupply of arms, fighters and fuel. Last month,



Mr. Obama ordered 200 more American Special Operations forces to Syria to help these local fighters advancing on Raqqa, nearly doubling the number of American troops on the ground there.

But the American military believes that Raqqa cannot be seized unless the Y.P.G. is equipped for urban warfare. It is unclear what level of support President-elect Donald J. Trump will maintain for opposition groups in Syria combating the Islamic State, especially those groups that are bitterly opposed by the Turks.

Defense Secretary Ashton B. Carter stressed Raqqa's importance during a visit to Fort Campbell, Ky., in January 2016. "The ISIL parent tumor has two centers: Raqqa in Syria and Mosul in Iraq," Mr. Carter said. "That's why our campaign plan's got big arrows pointing at both Mosul and Raqqa."

American officials requested anonymity in order to describe the administration's internal deliberations.

About 250,000 civilians are in Raqqa, and the Islamic State has fortified the city with trenches and mines and would defend it with suicide bombers. Because the Obama administration has ruled out the use of American combat troops, the United States has to rely on mobilizing local Arab forces to join battle-hardened Syrian Kurdish fighters.

"Raqqa is very difficult because unlike Iraq, we're not working with a government," Brett McGurk, the American envoy to the coalition that is fighting the Islamic State, said at a seminar last week. "We're not working with an army. We have to work with local

actors and organize them into a military force."

American military officials say it is urgent to retake Raqqa because it is the capital of the Islamic State's caliphate, a sanctuary for many of its top leaders and the hub for the extremist group's plots against the West.

The Pentagon has been urging Mr. Obama to equip the Syrian Kurds, whom American commanders view as their most effective ground partner, with armored vehicles, rocket-propelled-grenade launchers, machine guns and other heavy equipment so that the American-supported Raqqa attack can begin in February.

The weaponry is needed, American military officials say, because the Iraqi push to capture Mosul has demonstrated that retaking a city occupied by Islamic State fighters, armed with suicide car bombs, is a difficult and bloody operation.

To buttress the Raqqa mission, the Pentagon is also urging that the White House authorize the use of United States Army Apache attack helicopters, which are equipped with Hellfire missiles. Apaches are supporting Iraqi troops in the fight for Mosul.

But arming the Kurds would also aggravate Mr. Obama's tense relations with Turkey's president, Recep Tayyip Erdogan, who has contended that the Y.P.G. is linked to the Kurdistan Workers' Party, which Turkey and the United States regard as a terrorist group.

The administration has been considering ways to ease Turkey's anxiety, such as making arrangements to monitor the weapons given to the Syrian Kurds

for the Raqqa offensive and thus prevent the weapons from being used elsewhere by the Kurds. In addition, Arab forces would occupy Raqqa after the city is taken, and Kurdish fighters would be withdrawn.

The United States also recently began carrying out airstrikes near Al Bab, a town in northern Syria that Turkey has been struggling to take from the Islamic State.

But American diplomats in Ankara, the Turkish capital, have warned that providing weapons to the Y.P.G. could provoke a Turkish backlash, officials say. Not only might it cause a deep breach in the United States' relations with Mr. Erdogan, but the Turks might take actions against the Y.P.G. in northern Syria that could ultimately undermine the offensive to retake Raqqa.

Anticipating Mr. Obama's decision, the Turks have been quietly increasing the pressure by delaying approval for American air missions that are flown from the Turkish air base at Incirlik and supplies going in and out of the base. Incirlik has been a major hub for carrying out airstrikes against the Islamic State in Syria and Iraq.

Turkey's sensitivity on the issue was clear last week when the United States Central Command, which oversees military operations in the Middle East, posted a statement on Twitter by the Syrian Democratic Forces, the umbrella group that includes Syrian Kurds as well as Syrian Arab fighters, affirming that it is not part of the Kurdistan Workers' Party as "some regional governments" have claimed.

"Is this a joke or @CENTCOM has lost its senses," Ibrahim Kalin, Mr.

Erdogan's spokesman, responded on Twitter.

Faced with the dilemma, some administration officials have suggested that American officials go back to the drawing board and try to cobble together a more diverse force to take Raqqa that would include Turkish Special Forces as well as Turkish-supported Syrian opposition groups. American commanders say about 20,000 troops will be needed to seize the city. By contrast, Turkey has been able to muster only about 2,000 Arab fighters in its battle to reclaim Al Bab, and that campaign has been bogged down by fierce resistance.

During a visit to Washington last month, Masrour Barzani, a top security official in the Kurdish autonomous region in Iraq, pressed American officials to work with Syrian Kurds who are separate from the Y.P.G. and are operating in Iraq, a group known as Pesh Merga or Roj Pesh. Aides to Mr. Barzani assert that the Roj Pesh are trained by the pesh merga, would be politically acceptable to the Turks and number about 3,300.

"Roj Pesh are the most efficient and politically diverse force," Mr. Barzani said. "They can be the bridge to lessen regional tensions and a force multiplier in the campaign."

But Pentagon officials say that the Y.P.G. has the most effective fighters, is already closing in on Raqqa, and that trying to assemble, train and equip an alternative force could be difficult and at best would take many months.

## THE WALL STREET JOURNAL

### Islamic State Gains in Remote Syria Outpost

Noam Raydan  
and Nour Alakraa

Jan. 17, 2017 1:05 p.m. ET

Islamic State forces cut in half the last Syrian government enclave in an oil-rich eastern province, pro-government media and opposition activists said Tuesday, putting new pressure on the regime after the terror group suffered setbacks elsewhere.

The group's advances in Deir Ezzour—the capital of a province of the same name—came during a fierce Islamic State offensive. By Tuesday morning, the extremists had cut off a supply route to a Syrian military air base.

Islamic State has laid complete siege to the government-held part of the city for about two years. With the

fresh advances, the group cut off an area where tens of thousands of civilians live from a Syrian air base that has been used to bring supplies and aid to the enclave. The extremists advanced despite heavy airstrikes by Syrian regime and allied Russian warplanes.

The gains against the regime come at a time when Islamic State is losing ground across its self-declared caliphate, though it did manage last month to win back control of the ancient city of Palmyra, less than a year after Syrian forces recaptured it.

Deir Ezzour province and neighboring Raqqa province form Islamic State's most significant territorial foothold in Syria today. In Iraq, the group is being slowly

squeezed out of its last major stronghold there, the city of Mosul.

Deir Ezzour province, which is on the border with Iraq, has economic and strategic importance as a hub of oil and agriculture. Islamic State has braced to make a last stand there as it comes under pressure from U.S.-backed forces elsewhere in Syria and Iraq.

The division of the government-held enclave in Deir Ezzour threatens to worsen the humanitarian situation of some 200,000 civilians trapped in the areas that have been separated from the air base, according to the U.K.-based Syrian Observatory for Human Rights, an opposition monitoring group. The base is vital for supplying the Syrian military there and for aid to residents of the area.

"People in the besieged part of Deir Ezzour are living under terrible conditions. They are spending most of their time in basements to avoid the mortar shells which Islamic State is raining down on the city," said a Turkey-based antigovernment activist who said he was in contact with relatives trapped in the city.

The fighting in Deir Ezzour has killed at least 122 civilians in both government and Islamic State areas in the past three days, according to the Observatory.

On Tuesday, the Syrian troops received military reinforcements, according to Rami Abdelrahman, head of the Observatory.

"Islamic State needs to secure the belt around the city to fully control it," said Omar Abu Layla, head of

the antigovernment activist network Deir Ezzor24.

Syrian warplanes continued to pummel Islamic State positions in the city on Tuesday, according to SANA, Syria's state-controlled news

agency, killing and wounding a number of fighters and destroying their vehicles in the area.

In September, the U.S.-led coalition fighting Islamic State said it mistakenly struck Syrian army

positions in the same area where government forces are currently battling Islamic State. Dozens of Syrian soldiers were killed and the strike contributed to the collapse of

an already shaky cease-fire at the time.

## THE WALL STREET JOURNAL

### Russia's Lavrov Wants Trump Administration at Syria Peace Talks

Laura Mills and Nathan Hodge

MOSCOW—Russian Foreign Minister Sergei Lavrov said U.S. President-elect Donald Trump's administration should be invited to take part in Syria peace talks on Jan. 23, taking a parting shot at the Obama administration.

Mr. Lavrov said he hoped the talks, which are set to take place in Astana, Kazakhstan, would be more productive under Mr. Trump than they have been under President Barack Obama.

"It is totally possible to breathe new life into these [peace talk] mechanisms, considering that the new U.S. administration says it aims to fight terrorism in earnest, unlike [the administration] before it," he told reporters in an annual question-and-answer session with the Russian and international press on Tuesday.

The Syria peace process stalled in recent months, as U.S. officials

found themselves sidelined by an emboldened Russia, which helped the Syrian forces of President Bashar al-Assad recapture the key city of Aleppo.

An earlier cease-fire deal reached between Mr. Lavrov and U.S. Secretary of State John Kerry collapsed, and diplomatic relations between Moscow and Washington have come under severe strain amid accusations that the Russian government orchestrated cyberattacks to interfere with the 2016 U.S. presidential elections. The State Department in December expelled 35 suspected Russian intelligence officers and their families and notified Moscow that it would deny access to two recreational compounds used by Russian diplomats in the U.S.

The expulsions followed what the U.S. government described as escalating Russian harassment of U.S. diplomats, including police stops and physical assault. In his remarks on Tuesday, Mr. Lavrov

countered by claiming U.S. intelligence agents had stepped up efforts to recruit Russian diplomats.

"We do not publicize the full statistics on this, but over the past few years, especially during the second term of the Obama administration, such unfriendly activity against our diplomats has been growing," he said.

He said the Americans took what he described as the unprecedented effort to recruit the second-highest-ranking diplomat in an embassy, and attempted to lure another diplomat by placing \$10,000 in an empty vehicle with an offer of cooperation.

"That money has been registered with our accounting department, and it is now working for the benefit of the Russian state," he said.

The Russian government has welcomed the change in administration in Washington, with

officials saying they expect a reboot in relations with the U.S.

However, in response to comments by Mr. Trump in which he appeared to suggest that Washington could negotiate with Moscow to reduce nuclear weapons in return for eliminating economic sanctions against Russia, Mr. Lavrov said he "did not see a proposal to disarm in exchange for removing sanctions" in Mr. Trump's remarks.

Mr. Lavrov also said media reports that advisers to Mr. Trump are organizing a meeting with Russian President Vladimir Putin in Iceland weren't true.

**Corrections & Amplifications:** The Syria peace talks will take place in Astana, Kazakhstan. An earlier version of this article incorrectly stated the talks would take place in Almaty. (Jan. 17, 2017)

## The Washington Post

### Russia's Putin rejects Trump dossier report as plot against 'legitimacy' of president-elect

MOSCOW — Russian President Vladimir Putin on Tuesday called reports that Donald Trump has been compromised by Russian intelligence "total nonsense" and said allegations were fabricated to "undermine the legitimacy" of Trump's presidency.

It was the Russian president's first direct denial of the contents of an uncorroborated dossier written by a former British intelligence agent hired to compile opposition research. The dossier claimed that Trump was compromised by Russian intelligence agents during a 2013 visit to Moscow to hold the Miss Universe pageant.

"The people who are ordering this kind of false information, who are now disseminating it against the president-elect of the United States, who fabricate it and use it in a political fight, are worse than prostitutes," Putin told journalists after talks with Moldovan President Igor Dodon in Moscow. "They have no moral boundaries."

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In a moment of levity, Putin addressed some of the more salacious rumors in the dossier: "You know, it's difficult for me to imagine that he ran to the hotel to meet with our women of lower social responsibility. Even though they're the best in the world, of course. But I doubt that Trump went after them."

Putin's remarks were just part of a larger indictment on Tuesday of the American establishment and political opponents of Trump as Russia enthusiastically waves farewell to the Obama administration this week and awaits a new U.S. administration that may give the Kremlin greater influence in international affairs.

(Julie Vitkovskaya, Jason Aldag/The Washington Post)

Few politicians have used television to craft a personal narrative better than Russian President Vladimir Putin. Here are 5 Putin personalities Russians see on TV (Julie Vitkovskaya, Jason Aldag/The Washington Post)

In a nationally televised news conference on Tuesday morning, Russian Foreign Minister Sergei Lavrov railed against the "messianism" and export by the West of "post-Christian values" that embrace "permissiveness," a nod toward the conservative ethos that has found increasing support in the Kremlin.

Once an exporter of democracy, the West now tries to export values that are anathema to society in Russia, Lavrov complained. Under Trump, the Kremlin is hoping the United States will shift to focus more on national affairs than global values.

Lavrov said he was looking forward to cooperating with the incoming administration in the war on terrorism and bringing peace to Syria, and he took a shot at the Obama administration for what he called "double standards."

"If we hear that in the foreign policy of Donald Trump the main thing will be the fight against terrorism, then we, of course, can only welcome that, since that is exactly the thing that has been lacking with our American partners," Lavrov said.

Lavrov also criticized U.S. spy agencies for what he described as numerous efforts to recruit Russian diplomats and attempts by U.S. diplomats to disguise themselves to conduct reconnaissance in Russian. Lavrov's spokeswoman on Sunday made headlines in Russia when she said U.S. officials had tried to recruit a Russian diplomat who was arrested while trying to procure medicine for a leading Russian politician.

Like Putin, Lavrov brushed aside the racy dossier.

The document was published in full by BuzzFeed this month after reports that Trump and President Obama were briefed on its contents by the intelligence community.

(Dalton Bennett, Jason Aldag, Julie Vitkovskaya/The Washington Post)

With allegations that Russian intelligence agencies collected comprising material about President-elect Donald Trump, Russian opposition member Ilya Yashin, explains the power of "kompromat" and how it is used by Russian security services. Russian opposition member Ilya Yashin

explains the power of "kompromat" and how it's used by Russian security services. (Dalton Bennett, Jason Aldag, Julie Vitkovskaya/The Washington Post)

The dossier's claims are separate, however, from an assessment endorsed by all 17 U.S. intelligence agencies that Russian intelligence used electronic hacking to try to swing the presidential election in favor of Trump.

Other major news organizations, including The Washington Post, have had the document for several months but have been unable to

verify crucial allegations made by the author.

*[Trump says he has "nothing to do" with Russia. The past says otherwise.]*

During the news conference, Putin said Russia did not even know that Trump had political ambitions when he was in Moscow in 2013. "What do you think, our intelligence services are chasing after every American billionaire? Of course not! It's total nonsense," Putin said.

Despite criticism, Trump has stood by his calls for a reset in relations

with Russia, setting him potentially at odds with cabinet picks who have described Moscow as a global adversary. On Sunday, Trump took aim at outgoing CIA chief John Brennan for saying the president-elect "does not fully understand" the Russian threat. In a tweet, Trump said current U.S. policies toward Russia could not be "much worse."

Referring to Syria, where Russia has been backing the regime of Bashar al-Assad against rebels, including moderate groups supported by the United States, Lavrov said Moscow hoped that Trump's administration "will not

apply double standards to use the war on terrorism to achieve goals that don't have anything to do with this goal."

Asked to comment on reports that the Trump campaign was seeking a summit in Reykjavik, where Ronald Reagan and Mikhail Gorbachev held nuclear talks in 1986, Lavrov said the report was untrue and that any arrangements would be made after Trump was inaugurated as president.



## Ghitis : Is Trump preparing to surrender America's interests to Russia?

Frida Ghitis is a frequent contributor to CNN, and a world affairs columnist for The Miami Herald and World Politics Review. She is a former CNN producer and correspondent. The views expressed in this commentary are her own.

(CNN)Is Donald Trump preparing to surrender America's interests to Russia?

President-elect Donald Trump's interview with the Times of London and Germany's Bild on Monday was a punch in the gut to Europe.

He appeared to signal that the United States may turn its back on its allies, thereby weakening America and strengthening Russia, and throwing away what America helped build over three-quarters of a century.

Judging by what we have heard from Trump, Russian President Vladimir Putin should not have been just satisfied with Trump's election. He should have been overjoyed. There are few issues of friction between Russia and the West in which Trump has not already indicated he plans to take Putin's side.

In Trump's astonishing statements to the newspapers, he described the European Union as an instrument of German domination. Germany and its leader, Chancellor Angela Merkel, one of America's most important allies, were a particular focus of Trump's thinly-veiled attacks.

Trump said he trusts Merkel and Putin equally, placing the leader of a country at the core of the trans-Atlantic alliance in the same category as the leader of a nation that has antagonized the United

States at every turn. "I start off trusting both," he said dismissively, "but let's see how long it lasts." How Putin must have enjoyed this!

Trump repeated his claim that NATO is obsolete, and breezily declared he doesn't care what happens to the European Union, calling Britain's decision to leave "a great thing." That position is remarkable because since World War II every single US administration has supported European integration as a way to strengthen the Western alliance and promote its shared values.

The Russia file is politically charged for the President-elect. A new CNN/ORC poll shows 8 in 10 Americans say they're paying close attention to the issue. And although there is deep disagreement over the significance of recent intelligence reports, an area of overwhelming consensus is disapproval of Putin, with just 12% saying they have a positive view of the Russian president.

Let's pause here to recall: There is a reason why the US and Europe have been allies, while Putin's Russia has stood on the opposite side. Europe and the US share basic ideals about democracy, human rights and individual freedoms. Now Trump is increasingly aligning himself with the leader of a country that has steadily dismantled a fledgling democracy; one where and critics of the president die in mysterious circumstances, where government-sanctioned attacks against LGBT citizens have sent people fleeing, where opposition politicians run away for their lives.

Despite this, Trump has dismissed criticism of his Putin-friendly statements by arguing that it's better

for America to have Russia as a friend than a foe. What he appears to be pursuing, however, is not simply restored relations with Moscow, but the overturning of decades of purposeful American policy in a way that fulfills the geopolitical aspirations of Putin's Russia. This is not the art of the deal, it is surrender.

Of course, we still don't know what Trump will do once in office, particularly since some of his own nominees disagree vehemently with his stance on Russia.

For example, Gen. James Mattis, the likely secretary of defense, got it right during his Senate confirmation when he explained that, "...the most important thing is that we recognize the reality of what we deal with (in) Mr. Putin." Putin, he said, "is trying to break the North Atlantic alliance." Mattis prescribed, "working with allies to defend ourselves where we must."

Indeed, if Putin aims to destroy the European Union and NATO, he won't need weapons. Trump will be doing it for him if his policies match his utterances, instead of the admonitions of key players like Mattis.

What might that look like? For one thing, Trump has repeatedly hinted at plans to lift sanctions imposed by the West after Russian forces seized the Crimean Peninsula from Ukraine and sent unmarked Russian soldiers into eastern Ukraine to foment a civil war there. This has raised anxiety among Russia's closest neighbors -- an alarm shared even in Western Europe. Europeans saw what Putin did in Ukraine and fear the US would do nothing to stop Putin from creating havoc in their countries.

(Pro-Russian positions, it's worth noting, were hallmarks of the Trump presidential campaign. Back when the campaign was led by Paul Manafort --- who has close ties with the pro-Russian side of Ukrainian politics -- the Trump campaign forced the Republican Party to change its platform, removing both criticism of Russia and vows to support Ukrainian independence.)

Not surprisingly, Europe, is preparing for the possibility of life without the close ties with the United States, which were forged in the ashes of World War II. Merkel said, "There is no eternal guarantee for a close cooperation" in trans-Atlantic relations. "We Europeans," she declared, "have our fate in our own hands."

The possible fracturing of a 70-year-old alliance -- a mighty economic, political and military bloc -- would be a huge loss for Europe and a spectacular victory for Putin. But it would also constitute a historic loss for the United States.

America's strength derives not only from the size of its military forces, but also from the power of its alliances and its ideas. Trump, if he follows through on his disruptive threats, would make the United States a weaker country--one that does not enjoy the support of the greatest military alliance in history, which has put the US at the center of a powerful family of nations that share views on economic, social and political freedoms.

Sure, getting along with Putin would be nice, but not at the expense of America's values; not at the cost of weakening America. Not at the cost of betraying America's true friends.



Many people in the United States and abroad have consoled themselves by assuming that Donald Trump's outrageous statements were just politically driven, and he'd temper them once he became president. That thinking seems more wishful than ever when the man chosen to lead the world's most powerful country keeps saying that two pillars of postwar security and prosperity — the North Atlantic Treaty Organization and the European Union — are obsolete.

Mr. Trump's latest salvo against stalwart American allies came in a joint interview over the weekend with The Times of London and Bild, a German newspaper. His published remarks have angered and shaken America's closest allies in Europe.

Mr. Trump said NATO was obsolete because it had failed to resist terrorism, and he repeated earlier charges that some of its members were not paying their fair share. He described the European Union as "basically a vehicle for Germany" and predicted that other European nations would probably follow Britain's lead by leaving it.

Then came potshots at Germany's chancellor, Angela Merkel, a strong leader who is facing a tough re-election. He called her brave decision to open Germany's borders to migrants and refugees a "very catastrophic mistake." He also suggested that he saw no difference between Ms. Merkel and Vladimir Putin, saying he would, at least initially, trust them equally, even though it was the Russian president who meddled with the American election, bombed civilians in Syria, crushed dissent in his own country and invaded Ukraine.

It is puzzling indeed for a president-elect to publicly denigrate leaders of his country's closest allies as well as an alliance that for 70 years has stood firm against Russian expansion. And Mr. Trump's criticism of NATO's response to terrorism showed no awareness of the alliance's contributions to the fight against the Taliban and Al Qaeda in Afghanistan and the Middle East.

Mr. Trump did say during the interview that "NATO is very important to me," but in the context of his other remarks, this was hardly

enough to blunt the impression that he placed little value on NATO's historic role as a defender of democracy and its continued usefulness today. Nor did Mr. Trump's remarks ease concerns that his choices for cabinet members, some of whom seem to have a much firmer grasp of foreign policy than he does, will have little if any influence on administration policy. During their recent confirmation hearings, Rex Tillerson, the nominee for secretary of state, said he saw value in durable alliances; retired Gen. James Mattis, the defense secretary designate, went even further, asserting that "if we did not have NATO today, we would need to create it."

Mr. Trump's comments on the European Union almost took the breath away: "I don't think it matters much for the United States." The union has its problems, as Britain's vote to leave it has shown, but to cavalierly dismiss as unimportant the idea of European integration and the second-largest market in the world is to ignore history and reject the future. Mr. Trump seems eager

to help unravel the rules-based international order.

The big winner in all this is Mr. Putin, who has been working assiduously not just to delegitimize American democracy by interfering with the election but to destabilize Europe and weaken if not destroy NATO, which he blames for the Soviet Union's collapse. Mr. Putin will almost certainly try to persuade Mr. Trump to withdraw American support for NATO's plans to reinforce its defenses against a newly assertive Russia. As part of that effort, an American convoy crossed into Poland last week; on Monday, the deployment of 330 American Marines to Norway began. Reversing course any time soon would be a huge mistake.

European leaders put on a brave face after the Trump interview. "The best response is European unity," Foreign Minister Jean-Marc Ayrault of France said. A worthy response, but incomplete. The Europeans also need America as a partner. America needs Europe as well.

**The  
New York  
Times**

## Libyan's Rendition Case Against Britain Can Proceed, Court Rules

Kimiko de  
Freytas-Tamura

LONDON — A Libyan dissident who claims he was abducted and tortured by American and British intelligence agents can sue the British government and a former foreign secretary over his rendition, Britain's Supreme Court said on Tuesday.

The court's decision overturned a High Court ruling that said the dissident, Abdel Hakim Belhaj, could not seek damages from the government, the spy agencies MI5 and MI6, or Jack Straw, the former foreign secretary. That court said Mr. Belhaj did not have standing to sue because the case involved other countries and could damage Britain's relations with the United States.

On Tuesday, the Supreme Court said it "unanimously dismisses the

government's appeals," and that Mr. Belhaj's case could go to trial.

Mr. Belhaj was the leader of the Libyan Islamic Fighting Group, a terrorist organization, according to the United States, when, he said, he and his pregnant wife, Fatima Bouchar, were abducted in 2004 in Bangkok. He was tortured for several days by two people he claims were C.I.A. agents. He was then returned to Libya, where he was thrown into solitary confinement for six years, three of them without a shower, one without a glimpse of the sun, he said. His child would turn 6 before Mr. Belhaj saw him for the first time.

Mr. Belhaj said he was detained in China before being transferred to Malaysia and then Thailand. There, he said, he was handed over to the C.I.A., which acted on information from MI6, the British foreign intelligence service, according to Libyan government files discovered

after the fall of Col. Muammar el-Qaddafi in 2010.

In 2011, Mr. Belhaj was named head of the military committee responsible for keeping order in Tripoli, the capital of Libya. At the time, he described himself as a grateful ally of the United States and NATO who bore no hard feelings over his previous treatment.

He has said he would drop the case if the British authorities apologized.

"Years ago I asked the British government to apologize for what it had done," Mr. Belhaj said in a statement on Tuesday. "I have always said I was prepared to forgive, but that first Britain needed to accept that to abduct me and my wife and send us to Qaddafi is, and always was, wrong. The government refused this basic plea for justice. So I am gratified that we will have a trial. We have been waiting for justice for years. I continue to hope

justice will one day be done, not just for my family, but in the name of everyone wrongly kidnapped in the war on terror."

Ms. Bouchar said that because of her stay in a C.I.A. prison, her son was born weighing only four pounds.

The couple's lawyer, Sapna Malik, said, "We hope that the defendants in this action now see fit to apologize to our clients and acknowledge the wrongs done, so that they may turn the page on this wretched chapter of their lives and move on."

Mr. Straw, who was foreign secretary under former Prime Minister Tony Blair, said he acted in line with British and international law. "I was never in any way complicit in the unlawful rendition or detention of anyone by other states," he said in a statement.

**The  
New York  
Times**

## Nigerian Jet Mistakenly Bombs Refugee Camp, Killing Scores (UNE)

Dionne Searcey

The Nigerian military has been locked in a fierce battle with Boko Haram fighters for years as they rampage through the country's northeast, carrying out attacks on military positions and, more recently, frequent suicide bombings that have killed hundreds. In the government's

zest for rooting out the militants, civilians have frequently ended up detained, hurt or dead.

Among the dead in the bombing were six workers from a local Red Cross organization, said a spokeswoman for the International Committee of the Red Cross, adding

that 13 were wounded. Two soldiers were also wounded.

A humanitarian helicopter sent by the United Nations and the International Committee of the Red Cross was arriving late Tuesday, and medical teams in Cameroon and Chad were being prepared to treat the wounded.

"This large-scale attack on vulnerable people who have already fled from extreme violence is shocking and unacceptable," said Dr. Jean-Clément Cabrol, the director of operations for Doctors Without Borders. "The safety of civilians must be respected. We are urgently calling on all parties to ensure the facilitation of medical

evacuations by air or road for survivors who are in need of emergency care."

Military officials said local workers for Doctors Without Borders had also been wounded, but the group could not confirm that.

On Tuesday afternoon, President Muhammadu Buhari of Nigeria acknowledged the military error on his official Twitter account.

Mr. Buhari has said repeatedly that Boko Haram has been defeated, even as the group has carried out marketplace bombings in Nigeria, Cameroon and elsewhere in recent weeks. This week, two suicide bombers — one of them a girl about 12 years old — detonated explosives at the University of Maiduguri, where students and teachers had gathered for morning prayer. The blast killed four people, including Aliyu Usman Mani, 60, a veterinary medicine professor and father of two, and forced the university to postpone exams. The bombing also came as the United

States is considering selling the Nigerian government warplanes, despite objections from some officials in Congress over the military's past record of human rights abuses.

The violence has uprooted more than two million people from their homes in the region. Some of them wind up in camps like the one at Rann, where 20,000 people in the past six months have fled to escape Boko Haram's marauders.

The small, densely packed camp includes people living in an old schoolhouse, mud-brick homes and other structures, some of which were smashed in the bombing, said Hugues Robert, the Nigeria program manager for Doctors Without Borders.

The bombing struck the camp early Tuesday afternoon, said Mr. Robert, who has been in touch with his team in Rann. The camp has been largely inaccessible for months, he said, and the charity's workers had reached Rann for the first time only

in December. Workers had returned on Saturday to establish a malnutrition screening clinic.

On Tuesday, that clinic was converted into a triage center as the wounded victims of the bombing, some with grievous injuries, jammed under the tents, lying in the soil to await treatment from the small number of medical professionals there, who were equipped to treat hunger, not blast wounds.

Darkness had fallen by the time more help arrived, and it seemed impossible to evacuate anyone before Wednesday, Mr. Robert said. "It's really chaotic," he said. "A lot of people won't survive the night."

Rann is known as a hotbed of Boko Haram activity. The military had cleared the area of militants just this spring, stranding 3,000 people without food or water, according to local news reports. But with the end of a rainy season that had limited mobility, Boko Haram has regained a foothold. Late last month, a military post near Rann was

attacked in a battle that lasted three hours, an indication of the strength and firepower of militants in the area.

Before the bombing on Tuesday, the Nigerian military had been informed that fighters were amassing to attack a military post nearby, according to a Western diplomat who requested anonymity in talking about security issues. Armed with geographic coordinates of where they thought the fighters were assembled, the air force launched the bombing strike but hit the camp in error.

At a news conference in Maiduguri on Tuesday, Maj. Gen. Lucky Irabor acknowledged the mistake, calling it "disturbing."

In a statement issued by his spokesman, Mr. Buhari pleaded for calm, calling the bombing "a regrettable operational mistake."

## **The New York Times** In Era of Trump, China's President Champions Economic Globalization (UNE)

Peter S. Goodman

In myriad ways, Mr. Xi is a strikingly ill-fitting steward of openness and connectivity.

Under his direction, China's Communist Party has clamped down severely on civil society, tightening restrictions on the internet and jailing scores of lawyers focused on using the country's own laws to defend the rights of aggrieved people. He has projected China's navy into contested waters in the South China and East China Seas.

Throughout his speech, Mr. Xi carefully used the phrase "economic globalization," while avoiding unqualified "globalization," reflecting China's spurning of an open internet, universal human rights and free elections.

Indeed, the metaphor he used to reject protectionism — "like locking oneself in a dark room" — could just as well have been used to describe China's political path under his leadership, with the Communist Party overtly guiding a campaign to restrict the influence of what it labels Western notions such as democracy. This month, China's top judge delivered a speech sharply criticizing the idea of an independent judiciary, which he said must be "resolutely rejected."

Not for nothing, China carries a reputation as a country willing to bend the norms of global commerce

when such a course suits its interests. Steel producers around the globe complain that Beijing dumps its steel on world markets at prices lower than the cost of raw materials, costing jobs at mills from Italy to Indiana.

But the populist ferment refashioning the global order has made previously unthinkable roles possible. In the United States, the supposed citadel of free market enterprise, a wealthy real estate magnate has captured the White House on the strength of his appeal as a supposed champion of blue-collar workers. Here in Davos, where technology executives fret about the plight of sub-Saharan Africa while drinking champagne paid for by investment banks, the chairman of the Communist Party of China — an institution that rules in the name of peasant-led revolution — draped himself in the banner of globalization.

None of these details were featured in Mr. Xi's highly choreographed appearance at the gathering that has become a rite of passage into the ranks of the global elite.

For Klaus Schwab, executive chairman of the World Economic Forum, the participation of China's president amounted to a public relations coup because it was the first time a Chinese head of state had attended. Mr. Schwab obliged with his trademark soft treatment. He asked no questions, solicited none from the audience, and

delivered an introductory address so laudatory that it provoked wincing among some in the audience.

"In a world marked by great uncertainty and volatility, the international community is looking to China to continue its responsive and responsible leadership in providing all of us with confidence and stability," Mr. Schwab said.

That Mr. Xi chose this year to make his debut underscores China's attempt to improve its international standing just as much of the world appears in turmoil.

The United States is about to inaugurate as president someone who has questioned the relevance of powerful institutions that have anchored the world order for decades, from NATO to the World Trade Organization. Britain is pursuing a fraught divorce from the European Union, dealing a blow to those who have advanced regional integration as a solution to economic and security problems.

The growing electoral strength of populist, anti-European Union parties in France, the Netherlands, Italy and Germany have intensified fears that the union may not endure.

These developments have yielded a gnawing sense that a complex world is suddenly short of adult supervision. Mr. Xi devoted his speech to trying to fill that vacuum, casting China as a trustworthy power in which serious-minded

people are taking considered action to address consequential challenges — from climate change to a weak global economy.

"This appears to be a time of uncertainty in the United States, in the U.K.," said Kai-Fu Lee, a prominent venture capitalist in Beijing who invests in emerging Chinese companies. "The world needs strong leaders to give the world confidence."

In keeping with the traditions of speeches delivered by senior Chinese officials, Mr. Xi's address was long on platitudes, tortured metaphors and literary references, while nearly bereft of policy pronouncements.

Yet, in totality, it delivered a striking message: In an era in which the United States and Britain are consumed with recriminations over the strains of globalization, China will continue to tether its fortunes to world trade.

Mr. Trump has picked as a key trade adviser the economist Peter Navarro, who has long portrayed China as a mortal threat to American prosperity. Mr. Trump has threatened to brand the country a currency manipulator, opening the door to punitive tariffs.

Though Beijing has in years past maintained its currency, the renminbi, at artificially low levels to make its goods cheap on world markets, it has in recent months



intervened aggressively in the other direction, propping up its value against the dollar.

"China has no intention to boost its trade competitiveness by devaluing the RMB," Mr. Xi said.

In another implicit rebuke of Mr. Trump, the Chinese president argued forcefully for follow-through on the 2015 Paris climate accord. Mr. Trump has threatened to renounce the deal while naming to his cabinet several people who question the basic scientific consensus on climate change.

"The Paris agreement was hard won," Mr. Xi said. "All signatories should stick to it instead of walking away from it, as this is a responsibility we must assume for

future generations."

Mr. Xi was accompanied by an enormous delegation of Chinese officials and business executives who reveled in a moment on the world stage, posing for photos as they awaited the president's arrival.

In conversations on the sidelines, many expressed concerns about the threats of tariffs from the incoming Trump administration, fearing the consequences of a potential trade war between the world's two largest economies. But most assumed tough rhetoric would eventually give way to the realities of shared commercial interests.

China relies on access to the United States, the largest consumer market on earth, as the landing place for its exports. The United States depends

upon China for a vast range of finished goods.

Jack Ma, founder and executive chairman of Alibaba Group, the Chinese e-commerce giant, said he assumed cooler heads would find a way to avoid trade hostilities.

"I don't think it will happen," he said of the hostilities. "It's going to be a disaster if it does."

More than a decade has passed since the United States Congress effectively prevented CNOOC, a Chinese state-owned oil company, from buying the American energy company Unocal, branding the merger a threat to national security. Fu Chengyu, CNOOC's chief executive at that time, pointed to the treatment of the merger as an

indication of American hypocrisy on free trade.

But on Tuesday, as he waited for the Chinese president to deliver his address, Mr. Fu, who recently retired from another major Chinese energy company but retains a party post, expressed confidence that Mr. Xi and Mr. Trump would forge common ground.

"Eventually, they will cooperate to get more benefits," Mr. Fu said. "At the beginning, Trump will say something very harsh. He will try to do something punishing. But this is a double-edged sword. Once he's in the White House, he will see things differently."

## THE WALL STREET JOURNAL

Stephen Fidler in Davos, Switzerland and Te-Ping Chen and Lingling Wei in Beijing

Updated Jan. 17, 2017 12:57 p.m. ET

Chinese President Xi Jinping issued a full-throated defense of international trade and economic integration before a packed hall here, as doubts about the merits of globalization mount in the U.S. and elsewhere in the West.

"No one will emerge as a winner in a trade war," Mr. Xi, the leader of the world's second-biggest economy, said in an hourlong speech on Tuesday to members of the world elite gathered for the annual World Economic Forum. "Pursuing protectionism is just like locking one's self in a dark room. Wind and rain may be kept outside, but so are light and air."

The Chinese leader's message comes as the U.S. prepares to inaugurate President-elect Donald Trump, who has voiced skepticism about the benefits of free trade to the U.S.

Mr. Xi sought to portray Beijing as a benevolent power intent on upholding an international order that has boosted common prosperity. He exhorted world leaders to "join hands and rise to the challenge."

The speech was portrayed by some who heard it as a response to politicians in the U.S. and Europe who are turning their focus inward.

"There is a vacuum in global leadership. Xi sees it and he seizes it," said Carl Bildt, a former prime minister of Sweden, who was in the audience. "If the U.S. does take a more mercantilist route, overall the Asians and Europeans will have to

## China's Xi Jinping Seizes Role as Leader on Globalization (UNE)

combine to preserve global free trade."

China has been one of the biggest beneficiaries of globalization, which opened the way for the country, with its vast and relatively low-wage workforce, to become the world's factory floor. Inexpensive goods manufactured in China have flooded the planet.

That shift helped lift hundreds of millions of Chinese from poverty. But it was also a factor that contributed in costing millions of workers in the West their jobs, fueling mounting suspicion of transnational economic integration and the current antiestablishment backlash in politics in much of the developed world.

"Some people blame economic globalization for the chaos in our world," Mr. Xi said. He dismissed the idea—and acknowledged that globalization had resulted in growing income inequality within many countries.

"It's important that China is saying that there are important benefits of globalization and acknowledges that there are many problems that have to be worked through," said David Lipton, first deputy managing director of the International Monetary Fund.

In many ways, Mr. Xi—and his government—are deeply ambivalent about globalization. Mr. Xi is an unabashed nationalist, who resents the West's lecturing on human rights and democracy. He has sought to bulk up state-run companies and kept China's internet isolated behind its Great Firewall.

Mr. Xi stressed that no power should attempt to dictate to other countries a specific path. Development, he said, is "of the people, by the

people, and for the people," borrowing a phrase from U.S. President Abraham Lincoln's Gettysburg Address.

Some in the audience noted irony in the appeal from the leader of a country that has undermined competition.

Foreign companies and governments complain that China has moved to restrict foreign companies' access to its markets, while buying up technology and assets from firms abroad. The U.S. and Europe also accuse China of selling goods from steel to solar panels at improperly low prices.

"Here, we have the global elite embracing Xi as the anti-Trump," said Lawrence Freedman, emeritus professor of war studies at King's College, London.

Mr. Trump has pledged to defend American firms and workers against foreign competition and impose tariffs on imports from China and Mexico, among other countries. Mr. Trump also accused China of manipulating its currency to boost exports.

"China has no intention to boost its trade competitiveness by devaluing the renminbi, still less will it launch a currency war," Mr. Xi said.

China's yuan weakened almost 7% against the dollar last year, nearly double the drop in the year earlier. In recent weeks, China's central bank has stepped up its effort to prop up the yuan as Beijing pledges to keep the currency largely stable.

In his speech, Mr. Xi built a case that China should have a greater formal role in guiding the world economy. He gave his endorsement to the 2015 Paris agreement on carbon emissions, calling on

countries to "stick to it instead of walking away from it."

Mr. Trump has called climate change a hoax, fueling speculation that he might pull the U.S. out of the accord.

Some in the audience questioned the readiness of China to adopt the leadership role that Mr. Xi was viewed as mapping out.

"In these times of a lack of leadership, particularly in Europe, it was quite impressive," said Werner Hoyer, president of the European Investment Bank, which is owned by the 28 member states of the European Union.

But when asked if he thought that China's institutions were ready to take on the leadership of the world economy, Mr. Hoyer said: "Not yet."

Mr. Xi's legitimacy at home depends in large measure on his ability to manage a continued slowdown in China's own economy while continuing to assert Chinese territorial claims despite U.S. opposition.

Mr. Xi said China's economy has entered a "new normal" of slower but more sustainable growth. Household consumption and services have become new growth drivers for the economy, Mr. Xi said.

He said China's economy grew at 6.7% last year, within the range of between 6.5% and 7% targeted for 2016.

Still, that growth came through easy credit and other stimulus that revved up industries and the property market, contributing to overcapacity and soaring house prices. Mr. Xi acknowledged those headwinds. China's leadership has made

## THE WALL STREET JOURNAL

SHANGHAI—China didn't invent the brand of mercantilism that Donald Trump rails against; it copied the playbook from its neighbors.

Japan grew rich by promoting exports while protecting its own industries. So did South Korea. They both manipulated their currencies and showered favors on politically connected business cartels, skewing domestic competition.

But here's one major difference: these trading powerhouses together with Taiwan, Singapore and others in Asia who aggressively pursued export and investment-led growth were friends and allies of the U.S., whereas China is a strategic competitor and military rival. That's what raises the stakes in a looming trade showdown between the U.S. and China.

On the eve of Mr. Trump's inauguration, the unsettling question that hangs over the region is whether the provocations he has lobbed—over trade and territory—could trigger military conflict.

Wall Street investors seem to be discounting the danger. They should think again.

This won't be a rerun of the epic Reagan-era trade spats with Japan over autos, semiconductors, computers and satellites, fueled as they were by U.S. paranoia about an unstoppable Japanese juggernaut taking over American industry.

Diplomacy managed to limit the damage to the relationship. Japan

## NATIONAL REVIEW ONLINE

# A Trade War With China Could Lead to Shooting

Andrew Browne

was a Cold War bulwark against the Soviet Union, hosting U.S. military bases. Furthermore, it's a democracy.

Washington similarly had an interest in mitigating trade tensions with South Korea, where thousands of U.S. troops face a hostile North Korea.

With these countries, as others around the world, Washington viewed trade as tool of foreign policy; U.S. jobs lost to imports in Detroit or Cleveland were the price to be paid for maintaining Pax Americana.

Mr. Trump has signaled, in brutally undiplomatic terms, an end to this tradeoff when it comes to China. In an interview with The Wall Street Journal last week he effectively threatened to blow up the entire U.S.-China relationship by making continued American support for the "One China Policy" conditional on progress toward ending what he described as currency manipulation and other predatory Chinese trade and investment practices.

The gambit has profound security and military implications. Taiwan is a regional flashpoint. Beijing regards the island as an inalienable part of Chinese territory; "One China" expresses not just its political desire for unification but a core part of Chinese identity. Chinese leaders will fight for it. They can't lose Taiwan.

A similar mix of Chinese national resolve and pride is at play in the South China Sea.

Hence, to countries in the region alarmed by Mr. Trump's combative tone, a proposal by Secretary of State nominee Rex Tillerson to deny China access to the artificial islands it has built along the sea lanes came across as equally shocking. In practical terms, that would mean a naval blockade of what Beijing regards as its sovereign territory—an act of war.

It is unclear whether Mr. Tillerson misspoke at his grueling Senate Foreign Relations Committee confirmation hearing last week. But he hasn't retracted or clarified his statement, either. Regardless, it has raised anxiety levels around the region.

Mr. Trump seems to be listening to the anti-China hawks on his team. These include the appointed head of a new White House National Trade Council, Peter Navarro, famous for books including "The Coming China Wars" and "Crouching Tiger" that advocate trade sanctions against China not just to level the playing field but to blunt a military adversary.

Japan took some of the heat out of trade tensions by appreciating its currency, adopting voluntary export restraints on cars and building factories in the U.S. that created jobs. Today, few in America view Japan as a threat in any way: China has now eclipsed it.

The consequences of China's neo-mercantilist practices are amplified by the sheer size of its economy.

Monumental Chinese industrial surpluses—steel and aluminum in particular—are flooding global

markets. Moreover, economic protectionism has become an integral, though unacknowledged, component of President Xi Jinping's political platform. He's fused it to a national security agenda that's squeezing out foreign suppliers of technology to critical infrastructure. And he's harnessed all this to a militant nationalism that increasingly targets the U.S. as the enemy.

Trying to unravel these arrangements will make U.S. efforts to counter "Japan Inc." in the 1980s look straightforward.

Mr. Trump's hawkish advisers argue—with some justification—that the U.S. is already in a trade war with China.

Their Chinese counterparts see little reason to call a truce. On the contrary, they view the election of Mr. Trump as evidence that America's deeply divided society is in crisis, and its days of global dominance are numbered. With Europe unraveling, they see a historic opportunity to reshape the U.S.-led global order.

Being forced to choose sides in a conflict between the world's two largest economies is the recurring nightmare of Asia-Pacific countries. They can only hope that a trade war, which is surely on the way, won't turn into a shooting war.

## Fontaine : Obama's Foreign-Policy Legacy: Limits of American Restraint

It was clear from the outset that Obama would preside over national retrenchment. George W. Bush had waged a global war on terror and campaigns in Afghanistan and Iraq, pursued years of confrontation with North Korea and Iran, increased defense spending and foreign aid, and, with a "forward strategy of freedom," aimed to end tyranny around the world. The traditional American goals of security, prosperity, and freedom would be advanced, his administration generally held, through deep global engagement and the vigorous and confident assertion of U.S. power.

Obama entered office believing that he could achieve the same broad goals by doing less rather than

more. In this he was with the American people; as Senator John McCain's foreign-policy adviser in 2008, I could see the weariness among those who had, since 9/11, waged or funded the country's battles, who worried about future confrontations and global unpopularity, and who sensed that the terrorist threat, because it was diminishing, was not impelling the action it still required. The financial crisis put the mood in stark relief, but it had built steadily throughout Bush's last years in office.

Obama offered not fundamentally different ends but alternative means. America, he said, would be secure, prosperous, and free not by fighting endless wars but by bringing wars to

a close. It would best its adversaries not by confronting them but through the extended hand of dialogue. It would vanquish terrorism not by remaking societies in which extremism thrives but by stepping up American efforts to attack the terrorists themselves. And it would boost its economic fortunes not through the vigorous projection of U.S. power abroad but by redirecting resources and energy toward nation-building at home.

This recipe for restraint and retrenchment focused mostly on limiting the exercise of America's military power and avoiding steps that might require its employment. It permitted ambitious, even grandiose, diplomatic initiatives,

ranging from resetting relations with Russia and the Iran nuclear deal to a new beginning with the entire Islamic world. And it rested on a particular ideological disposition. For Obama, the biggest foreign-policy crises have arisen not from America's failure to act when needed but from intervening where it should have stayed aloof.

As Obama explained in 2013, "I am more mindful probably than most of not only our incredible strengths and capabilities, but also our limitations." "Some of our most costly mistakes," he added a year later, "came not from our restraint but from our willingness to rush into military adventures." The lesson of recent history seemed clear enough: On

balance, the United States should do less in the world. The closest thing to an Obama doctrine would dictate not a course of action but what to avoid — “Don’t do stupid [stuff].” Rather than peace through strength, America could have strength through peace.

Or peace of a sort. Obama sought to avoid not military conflict per se but rather large-scale war of the Iraq variety, involving ground troops and extended deployments. Despite having pledged to end wars, he increased their number, carrying out military attacks in seven countries — more than his predecessor. But his fear of the slippery slope to another Iraq led his administration not only to wind down the wars but at times to telegraph its lack of commitment to winning them.

Obama sought to avoid not military conflict per se but rather large-scale war of the Iraq variety

In practice, the effects were often dire. Obama surged troops to Afghanistan but set a deadline for their removal, allowing the Taliban to bide its time and all parties to factor in American irresolution. The complete withdrawal of forces from Iraq eliminated America’s hard-won influence over the Maliki government, which over time hollowed out the Iraqi security forces, followed Tehran’s political direction, and watched as its misrule helped give life to ISIS. The abandonment of Libya — with no stabilizing force to follow the toppling of its dictatorship — produced a civil war, a terrorist sanctuary, and a vector for migrants hoping to reach Europe. Failing to arm moderate Syrian rebels when it mattered most, or to enforce the “red line” on chemical weapons, helped fuel a humanitarian catastrophe that has given sanctuary to ISIS and destabilized the European Union. Obama did not meaningfully arm Kiev after the Russian invasion of Ukraine, and did not respond to Russian attempts to distort U.S. democratic practice until well after Election Day. For months, the Navy refrained from exercises to assert freedom of navigation in the South China Sea as Beijing embarked on a major land-reclamation and reinforcement effort. In the earnest attempt to avoid Bush-like sins of commission, Obama engaged in his own sins of omission.

His administration often defended inaction by appealing to the clock — what the 2015 National Security Strategy called “strategic patience.” According to this view, Russia is a declining power whose economic and demographic problems will increasingly limit its influence, and

Moscow has courted quagmire in Syria. ISIS is the JV team whose barbaric ideas will eventually collapse under their own weight. China, with its unwelcome assertiveness in the region, is actively isolating itself in Asia. In Iran, the moderates will eventually triumph, and in Syria, Bashar al-Assad has lost legitimacy and will eventually go. The arc of global history bends toward justice — and toward order, security, and freedom as well, even if the United States isn’t engaged in the hard work of bending it.

The counterfactuals cry out: How do we know things would have turned out better had Obama made different choices? We can’t, but the administration’s behavior is instructive. In many of these cases, after a period of restraint it ended up engaging anyway — slowly, incrementally, hesitantly, but with the aim of staving off disaster. Obama rescinded the Afghan-withdrawal deadline, sent troops back into Iraq, armed Syrian rebels, conducted belated freedom-of-navigation exercises in the South China Sea, and imposed sanctions and expelled spies in response to Russia’s interference in the American election.

The Obama administration did seize important opportunities. Building closer ties with countries across Asia is the right strategic impulse, and Obama had real achievements. He built on the transformation of ties with India that began under Bush, strengthened alliances with Korea and Japan, and won rotational access for U.S. troops in Australia and the Philippines. The administration also engaged in the East Asia Summit, ratified a treaty with the Association of Southeast Asian Nations, and strengthened ties with Indonesia, Vietnam, and Singapore. It remains to be seen how much the Trans-Pacific Partnership’s demise will undermine these achievements, but certainly it will provide an opening to China to take a position of regional economic leadership.

Elsewhere, too, the administration had key successes. Its aggressive approach to al-Qaeda helped decimate its ranks. Its belated fight against the Islamic State has gathered steam, and the efforts to bolster NATO in Eastern Europe and boost maritime security in Southeast Asia have helped reassure nervous partners. Reaffirming America’s commitment to defending Japan and European allies signaled important resolve.

And yet the administration has been of two minds about allies. Logic suggests that, in retaining the traditional objectives of American

foreign policy but seeking to do less in their pursuit, Obama expected America’s partners to do more. Free-riding allies would have to step up and spend more, take on additional military burdens, lead diplomatic initiatives, and endure domestic political challenges to seal economic agreements.

Obama-era retrenchment, in the best-case scenario, would have spurred other governments to take on their own responsibilities.

Obama-era retrenchment, in the best-case scenario, would have spurred other governments to take on their own responsibilities. More frequently, however, vacuums emerged and were then filled in ways that damaged American interests. ISIS and al-Qaeda found safe haven in Iraq, Syria, Libya, and Yemen. Russia is more active in the Middle East today than it has been at any point since the 1973 Yom Kippur War, and it has initiated a program of disruption and intimidation across Europe. China has stepped up its efforts to solidify claims over most of the South China Sea and enhance its economic influence over the region. Iran has become the primary external actor in Iraq, Syria, and Lebanon.

A policy of retrenchment prioritizes international efforts, both by importance and by odds of success. The administration’s foreign-policy agenda was quite often perplexing, ranging from the obviously important, such as fighting terrorism, addressing climate change, and pivoting to Asia, to the idealistic, such as global nuclear disarmament, to the admirable but impossibly unlikely. Obama’s administration devoted inordinate time and energy to this last category, whether in attempting to secure an Israeli–Palestinian peace accord when the odds of success were virtually nil or in striking a cease-fire and Assad-transition deal with Moscow, which, in the absence of American leverage, faced similarly poor chances. Opportunity costs abounded.

Key allies in Asia, Europe, and the Middle East, whose appetite for American engagement rose with their sense of regional peril, watched with concern as the administration and Congress combined to demonstrate domestic political dysfunction, military incrementalism, hesitant economic leadership, and haphazardly set foreign-policy priorities. Adversaries attempted to take the opportunity to press their advantages. The world, and Americans, wondered where all this was headed.

The immediate post–Cold War era was a period of uncontested American primacy, with our country in search of a new global role and the domestic political will to sustain it. After 9/11, the national focus turned to fighting terrorism and wars in the greater Middle East. And as counterterrorism has subsided as the organizing principle in U.S. foreign policy, new forces have risen to take its place.

Their most pronounced features are global competition and local fragmentation. The great powers are increasingly competing for regional dominance and global influence. Ideology has reentered the arena, with liberal democracy, populist autocracy, and radical Islamism among the available alternatives. At the same time, longstanding features of the international landscape are fragmenting, from the European Union to Middle Eastern borders, from global trade liberalization even to American alliances with countries such as the Philippines.

Obama’s foreign-policy failures should not discredit the ideas of restraint and caution.

Much of this would have happened even if a different administration had conducted American foreign policy for the past eight years. In some areas, Obama improved matters. But in more, his restraint and retrenchment fueled the competition and fragmentation that are today’s hallmarks. For all his sunny optimism about the arc of history, the president convinced Americans that the world is endlessly complicated, broken in key places, and often inhospitable to U.S. engagement. Much more often than we’d like, the conventional wisdom now goes, there just isn’t much the United States can do about problems around the globe, and certainly not at an acceptable cost.

And yet for all that, Obama’s foreign-policy failures should not discredit the ideas of restraint and caution. Just as the Bush administration’s stumbles in Iraq should not have tarnished the notion of ambition in foreign policy — or of America’s standing up for freedom on behalf of the oppressed, or of the need for military power as an instrument in foreign policy — the incoming administration should not reject deliberation, judiciousness, and a healthy skepticism about marshaling reasonable means to achieve international goals.

Restraint is a virtue in foreign policy, at least sometimes. Pushed too far, as Obama pushed it, and transformed into a rigid ideology, it becomes a vice — just like ambition,



or the use of military force, or anything else in this life. But the underlying instinct is not intrinsically wrong. It's healthy, to a point. Where exactly that point lies is a matter of

human judgment, of politicians and policymakers attempting to locate the national interest in an ever-changing world. On their ability to do

this turn America's fortunes, and its future.

— Richard Fontaine is the president of the Center for a New American

*Security in Washington, D.C. This article appears in the January 23, 2017, issue of National Review.*

## ETATS-UNIS



### Editorial : Not too big to jail

When a corporation is accused of a crime, it seems obvious that some person or persons at the company committed it. But for years, corporations have managed to defy this logic: After all manner of fraud, market manipulation and negligence, corporations often paid big fines to the government while culpable executives walked off unscathed.

Now, belatedly, the times are a changin', at least judging by a pair of Justice Department actions last week:

- Three former executives at Japanese air bag maker Takata were indicted on fabricating test results to hide an air bag defect ultimately linked to more than 180 injuries and at least 11 deaths in the United States alone. The company knew as early as 2000 that air bag inflators, made with a volatile and cheaper compound, could rupture.

But even as people started to die — including an Oklahoma teenager who bled to death in 2009 when her air bag spewed shrapnel as it deployed — Takata manipulated data, sold tens of millions of the faulty air bags to U.S. automakers and kept its deadly secret.

- Six executives at German automaker Volkswagen also faced indictment in connection with the company's diesel emissions manipulations. Volkswagen installed devices in supposedly "clean-diesel" cars sold to U.S. consumers — devices that allowed cars to pass government emissions tests while spewing pollution on the road.

Both companies settled corporate criminal charges and agreed to pay enormous fines in addition to penalties that went to the

government for violating regulations. But fines come out of the pockets of shareholders, who are primarily innocent bystanders, and provide less deterrence than the prospect of prison time for employees who engage in wrongdoing.

Over the past decade, the Justice Department has taken heat, justifiably in some cases, when it failed to hold executives responsible for company actions — as if companies ran on cruise control, crimes were immaculately conceived, and top executives were too big to jail.

In a case that defies logic, not a single individual was charged when General Motors concealed a faulty ignition switch that allowed cars to suddenly stall or prevented air bags from deploying. Cars crashed, GM lawyers secretly settled complaints with victims' families, and more than 120 people were killed. All the while, GM hid the defect from regulators.

Perhaps the Justice Department is finally moving in the right direction. In 2015, the department

issued a new policy to make indictments of individual executives a higher priority. If a company wants credit for cooperation, Deputy Attorney General Sally Yates announced, "it must identify all individuals involved in the wrongdoing, regardless of their position, status or seniority ... and provide all relevant facts of their misconduct." Yates vowed: "We're not going to let corporations plead ignorance."

It is welcome to see this get-tough policy bearing fruit, but the indictments come awfully late in the eight-year administration. The Trump administration will have to press these prosecutions forward, extradite the defendants from foreign countries, and win the cases in court.

Such prosecutions are seldom easy, but for the sake of the public they are worth pursuing, as is a policy to hold real people accountable for corporate crimes.

## POLITICO What Worries Ben Rhodes About Trump

By Michael Crowley

Being the man who explains Barack Obama's foreign policy wasn't easy. Even in the good times, like after Obama clinched his hard-fought July 2015 nuclear agreement with Iran, Ben Rhodes was castigated by the deal's critics for allegedly turning a grave matter of national security into another spinnable public relations issue. But it was also the 39-year-old deputy national security adviser's job to defend Obama's response to unwelcome events like the Syrian quagmire and Russian aggression. "What I take issue with is that we were spinning. We believed in these things," Rhodes told Politico Magazine in a lengthy interview in his White House office in December.

Few members of Obama's administration have been as long-

serving, loyal—and criticized—as Rhodes, who first joined Obama's 2008 campaign and has since become one of his most trusted aides. Rhodes' colleagues have said he achieves a "mind meld" with Obama when writing speeches. Over the past decade, the onetime aspiring fiction writer has evolved, to the dismay of critics who cite his lack of prior experience, into a bona fide policy adviser and even a diplomat: Rhodes participated in secret talks with Cuba that led to restored diplomatic relations with the U.S. and was instrumental in Obama's historic visits to closed-off Myanmar.

Story Continued Below

In his interview with Politico senior foreign affairs correspondent Michael Crowley, Rhodes said Obama restored American "engagement" around the world

after the George W. Bush era, shrugging off critics who say Obama left a leadership vacuum abroad. He explained why he is able to look angry Syrian activists in the eye, why the White House once feared that Obama could be impeached, and what worries him most about Donald Trump's presidency. (It's not nuclear war.) Excerpts follow.

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**Michael Crowley:** Is there any way to sum up on a bumper sticker—or at least a postcard—what the foreign policy legacy of the last eight years is?

**Ben Rhodes:** A single word I would apply is engagement. We've engaged diplomatically around the world. We've engaged former adversaries. We've engaged publics. We've sought to work

through multilateral coalitions and institutions with the purpose of repositioning the United States to lead.

When we came into office, the confidence in U.S. global leadership had severely eroded because of two events: the Iraq War and the financial crisis. This is underappreciated, that the global financial crisis almost did more than the Iraq War to erode confidence in the United States. But the one thing people could always count on us for, even if they disagreed with our foreign policies, was our centrality to the global economic order.

A lot of what we did was to restore the United States at the center of the international order. People have criticized us for presiding over a decline. I think we make the opposite argument: that we were in decline and that we—by both

husbanding our resources, investing in our economy, and being opportunistic diplomatically—tried to set the United States up for being in a stronger position in a changing world than where we were when we came in.

**Crowley:** What surprised you most along the way?

**Rhodes:** I would say a couple of things. One, the Arab Spring obviously overwhelmed the circuits. There's an intensity [to the period from] 2011 to 2014, when a 100-year storm took place in three years.<sup>1</sup> Two, there is a discordance between the nature of power in the current moment and how Washington thinks about foreign policy that you can only appreciate if you're in these jobs. A lot of thinking in both political parties was understandably shaped by the 1990 to 2002 window, when the United States had a great deal of freedom of action. We could get anything through the U.N. Security Council that we wanted, with some small exceptions. We could, frankly, interfere in the internal affairs of other countries in a host of different ways. We could count on Russia being on its back foot as we enlarged NATO. We had some time before the Chinese started to try to shape events in their neighborhoods. And we could even have the hubris to think that it made sense to invade and occupy Iraq. What hasn't changed is the United States is still, by far, the most powerful country. But what has changed is there are other power centers that are going to ensure that there are limits on certain things that the United States wants to do.

**Crowley:** How do you think history is going to judge the administration's record on Syria?<sup>2</sup> People say it in the same breath as Rwanda. That may or not be fair, but what's it like to hear that on a personal level?

**Rhodes:** I went through an evolution on Syria. I came into this job shaped by the post-Rwanda view of liberal interventionism<sup>3</sup>—suspicious of some amount of U.S. military intervention, but also seized with the necessity of acting in certain situations. I was a vocal advocate of [going into] Libya,<sup>4</sup> and in the early days of the Syrian conflict, I was an advocate for military action in Syria. And I believe that I was wrong about that. Everything that I have learned about watching that conflict unfold suggests to me that the president's refusal to get into a military conflict with the Assad regime was actually one of his best decisions. And I don't expect that view to be the popular view for a long time, if ever. But he tested every possible option,

and at no time was there a viable military option to make things better in Syria.

**Crowley:** Does that imply that his mistake in the "red line" episode<sup>5</sup> was drawing the line in the first place?

**Rhodes:** Well, drawing the line actually did provide the basis for a diplomatic effort to remove the chemical weapons program peacefully.<sup>6</sup> I don't know how we could have started a military conflict with Assad that we didn't feel compelled to try to finish by taking out Assad. Even if you do that, there's no reason to believe that people would have simply reconciled with one another because the United States was a party to the conflict. And never mind the fact that we had no international support. The only country in the world that was prepared to join us was France. And we had no domestic legal basis. We actually had Congress warning us against taking action without congressional authorization, which we interpreted as the president could face impeachment.

**Crowley:** Really? Was the prospect of impeachment actually a factor in your conversations?

**Rhodes:** That was a factor. Go back and read the letters from Boehner<sup>7</sup>, letters from the Republican members of Congress. They laid down markers that this would not be constitutional. If we got drawn into a conflict in Syria without congressional authorization, without international authorization, without international support, you can see very clearly how that could have completely derailed this entire presidency.

Ben Rhodes talks with a colleague in the White House. | Doug Mills/The New York Times

**Crowley:** In the '90s, Clinton White House officials were basically hugged on the street and kissed by Kosovar Muslims.<sup>8</sup> You were confronted by some Syrian activists after a dinner and, reportedly, said that you're not proud of our policy in Syria.<sup>9</sup> On a personal level, what is it like to have people say to you, "Your country has so much power and you have let us down."

**Rhodes:** It's difficult. And again, I've thought a lot about the Balkans<sup>10</sup> because that is the one example of military intervention that, while complicated, succeeded. But that was in the middle of Europe. You had NATO and the investment of Europeans in seeing it through. We notified Russia as we were

bombing. Syria could not be more different. And what I found in general in the Middle East is you aren't going to make people happy. We cannot resolve the issues internal to these countries. What I feel bad about is the fact that they're just ordinary people who are caught in the middle of this.

What's strange is, I met with the Syrian opposition, and often they would argue that we should work with al-Nusra, who we know is Al Qaeda.<sup>11</sup> And I'm sympathetic if you're in a neighborhood where al-Nusra is defending you against Assad. You want us to work with them. But let's say a U.S. president does that, and then al-Nusra is using weapons that we gave them against us. That's something you never recover from, right?

**Crowley:** So with Donald Trump, you worked really hard on the Iran deal, the relationship with China, climate, all kinds of things—and here comes a wrecking ball. That must be an incredibly frustrating feeling.

**Rhodes:** There are concerns. The world order and American actions in the world have deep wiring. We found that when we came into office. It took us a long time to turn the ocean liner around. If you look at something like climate change, the Paris agreement<sup>12</sup> is the framework through which the world is going to deal with climate change, and we built that over seven years. And countries have redesigned their entire energy plans around it. China is not going to, I think, stop its conversion to a clean energy economy because Donald Trump lifts some restrictions on coal plants. The Cuba opening,<sup>13</sup> we broke a psychological hurdle that is never going to be fully restored. Our hope is that they continue the Iran deal. If they don't, the tragedy will not be that we lose a legacy in two minutes.

**Crowley:** Hillary Clinton's campaign made a big deal about Trump and the nuclear button. Is that something you'll leave here worrying about at night?

**Rhodes:** What concerns me is the things that happen every week. I don't think people realize how many decisions the president of the United States makes about military action. The Iranians harass some vessel of ours in the Persian Gulf: What do we do in response? There's shelling around our diplomatic facility in X Middle Eastern country. The Chinese pass too close for comfort by a U.S. Navy ship in the South China Sea. These decisions come all the time, and they're going to come from Day One. I would be more focused on that. Because a dust-up with the

Iranians or the Chinese could get out of hand very fast.

**Crowley:** You'd never been in government before 2009 and have had this incredible eight-year journey. What was your most amazing or surreal moment?

**Rhodes:** On Cuba, when I went to the Vatican,<sup>14</sup> the cardinal [Pietro Parolin, the Vatican secretary of state] and his staff did not know what we were coming there to do. We told them that we were going to restore diplomatic relations and begin normalizing relations. One of the guys who worked for the cardinal, I'll never forget, started literally crying. And I remember we had this long ceremony in this ornate room, and then I remember walking out into the streets of Rome and being anonymous and thinking, "I know something nobody else knows except for like 15 people. But it's going to blow everybody's mind."

Air Force One flies the president over Havana in March 2016. | Alberto Reyes/Reuters

**Crowley:** You started as a speechwriter but also became a diplomat and a policymaker. But you've also become a lightning rod for people who don't like Obama's foreign policy.<sup>15</sup> You symbolize everything he does wrong in their view. Why do you think that is? And is there something you think people misunderstand about you?

**Rhodes:** No. 1, part of my job is to be the lightning rod and to take the hits so he doesn't take them or [national security adviser] Susan [Rice] doesn't take them, although she took her share. I always volunteered to go out on the worst days.

**Crowley:** Like when?

**Rhodes:** Our first declaration that Syria used chemical weapons and after the [November 2015] Paris attacks. I saw that as my job.

Two, I would have the fights that I knew were going to be the most difficult fights. So we challenged convention and we touched the rails in making a deal with Iran or opening to Cuba, and those were the portfolios I took on precisely because I knew they were important to the president. And it was going to be harder for a conventional person to take them on. I had a certain freedom of movement because I'm not thinking about whether I'm going to be confirmable as the deputy secretary of state in four years. I'm thinking about implementing Barack Obama's agenda.



Third, I guess I'm just young and a different profile and I know that that upsets people, but I always felt that I represented the people who elected President Obama, who were young people and they should have a voice and their worldview is our worldview. They think it's stupid not to engage people. They don't know why we wouldn't make a deal with Iran.

I didn't come here from fiction-writing grad school. I came here from six years working on the 9/11 Commission and the Iraq Study Group with Lee Hamilton.<sup>16</sup> But the president wanted a mix of people. And Bob Gates gave him one view and Hillary Clinton gave him one view and John Kerry gave him one

view, and I was just one of many different views. It's not like he stocked his whole administration with people like me. But I think he wanted somebody who hadn't been shaped by the same amount of immersion in the conventional ways of doing things.

What I take issue with is that we were spinning. We believed in these things. There are very few things I've ever been a part of that I believe in more than the Iran deal, and everything I said I believe to be true, and I was trying to make a case about the facts. So this notion of trying to spin things ... I'm accused of being political. The issues I worked on were not the politically popular things. If I was

political, I would go out there and talk about killing the terrorists. Anybody who knows me knows I spent more time on Burma and Laos. Where's the political benefit in that?

This is an important thing for people to understand. I became very close to a lot of the under-40 people who are the professionals in the government—foreign service officers, civil servants, intelligence analysts. I think one of the critiques of me is that I thought I knew it all. But I was learning from the enormous resources available within the U.S. government who have a very different view of the world than many of the people commenting on foreign policy from

outside of the government. And I'm struck by the disconnect between the people who've staffed this enterprise, U.S. foreign policy since 9/11—and some of the people who comment on it.<sup>17</sup>

**Crowley:** What are you going to do now?

**Rhodes:** I'll write some form of a memoir, one that will also be an argument on behalf of what we were doing. And I'm going to be a senior adviser to the president on his international work, including at his foundation.

**The  
Washington  
Post**

## Donald Trump waits in his tower — accessible yet isolated (UNE)

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

Exactly one week after becoming president-elect, Donald Trump stepped outside his namesake fortress here for the first time. He ventured just five blocks, to dinner at the 21 Club — a dark-mahogany-and-red-leather-banquette throwback, where model airplanes and sports memorabilia hang from the ceiling and jackets are de rigueur for men.

The vintage haunt, where Trump dined with family members, feels like home. The waiters know his preferred table (No. 14, which Frank Sinatra and Richard M. Nixon also used) and his regular order (the \$36 burger, well done, with fries).

So it has been for the president-elect, who has retreated to one comfortable, familiar refuge after another — his soaring Manhattan tower, his white leather-upholstered Boeing jet, his lush golf courses, his opulent beachside castle.

Trump is a man isolated, increasingly cocooned away from the voters who lifted him to his seemingly improbable victory. He favors his own people and his own places, creating the veneer of accessibility — his tweets reach millions and he still answers his cellphone — while placing himself in almost entirely habitual settings.

He spends most of his days in Trump Tower, with few close friends and few meaningful one-on-one interactions beyond the family members, advisers and loyalists who are whisked by gold-colored elevator to his 26th-floor office for private audiences. Trump rarely leaves, not even for a breath of fresh air; nor does he encounter

many people he does not already know or who do not work for him.

Yet Trump remains omnipresent in American life, constantly communicating with the public via Twitter and media interviews without the varnish of news releases or the protection of handlers. Whether it is Meryl Streep's remarks about him or the question of Russian hacking, no topic is too mundane or charged for him to lend his voice to it.

And he answers his personal cellphone, something that acquaintances and colleagues speak of in almost reverential terms. As he prepares to enter the White House, Trump is resisting his advisers' efforts to take away his cellphone or at least restrict his use of it, said one person close to him, who spoke on the condition of anonymity to reveal details of private conversations. They worry about national security; he worries about losing touch.

When Sen. Bob Corker (R-Tenn.) needs to reach Trump, the Foreign Relations Committee chairman does not have to go through an aide or schedule a meeting. He said he simply dials Trump's cellphone directly, and the president-elect answers, even though Corker's number registers as "No Caller ID."

"I've never seen anything relative to access like this. Unbelievable," Corker told reporters recently. "I don't think there's likely been a White House like this, maybe ever, but certainly in modern history."

*[How a week of Trump tweets stoked anxiety, moved markets and altered plans]*

In many ways, Trump seems most comfortable communicating at a slight remove, with a stage or a screen — television, Twitter, phone — serving as the intermediary

between him and the public. Such tools are both his megaphone and his shield, allowing him to blast out a message undiluted with little risk.

"He sees the power of mass communication, which goes through screens, and he recognizes its importance," said Christopher Ruddy, a Trump friend and the chief executive of the website Newsmax Media. "He's clearly studied the art of it and developed an online and TV persona that's very powerful. If you look, he's very much impressed by people who are on TV or come across well on TV, because he thinks it's such critical marketing."

(Deirdra O'Regan/The Washington Post)

The gold elevators in Trump Tower have been the center of attention since Donald Trump won the presidential election Nov. 8. Here's a look back at some of the most interesting people who've met with Trump to date. Here's a look back at some of the most interesting people who've met with Trump to date. (Deirdra O'Regan/The Washington Post)

Trump has shunned some of the traditional photo ops that his predecessors have orchestrated to demonstrate compassion and forge a connection with everyday Americans.

He spent Veterans Day in November not laying a wreath at a memorial site, as President-elect Barack Obama did in 2008 to pay tribute to fallen soldiers, but staying inside Trump Tower (even though New York's historic parade was marching right outside along Fifth Avenue). On Thanksgiving and Christmas, he celebrated in private with family members and friends, making no public appearances at military bases or homeless shelters or soup kitchens.

"A lot of what you see by previous presidents are platitudes: 'I'm going to go and pretend I'm supportive of a particular entity and serve food at a soup kitchen,'" said Corey Lewandowski, a former campaign manager of Trump's. "Donald Trump wants to bring jobs back so we don't have soup kitchens. He has not been a person to do staged events for the sake of doing staged events."

Trump's duality — his wariness of those not in his trusted orbit, yet his insatiable desire for constant contact and feedback — has posed challenges for his advisers and could ultimately leave him detached from everyday voters.

He does not use email and rarely surfs the Internet, meaning that telephone calls, television appearances or physical proximity are the best ways to reach him. As his three successive campaign managers quickly learned, whoever controls the flow of information to Trump controls the man — at least as much as he can be contained.

Newt Gingrich, the former House speaker who was a trusted campaign adviser to Trump, said he expects the new president's relationship with Congress to be a mix of salesmanship and accessibility.

"Trump will be a larger figure who's more aloof and more distant, but whose weight and effectiveness is so great he will clearly be a dominating figure," Gingrich said. "He'll bounce back and forth between the two worlds. When he comes into the congressional world, he'll be very effective on the personal level."

But, Gingrich added, "On another level he'll be very distant and you'll see him by tweet and you'll see him on 'Fox and Friends.'"

Trump's distance, friends say, stems in part from a certain insularity, with the developer turned politician preferring his own properties, stocked with his own people. Ruddy, who is a member of the private Mar-a-Lago club and whose Newsmax is based in West Palm Beach, Fla., said he has lived in the area for two decades, yet he can count on one hand the number of times he has seen Trump outside of his private Florida retreats.

"He's an old-shoe type of guy — he likes to be in his comfort zone, which are his golf clubs and his homes," Ruddy said. "He likes people he's comfortable with and likes, and if he doesn't feel comfortable around you, he's not going to be inviting you around."

Trump has gone out to eat only a few times since the election — twice to the 21 Club and once to Jean Georges at the Trump International Hotel & Tower, where the president-elect dined on frog legs and prime sirloin with adversary-turned-job-applicant Mitt Romney.

*[The nearly invisible president-elect:*

## The New York Times

Peter Baker

Two polls out on Tuesday — one by CNN and ORC and another by The Washington Post and ABC News — found that just 40 percent of Americans approved of Mr. Trump's performance heading into the inauguration on Friday. NBC News and The Wall Street Journal put his approval rating at 44 percent, calling it the lowest rating ever for an incoming president.

By comparison, shortly after their inaugurations, Mr. Obama was at 68 percent and Mr. Bush was at 57 percent in Gallup surveys. Both used the time after their initial victories to preach a message of inclusion and to extend a hand to their opposition, even if it did not ultimately last.

Mr. Trump's advisers said privately that his unexpected rise to power showed that such traditional barometers did not matter as much anymore. If polls were to be believed, he would not have been president, they said.

Still, the anemic numbers clearly irritated Mr. Trump, who lashed out on Tuesday. "The same people who did the phony election polls, and were so wrong, are now doing approval rating polls," he wrote on Twitter. "They are rigged just like before."

Although polling in several Midwest battleground states failed to accurately reflect the actual results

*Trump's work keeps him mostly out of view]*

For Trump, like President Obama, the links — whether at Trump National Golf Course in Bedminster, N.J., or Trump International Golf Club in West Palm Beach, Fla., near his beloved Mar-a-Lago — are personal sanctuaries. In either place, he is most at ease. He wears boxy "Make America Great Again" caps and open-collar shirts, unwinding with friends over rounds in the morning and then retreating to the clubhouses for casual lunches.

"He's always playing golf courses that bear his name," sportswriter Michael Bamberger said. "The golf cart has his name on it. The water bottle has his name on it. If the course is crowded, groups will move to the side for him. . . . When he gets to the dining room, the waitress is right there. Membership has its privileges, but ownership has a lot more privileges."

Bamberger, who has closely studied Trump's golf habits for years, said the president-elect is deeply

knowledgeable about the sport and plays it well. And he uses his time at the golf course to forge bonds and size people up. "He's a very social creature, a gregarious creature, and golf gives him an opportunity to do that," he said.

One of Trump's preferred methods of charming, however, is the telephone, which he uses to receive advice and pepper his callers with questions well into the night.

Roger J. Stone Jr., a longtime adviser to Trump, likened him to a mix of former presidents Lyndon B. Johnson (with his ability to woo and cajole) and Nixon (with his late-night tendencies).

"He is like LBJ," Stone said. "He loves the telephone. He loves calling people. He really does have a very good manner with people. He can be very likable on the phone."

Today's WorldView

What's most important from where the world meets Washington

Please provide a valid email address.

As Trump hurries to solidify his Cabinet, he has been known to call his nominees unprompted just to check in, asking which senators he ought to lobby to help them win confirmation.

"Who do you need me to call? Who do I need to call?" Trump asked one nominee, according to someone familiar with the conversation.

Rex Tillerson, Trump's choice for secretary of state, cited his prospective boss's almost constant availability during his Senate confirmation hearing when asked how he would handle an impromptu Trump tweet that undermines his own diplomatic efforts.

"I have his cellphone number," the former ExxonMobil chief said. "And he's promised me he'll answer."

"And," added Tillerson, "he does."

## Trump Entering White House Unbent and Unpopular (UNE)

on Election Day, national polls generally came within a percentage point of the actual popular vote, which Hillary Clinton won with 48 percent to Mr. Trump's 46 percent.

For Mr. Trump, the worry about approval ratings would be less about what it might mean for the next election, still years away, but about how such numbers are interpreted by members of Congress, who historically have been more deferential to popular presidents than unpopular ones.

"Every president starts off with a good-will account with Congress that eventually draws down," said Phil Schilliro, who was Mr. Obama's White House legislative director in his first term. "As approval ratings drop, the account sinks very quickly. And that makes it much harder to bring Congress along on the president's priorities."

Steve Israel, a Democrat who represented New York in the House, said the biggest challenge for Mr. Trump might be with nervous members of his own party. "Right now, Trump's numbers are kryptonite for 21 House Republicans in districts that he lost," he said. "So not only does he begin with low poll numbers, he begins with a significant potential bloc of resistance in his own caucus."

But Mr. Trump has shown that he intends to lead more through force of personality than through the breadth of his coalition. Brash and

uninhibited, he seeks out enemies and allows few slights to go unanswered. He has repaired bridges with some critics, like Mitt Romney, but has made only sporadic efforts to reach out to parts of the public that have not supported him.

His strongest supporters cheer his pugnacious style, and he argues that it has gotten results, like when House Republicans backed off plans to undercut the authority of the Office of Congressional Ethics, or major employers reversed plans to move jobs overseas after he wrote on Twitter about his disapproval.

"With all of the jobs I am bringing back into the U.S. (even before taking office), with all of the new auto plants coming back into our country and with the massive cost reductions I have negotiated on military purchases and more, I believe the people are seeing 'big stuff,'" Mr. Trump wrote on Twitter on Tuesday.

For many years, presidents and their advisers quaked at polls that showed a drop in their ratings, fearful that it would hurt their ability to command the stage and to enact their agendas. The last two presidents governed for long stretches with less than majority support, which clearly limited their capacity to advance major legislation. But they both also

demonstrated that they could still make at least some progress.

Mr. Bush never had the support of more than 50 percent of Americans for nearly his entire second term and fell into the 20s before leaving office. Still, he ignored poll numbers and the opposition of Democrats to send reinforcements to Iraq to turn around a losing war.

Mr. Obama never fell as far, but he went for many months below 50 percent and turned to his executive authority to enact policies on immigration and the environment. He rebounded in public standing in the last few months and will leave office at 56 percent in the NBC-Journal poll, near his highest marks.

Some Republicans now say Mr. Trump has rewritten the rule book. "Polling more and more is a false god," said Ron Kaufman, the White House political director under President George Bush and a longtime Republican strategist. "We all play to it, but it's a false god. I just think it's no longer reliable as a judge."

Mary Matalin, who was a top counselor to Vice President Dick Cheney, who ignored his own low approval ratings while in office to focus on advancing his national security agenda, said Mr. Trump "has ushered in a new political paradigm" that has upended age-old assumptions.

"Trump has exposed the inadequacy and fallibility of decades-old domestic political strategy of governing by polls and

contrived expectations," she said. "In the new Trump world, it has already been proven *prima facie* absurd to presume personal

approval numbers to be more vote-determinative than policy approval."

## The New York Times Republicans Look to Reince Priebus, Trump's Chief of Staff, to Bring Stability (UNE)

Glenn Thrush and Maggie Haberman

That is a lot of responsibility to put on the shoulders of an unflappable political survivor from Kenosha, Wis., who has never held a major government post before. He has instead accrued his power by courting wealthy donors on behalf of Republican candidates, tending to the gripes of the R.N.C.'s 168 committee members, closely monitoring his own Wikipedia page and by mostly staying on the good side of the capricious Mr. Trump, his ambivalent patron.

Not everyone thinks he is up to it.

"He's going to stand up to Donald Trump? He's going to be the grown-up in the room? Come on," said John Weaver, the chief strategist on the unsuccessful primary campaign by Gov. John R. Kasich of Ohio against Mr. Trump. "This is the guy who oversaw the party's 2012 post-mortem that called for comprehensive immigration reform. And now he's the guy who is going to run the White House for Trump. That's all you need to know about Reince. He's going to do what Trump wants him to do."

But Haley Barbour, the former Mississippi governor and former chairman of the R.N.C., said Mr. Priebus was the only kind of chief of staff, flexible and opportunistic, who could succeed in a Washington roiled by Mr. Trump and riven by partisan conflict.

"There is no honeymoon, there's not going to be any honeymoon, and the left has decided they're going to oppose anything Trump does," Mr. Barbour said.

"Reince has got to try to help the new president be successful when the new president is really not a lot like previous presidents of either party."

Mr. Priebus enters a West Wing loaded with palace intrigue and potential conflict. Mr. Trump, who favors a management style that pits top aides against one another so no subordinate gains too much authority, has divided power among no fewer than five top advisers: Mr. Priebus; Stephen K. Bannon, his chief strategist, and Kellyanne Conway, Mr. Trump's counselor, both of whom were briefly mentioned for the chief's job; Vice President-elect Mike Pence; and

Mr. Trump's son-in-law, Jared Kushner, who occupies a first-among-equals status.

Towering above them all is Mr. Trump, who enters office weighed down by controversy over his relationship with Russia, the lowest approval rating of any incoming president in modern history and a propensity for picking spur-of-the-moment fights that Mr. Priebus and the communications operation he oversees will have to clean up.

All of this adds up to one of the most daunting and uncertain situations any recent chief of staff has faced.

"Reince has quite the challenge ahead of him," said Roger Stone, a longtime Trump political adviser and frequent Priebus critic.

The role of a chief of staff varies widely, depending on each president's personality, management style and circumstance. President Obama cycled through four in eight years, starting with Rahm Emanuel, a volatile former Democratic congressman who hammered through his legislative program and is now mayor of Chicago.

"Ultimately, it's a chief's job to create an orderly process that gives a president the full range of opposing viewpoints so that he can make a decision based on the best information available," said Joshua B. Bolten, who served as George W. Bush's chief of staff.

But even Mr. Bolten conceded that nothing mattered if Mr. Priebus could not "develop a good working relationship" with his president. And Mr. Trump, who burned through three campaign managers in less than a year and routinely mocks his aides to their faces, is a hard boss to please, demanding not merely loyalty but, at times, subservience.

The two men got off to a rocky start in 2015. As guardian of his party's brand, Mr. Priebus called to deliver a stern 40-minute lecture after Mr. Trump railed against Mexican "rapists" at his kickoff rally in early 2015 and objected when Mr. Trump refused to honor a pledge to back the eventual Republican nominee a few months later.

Mr. Trump later fired back, saying that Mr. Priebus "knows better than to lecture me," adding, "We're not

dealing with a five-star Army general."

Those encounters were a tutorial for Mr. Priebus, a student of power who believes that proximity to it is the most important step in acquiring it. These days, he is acutely sensitive to Mr. Trump's moods and has modeled his West Wing role, people close to the R.N.C. chairman say, on the team of no-nonsense general managers who tend to Mr. Trump's business and resort properties. "He likes people who get things done," Mr. Priebus said about Mr. Trump recently. "I get things done."

He has also been careful to avoid direct conflicts with other members of Mr. Trump's Big Five leadership team, especially the ascendant Mr. Kushner, focusing instead on positioning himself as Mr. Trump's indispensable organization man.

Each morning, dressed in a crisp dark suit, he prepares for the president-elect a detailed daily agenda and demands reports from staff members on the progress of confirmation prep sessions and communications efforts, a level of rigor that has reassured Mr. Trump his team is ready for the West Wing.

"Reince has done a terrific job," Mr. Trump said in a statement. "He is always working and will be a great asset to my team in the White House. I hope he will be with me for a long time to come."

Still, while Mr. Priebus assembled the political machinery that helped secure a Trump win, he has not fully cracked the circle of trust, and the president-elect is not always so glowing about the man he sometimes calls "Reincey." He often jokes, in an affectionate but tart way, about the R.N.C. chairman's long-term loyalty, and likes reminding the people around him that Mr. Priebus suggested that he consider dropping out after the release of the "Access Hollywood" tape of Mr. Trump's crude remarks about women were made public in October.

At a recent Trump Tower meeting with staff members, Mr. Trump praised his chief of staff as a hard worker — one of his highest accolades — before recalling a sensitive bit of history.

"But you know, he wasn't always there with me. He told me to drop out of the race, he told me I was

going to bring the House and Senate down with me," Mr. Trump said, as Mr. Priebus stood near him, absorbing the dig.

With many former Bush administration aides still unwilling to work for a president they regard as unqualified, Mr. Priebus has staffed the new West Wing with an assortment of Republican veterans and some of his core staff at the R.N.C., including his former deputy, Katie Walsh.

Mr. Priebus has had a spotty record on cabinet picks, pushing hard for the long-shot nomination of former Mayor Rudolph W. Giuliani of New York as secretary of state. But Mr. Priebus has had a relatively free hand to pick the operational staff that handles the day-to-day operations of every White House, while selling Mr. Trump on Sean Spicer, the pugnacious R.N.C. spokesman, for White House press secretary.

Like many who will have a place in Mr. Trump's White House, Mr. Priebus openly discussed life after a Trump loss during the campaign, musing about the possibility of returning to Wisconsin and picking up his law practice, according to one Republican he spoke to at the time.

Unlike many other establishment Republicans, Mr. Priebus exerted maximum effort on Mr. Trump's behalf, even if he was uncertain of the outcome.

Mr. Priebus had tried to play an advisory role with Mitt Romney, the Republican presidential nominee in 2012, to no avail, aggravating some aides in the campaign's Boston headquarters. He ultimately found a more receptive partner in Mr. Trump.

Mr. Priebus was one of the few Republicans to take Mr. Trump seriously as a potential candidate in 2011, when the reality-TV star floated a potential campaign, and he continued to offer advice to Mr. Trump throughout the campaign.

Eventually, the wary candidate came to trust the party chairman's advice, and by last summer Mr. Priebus began telling people he wanted to be Mr. Trump's chief of staff, on the off chance of a victory.

And for all the pressures he faces, Mr. Priebus remains upbeat about

his new job, if only because he never expected to have it.

## POLITICO Trump set to take office without most of his Cabinet

By Burgess  
Everett and Josh Dawsey

When Bill Clinton was sworn into office 24 years ago, every single member of his Cabinet but one was confirmed by the Senate within two days. When Donald Trump is sworn in on Friday, he'll be lucky to have half that many installed.

With Republicans in control of the White House and the Senate, it wasn't supposed to be this difficult for Trump to get his team in place posthaste, especially since Democrats did away with the 60-vote requirement for Cabinet nominees. But all signs are pointing to a slog for Trump and the Senate GOP, even if Republicans believe eventually all of Trump's picks will be approved.

Story Continued Below

"We were presented with the problem that the Trump administration was basically unprepared for presenting a Cabinet," said Sen. Sheldon Whitehouse (D-R.I.). "They compounded that problem by picking both billionaires with enormously complicated financial situations, and people who have enormous conflicts of interests."

Trump made his Cabinet selections in rapid fire after the election, but has been hampered since by ethics complications for some of them, Democratic opposition and an unforgiving calendar. His Cabinet is now on track to take the longest to fill since George H.W. Bush's in 1989, according to an analysis by POLITICO of the confirmation process of the last five presidents.

Trump will also likely face by far the most dissenting votes from the Senate minority of any new administration in history.

Senate Majority Leader Mitch McConnell and Minority Leader Chuck Schumer are in negotiations about approving much of Trump's national security team on Friday, potentially giving him a defense secretary, a CIA chief and homeland security head on Day One. A few of his less controversial nominees may also be approved soon after, including Elaine Chao as transportation secretary and Ben Carson as housing and urban development head.

But after that, it looks like a major traffic jam. And next week's congressional retreat and a spate of hearings that were recently postponed could combine to slow the approval process for weeks or longer. What's more, on Tuesday evening Schumer came to the floor to denounce the GOP for limiting questioning of education secretary hopeful Betsy DeVos to five minutes per senator, predicting it could slow the entire confirmation process to a crawl.

"We feel very strongly there ought to be another hearing [for DeVos]," Schumer said. "This will affect how the rest of the nominees will go forward."

Several prominent confirmation hearings are scheduled for after Trump's takes office, including for Rep. Tom Price to lead the Department of Health and Human Services. Democrats can use parliamentary tactics to delay Cabinet confirmations for several days apiece, and any one individual senator can force McConnell to jump through procedural hoops and burn the Senate's time before holding a confirmation vote.

"Their ultimate goal is to slow this thing down. And we can't let them," said Senate Majority Whip John Cornyn (R-Texas). "I don't know what they're going to do."

While Cornyn and other GOP leaders are confident that Republicans will band together and approve Trump's entire Cabinet using their 52-seat majority, the ride looks rocky.

A Trump transition official said staff members were aggressively calling senators to make the case for Secretary of State designee Rex Tillerson, focusing on Sen. Marco Rubio (R-Fla.) "in particular." Democrats are hoping to hobble Price over stock trades he made while in Congress, labor secretary choice Andrew Puzder over domestic abuse allegations and treasury hopeful Steve Mnuchin over his bank's foreclosure practices.

The senior Trump transition official said all three were ready for a fight, and that rumors that any would drop out were not true. Former New York Mayor Rudy Giuliani said Puzder and Price are the "most challenging"

right now, but predicted they will eventually be confirmed.

Republicans spent Tuesday rallying around the embattled Price, a conservative House member whom the GOP desperately need to be confirmed to help the party repeal and replace Obamacare. Price is accused of trading stocks whose value was affected by legislation he worked on in Congress.

"Tom Price's stock? No. If he's done something insider, I'd love to hear it," said Sen. Roger Wicker (R-Miss.). "I have not heard anything that disqualifies him."

Other confirmation hearings were delayed because the Cabinet picks had not reached agreements to resolve ethical conflicts stemming from their financial holdings. Office of Government Ethics Director Walter Shaub said that's an aftereffect of Trump not vetting his nominees ahead of time.

Democrats have used the slow-moving ethics process as justification to criticize some of Trump's selections. Whitehouse said that just hours before DeVos was set for her confirmation hearing he received a thick stack of her papers, which he had little time to review before DeVos' hearing, along with that of billionaire Wilbur Ross' hearing to be commerce secretary, were both postponed last week.

But Republicans say Democrats will pay politically if they further draw out the confirmation process.

"If Sen. Schumer tries to slow down, I think he will regret it," said Rep. Chris Collins (R-N.Y.), one of Trump's closest allies in Congress.

In 1989, George H.W. Bush's Cabinet had no confirmations on Inauguration Day, mainly because the transition was from another GOP administration so there was less pressure to move swiftly. That year, some Cabinet nominees were confirmed as late as March.

But Trump is not keeping on any of President Barack Obama's Cabinet secretaries, and the transition between administrations looks sure to be hobbled in the early days by Senate's infighting. A Trump transition official said his team is hoping to get as many as seven nominees confirmed by voice vote on Friday, but Republican and

Democratic sources said there's little chance of hitting that mark. Trump hasn't even made a choice for his agriculture secretary.

There were just seven confirmation hearings last week, limiting how many nominees can be confirmed soon. And several, like Jeff Sessions to be attorney general and Tillerson, have no chance of being approved later this week. Sessions' committee vote won't occur until after Trump is sworn in and Tillerson's nomination is "controversial," said Sen. Ben Cardin (D-Md.), which means a speedy vote should not be expected.

"I'm for moving as quickly as we can," Cardin said. "But that one will take a floor debate."

Though there are another seven confirmation hearings for Cabinet or Cabinet-level nominees this week, it would be stretch for them to be ready for floor action by Friday. But Republicans are trudging on, with Sen. Lamar Alexander (R-Tenn.) scheduling a Feb. 2 committee hearing for Puzder a day after CNN reported that the labor secretary pick is having "second thoughts" about remaining in the running for the job.

"I think they all make it through," said Tom Quinn, a Democratic lobbyist who has met with Trump since the election. But "some of the [nominees] will really get roughed up."

If Democrats fight the GOP tooth and nail, it could be more than a month before Trump gets his 15 Cabinet secretaries and six cabinet-level slots filled—and potentially a lot longer for him to begin installing deputy-level officials that often run the department while the secretary serves as the public face.

"I haven't heard anyone say, 'Let's drag this out as long as possible,'" said Senate Minority Whip Dick Durbin (D-Ill.). Asked how long it could take to process Trump's Cabinet, Durbin responded: "How long will it take to go through the financial papers of some of these billionaires? I can't tell you."

Bloomberg

## Editorial : Hard Questions for Trump's Health Secretary Pick

The Editors

At his confirmation hearing Wednesday, Tom Price, the U.S.

representative from Georgia who is Donald Trump's nominee to lead

the Department of Health and Human Services, will no doubt be

asked about conflicts of interest. Specifically, Price will face questions about his decision to trade stocks whose value may have been affected by legislation he sponsored.

#### QuickTake Obamacare

This is as it should be. But senators should save plenty of time to ask about Obamacare, the health-care policy issue that overshadows all others during this presidential transition.

The Affordable Care Act, for all its imperfections, has provided health insurance for at least 20 million Americans, without pushing people off employment-based insurance, accelerating the overall rise in premiums, or increasing the deficit. Yet Price and Trump have made

clear their desire to see the law repealed, and Congress is attempting to get that done right off the bat, despite not having explained how they plan to replace it.

If lawmakers are successful, insurers now selling Obamacare policies would suddenly find themselves in an intolerably uncertain and unpredictable market. And Price would be the one who would have to somehow persuade them not to give up, leaving those millions of policy holders faced with not just higher copays but potentially no insurance at all. It's essential to find out how Price thinks he could do that, and more broadly, what he thinks a successful health-insurance system would look like. Would as many Americans be covered as are now?

Price has criticized Obamacare's efforts to nudge doctors, hospitals and other providers toward providing higher-quality care by changing the way they are paid. But he hasn't yet said how, without these initiatives, the federal government could control the growth of health-care costs -- without simply reducing the amount of care provided or shifting costs to patients. On drugs, Price has opposed allowing Medicare to negotiate lower prices. Will he push back against Trump's support for that approach?

Finally, Price would also assume responsibility for safeguarding public health -- a job of growing urgency, given that U.S. life expectancy has begun to fall. Among the culprits are an uncontrolled opioid epidemic,

obesity and smoking (still the country's leading cause of preventable death and disease).

Yet Price has opposed regulating tobacco as a drug. And he has voted against efforts to provide children's health insurance, to improve access to mental health care and to guarantee hospital care for people who can't afford copayments. Price needs to let Americans know what he will do to protect and improve their basic health.

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

## The New York Times Health Law Repeal Could Cost 18 Million Their Insurance, Study Finds (UNE)

Robert Pear

The new budget office report, issued after a weekend of protests against repeal, will only add to the headaches that President-elect Donald J. Trump and congressional Republicans face in their rush to take apart Mr. Obama's health law as they try to replace it with a health insurance law more to their liking.

Republicans cautioned that the report painted only part of the picture — the impact of a fast repeal without a Republican replacement. Senator Orrin G. Hatch, Republican of Utah and the chairman of the Finance Committee, said the numbers represented “a one-sided hypothetical scenario.”

“Today's report shows only part of the equation — a repeal of Obamacare without any transitional policies or reforms to address costs and empower patients,” he said. “Republicans support repealing Obamacare and implementing step-by-step reforms so that Americans have access to affordable health care.”

Congress last week approved a budget that clears the way for speedy action to repeal the health care law. The votes were 51 to 48 in the Senate and 227 to 198 in the House.

But Republicans have yet to agree on a replacement bill, and existing Republican plans, like one drafted by Representative Tom Price of Georgia, who was selected as Mr. Trump's secretary of health and human services, have yet to be scrutinized by the budget office. The office provides Congress with the official projections of legislative

costs and impact that lawmakers use to formulate policy.

After Medicaid expansion and marketplace subsidies go away.

After penalties associated with the individual mandate go away, and some insurers leave the market.

Here's how much the **number of uninsured** could rise if major portions of the health law were repealed today, according to a new study.

After Medicaid expansion and marketplace subsidies go away.

After penalties associated with the individual mandate go away, and some insurers leave the market.

Here's how much the **number of uninsured** could rise if major portions of the health law were repealed today, according to a new study. “No wonder President-elect Trump realizes that repeal without replace is the real disaster,” said Senator Chuck Schumer of New York, the Democratic leader. “No wonder he has admonished the Congress not to do plain repeal.”

Republicans now have two powerful reasons to “repeal and replace” together: They hope to protect about 20 million Americans who have gained coverage under the law. And they want a politically acceptable judgment from the Congressional Budget Office on the effects of their alternative.

Mr. Trump's statement last week that a replacement plan should go hand in hand with repeal efforts had already ignited a sense of urgency among Republicans on Capitol Hill.

Over the weekend Mr. Trump said he was close to completing a plan to replace the Affordable Care Act with the goal of “insurance for everybody,” but congressional aides said Tuesday that they had not seen an actual proposal.

Republican congressional leaders are trying to put together a plan that could pass muster with the Trump team and also win approval in the Senate under fast-track procedures that would neutralize the threat of a Democratic filibuster.

House Speaker Paul D. Ryan and Senator Mitch McConnell of Kentucky, the Republican leader, met last week with Mr. Price to hash out alternatives, and they have been in close contact with the relevant committee leaders and staff members to begin hammering out ideas that could come into relief at the end of the month, when Republicans have their annual policy retreat.

Stephen Miller, a former Senate press aide and the incoming senior White House adviser for policy, who has been particularly aggressive in presenting himself as the voice of Mr. Trump on all policy matters, has pushed the notion that a plan should move quickly and in tandem with a replacement measure, rather than in a series of smaller bills, congressional aides said.

The repeal legislation analyzed by the budget office would have eliminated tax penalties for people who go without insurance. It would also have eliminated spending for the expansion of Medicaid and subsidies that help lower-income people buy private insurance. But the bill preserved requirements for

insurers to provide coverage, at standard rates, to any applicant, regardless of pre-existing medical conditions.

“Eliminating the mandate penalties and the subsidies while retaining the market reforms would destabilize the nongroup market, and the effect would worsen over time,” the budget office said.

The office said the estimated increase of 32 million people without coverage by 2026 resulted from three changes: About 23 million fewer people would have coverage in the individual insurance market. Roughly 19 million fewer people would have Medicaid coverage. And there would be an increase in the number of people with employment-based insurance that would partially offset those losses.

The estimates by the budget office are generally consistent with projections by the Obama administration and by insurance companies.

In its report, the budget office said that repealing selected parts of the health care law — as specified in the earlier Republican bill — would have adverse effects on insurance markets.

In the first full year after the enactment of such a bill, the office said, premiums would be 20 percent to 25 percent higher than under current law.

Repealing the penalties that enforce the “individual mandate” would “both reduce the number of people purchasing health insurance and change the mix of people with insurance,” as younger and



healthier people with low health costs would be more likely to go without insurance, the budget office said.

The Republican bill would have eliminated the expansion of Medicaid eligibility and the subsidies for insurance purchased through Affordable Care Act marketplaces, after a transition period of about two years.

Those changes could have immediately increased the number

of uninsured by 27 million, a number that would gradually increase to 32 million in 2026, the budget office said.

Without subsidies, the budget office said, enrollment in health plans would shrink, and the people who remained in the individual insurance market would be sicker, with higher average health costs. These trends, it said, would accelerate the exodus of insurers from the individual market and from the public marketplaces.

As a result, it said, about half of the nation's population would be living in areas that had no insurer participating in the individual market in the first year after the repeal of marketplace subsidies took effect. And by 2026, it estimated, about three-quarters of the population would be living in such areas.

While writing the Affordable Care Act in 2009 and 2010, lawmakers continually consulted the Congressional Budget Office to understand the possible effects on

spending, revenue and insurance coverage. The current director of the budget office, Keith Hall, who signed the report issued on Tuesday, was selected and appointed by Republican leaders of Congress in 2015.

The latest report was requested by Mr. Schumer and two other Democrats, Senators Ron Wyden of Oregon and Patty Murray of Washington.

**The  
Washington  
Post**

## Pressure mounts on GOP for post-Obamacare plan following CBO report (UNE)

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

A new analysis that at least 18 million people could lose health insurance in the first year if Congress repeals the Affordable Care Act without replacing it intensified the battle this week over the landmark health-care law as President-elect Donald Trump and Republicans try to figure out how to dismantle it.

Democrats seized on the report, issued Tuesday by the nonpartisan Congressional Budget Office, to discredit Republican efforts to repeal Obamacare and rally Americans who are insured under the program. The report underscored the political peril that Trump faces in trying to meet one of his top campaign promises — and also the discord among Republicans about how to do it.

The political and public-relations battle over the ACA is now at full speed, with Democrats holding rallies across the country and inviting Americans to Capitol Hill to describe how their lives were improved or even saved by the law. Republicans, meanwhile, accused Democrats of distorting the truth about the much-debated program — but also revealed signs of disunity about how to meet their promise of repeal without political fallout among voters or economic calamity in the insurance market.

*[A cross-country bus tour aims to help save the endangered Affordable Care Act]*

Trump waded into the fray over the weekend when he declared that his own replacement plan is nearly complete — touting the goal of “insurance for everybody” and promising “much lower deductibles” for consumers. That pronouncement appeared to come with little consultation with congressional Republicans, and it conflicted directly with plans laid out by Trump’s advisers, including Rep. Tom Price (R-Ga.), his nominee for

secretary of health and human services.

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On Wednesday, the battleground moves to the Senate, where members of the Health, Education, Labor and Pensions Committee will question Price about the U.S. health-care system.

While the courtesy hearing will address a variety of issues — including several of Price’s stock trades in health-care firms, which have sparked questions about a possible conflict of interest — it will provide a forum for both parties to delve into what will happen once Republicans repeal key parts of the Affordable Care Act.

The fact that Trump has begun to sketch out his own health-care proposal has injected a new element of uncertainty in an evolving fight that could have serious implications for other parts of Trump’s policy agenda.

Several Republicans sounded cautious about some of the president-elect’s more sweeping promises and said there had been only limited consultation between the transition team and key congressional committees.

Senate Finance Committee Chairman Orrin G. Hatch (R-Utah) told reporters that it is difficult to commit to providing universal health coverage in any upcoming GOP replacement. In 2012, Hatch said it was a “disgrace” that so many Americans were uninsured, “but we cannot succumb to the pressure to argue on the left’s terms.”

“It would be wonderful if we could do that,” Hatch said Tuesday. “We’ve never been able to do that before.”

Sen. Lamar Alexander (R-Tenn.), who leads the committee before which Price will appear Wednesday,

said he has not heard any details of Trump’s plan.

(Reuters)

Speaking Jan. 16, incoming White House press secretary Sean Spicer sought to clarify comments Donald Trump made when he said his forthcoming health plan would provide “insurance for everybody.” Sean Spicer sought to clarify comments Donald Trump made when he said his forthcoming health plan would provide “insurance for everybody.” (Reuters)

“I thought that was a very interesting observation, and I’m going to wait until I actually see his plan in February” before commenting on it, Alexander said.

Some congressional Republicans have been more vocal in recent days about concerns that they are hearing from constituents on what comes after the law is repealed. Several also suggested that Democrats are deliberately spreading misinformation.

“I think you hear from two categories,” said Sen. Charles E. Grassley (R-Iowa). “One are people that think Medicare is going to be affected, and obviously we haven’t made very clear that there’s absolutely no connection with Medicare. And the other one is dealing with the people they think are going to lose their insurance as soon as we . . . repeal.”

Democrats are eager to use the uncertainty about what would take the ACA’s place to their political advantage.

Sen. Debbie Stabenow (D-Mich.) will co-host a forum Thursday with Sens. Elizabeth Warren (D-Mass.) and Patty Murray (D-Wash.) on Capitol Hill featuring “Americans from across the country who would be hurt by healthcare repeal and the policies supported by Congressman Price.”

“They’re coming to the realization that it’s really easy to tear down the house and much more difficult to build it,” Stabenow said of Republicans. “Having ideas doesn’t make a plan. Having five plans doesn’t make a plan.”

Senate Democrats called on Republicans to delay Price’s initial hearing Wednesday, but Republicans said they would proceed with it, and they set a final confirmation hearing for Jan. 24.

They also held up the new CBO report as evidence that millions could lose coverage if Republicans press ahead with their repeal plan. But AshLee Strong, a spokeswoman for House Speaker Paul D. Ryan (R-Wis.), called the report “meaningless” because it amounted to an update of an analysis of a 2015 repeal bill and “takes into account no measures to replace the law nor actions that the incoming administration will take to revitalize the individual market that has been decimated by Obamacare.”

The 2015 bill passed both chambers, but President Obama vetoed it.

Sen. Thom Tillis (R-N.C.) said Democrats are deliberately misleading voters.

“This whole false narrative of all of a sudden having 20 million people get sick because you’re not going to have some sort of solution to them means they are not reading their briefings or they’ve got really subpar people in the marketing department,” he said.

Price and Sen. Bill Cassidy (R-La.) have previously introduced legislation to replace the ACA, and both Ryan and Hatch, who sits on the health committee, have drafted white papers outlining possible paths forward. These plans have several elements in common, including eliminating limits on deductibles and the requirement that individuals buy coverage,

establishing private health savings accounts and converting federal premium subsidies to flat tax credits.

But some of these proposals — along with others such as curtailing the expansion of Medicaid coverage and reversing changes the ACA made to Medicare — could alienate voters, and in places they could contradict Trump's plans for a replacement bill. While repealing the president's signature health-care law has been a central goal of the conservative movement for the past six years, many of the Americans who helped vote Trump into office benefit from federal health programs and the subsidies that flow from the law.

Ezekiel Emanuel, who served as a top White House health-care adviser during Obama's tenure and has met with Trump as well as his aides, said in an interview Tuesday that the president-elect is sincere about the idea of "repeal and replace" when it comes to the ACA, rather than just "repeal and delay."

"He does want to get universal coverage," said Emanuel, who leads the University of Pennsylvania's Department of Medical Ethics and Health Policy. "He wants something he can be

proud of."

Drew Altman, president and chief executive of the Henry J. Kaiser Family Foundation, said it is "technically very difficult to come up with a plan that achieves Republican goals" of lowering the cost of insurance premiums without generous federal subsidies "and also the goals of the ACA," which expand what kind of services are covered.

As Trump works to deliver on his promises, this week it is Price — a 62-year old congressman from the affluent northern Atlanta suburbs — who will serve as the face of the incoming administration.

The former orthopedic surgeon has staked out controversial positions on Medicare, Medicaid and tax breaks for employer-sponsored health plans. In his most recent health-care bill, Price proposed eliminating the Medicaid expansion under the ACA that has provided new coverage to roughly 10 million Americans and abolishing provisions under the law that provided more comprehensive prescription drug coverage to Medicare recipients.

A transition official, who spoke on the condition of anonymity because Price has yet to be confirmed, said

that if Price wins Senate approval to head the Department of Health and Human Services, he "will focus on running the agency, implementing legislation and advancing the president's priorities."

Several Senate Republicans have said that any major changes to Medicare will be considered separately from the effort to dismantle and replace the ACA.

"This is not the bill for Medicare reform," Alexander said on the Senate floor last week.

Democrats have also raised concerns about Price's investments in health-care firms. In December, the Wall Street Journal reported that Price had traded more than \$300,000 in shares in about 40 health, biomedical and pharmaceutical companies over a four-year period starting in 2012, while he was involved with legislation that might affect those firms' stocks. On Monday, CNN reported that he had bought shares in a medical-device manufacturing company, Zimmer Biomet, a matter of days before introducing legislation that would benefit the firm.

Senate Minority Leader Charles E. Schumer (D-N.Y.) said the trades suggested "a clear and troubling

pattern" on Price's part, and he asked the Office of Congressional Ethics to investigate the Zimmer Biomet trade, which he called possibly "illegal."

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Transition spokesman Phillip Blando noted that the trade "was broker-directed, not directed by Dr. Price," and said the congressman was not aware of the purchase until after introducing his bill. In a letter on Tuesday, Trump's aides wrote that "The Presidential Transition Team requests that CNN retract this blatantly false story."

Hatch dismissed any concerns about Price's investments.

"It's total BS," he said. "Everybody here knows he's an honest guy. He's disclosed everything. What more can he do?"

Kelsey Snell contributed to this report.



## Betsy DeVos, Trump's education pick, lauded as bold reformer, called unfit for job (UNE)

<https://www.facebook.com/moriah.balingit>

Democrats attacked Betsy DeVos, President-elect Donald Trump's education nominee, calling her unfit for the job during a contentious confirmation hearing Tuesday evening, while Republicans defended her as a bold reformer who would disrupt the status quo in U.S. education.

DeVos told skeptical senators that she looked forward to working with them to improve the nation's schools. But she sidestepped several issues important to Democrats and their allies, declining to take a position on whether guns belong in schools or to commit to upholding the Obama administration's aggressive approach to handling sexual assault on college campuses, and she called Sen. Bernie Sanders's (D-Vt.) ideas about free college "interesting."

A Michigan billionaire, DeVos has lobbied for decades to expand charter schools and taxpayer-funded vouchers for private and religious schools, but she has no professional experience in public

schools, never attended public schools nor sent her own children to public schools. She also has not held public office.

*[Trump could reverse Obama's actions on sexual assault, transgender rights]*

DeVos's inexperience in the realm of public education appeared at times to be a liability. During rapid-fire questioning by Sen. Tim Kaine (D-Va.), she seemed to demonstrate a lack of understanding of one of education's major federal civil rights laws, which requires states that take federal funding to provide children with disabilities the services they need to benefit from a public education.

Here are the people Trump has chosen for his Cabinet

DeVos said states should decide whether schools should be required to meet those special-education requirements.

"So some states might be good to kids with disabilities, and other states might not be so good, and then what, people can just move around the country if they don't like how their kids are being treated?" Kaine said.

When Sen. Maggie Hassan (D-N.H.) — who has a son with a disability — challenged DeVos to explain whether she understood that the law was a federal civil rights law, DeVos said she "may have confused it."

DeVos also declined to say whether she believes that all schools receiving taxpayer funding — public, public charter, or private — should be held accountable to the same performance standards. She also declined to say whether such schools should be required to report suspensions and expulsions, and incidents of bullying and harassment, to the federal government.

Joe Lieberman, the Democratic nominee for vice president in 2000, introduced DeVos Tuesday and vouched for her leadership, arguing that her status as an outsider is an asset.

"She doesn't come from within the education establishment. But honestly, I believe that today that's one of the most important qualifications you could have for this job," the former senator from Connecticut said. "We need a change agent."

DeVos is an unusually polarizing nominee for education secretary; most of her recent predecessors have sailed through the confirmation process, winning Senate approval on voice votes. The strong feelings about DeVos were evident in the line of more than 100 people waiting to enter the Capitol Hill hearing room Tuesday evening, including supportive students in plaid uniforms and bright yellow scarves embroidered with "National School Choice Week," and a large contingent of parents and teens from Detroit who came by bus to oppose DeVos's nomination.

GOP senators cheered DeVos's nomination, saying they hope she will champion alternatives to the nation's public schools and scale back the federal footprint in K-12 education.

*[Teachers unions mount campaign against Betsy DeVos]*

"Betsy DeVos, in my opinion, is on our children's side," Sen. Lamar Alexander (R-Tenn.), chairman of the Health, Education, Labor and Pensions (HELP) Committee, said in his opening remarks Tuesday. "She's devoted her life to helping

mainly low-income children have access to better schools."

Alexander dismissed DeVos's critics as out of step with public opinion, arguing Democrats, including President Obama, have embraced charter schools, and that vouchers are patterned on "the most successful social policy this Congress has ever enacted — the GI Bill," which provides tuition assistance for veterans to attend the college of their choice.

"Why is such a great idea for colleges deemed to be such a dangerous idea for K-12 schools?" Alexander said.

He restricted senators to one five-minute round of questions, saying he was adhering to committee precedent and the "golden rule," treating Trump's pick as the committee treated Obama's nominees. Democrats were dismayed, arguing that the committee has never before cut off questions, and that they needed more time to examine DeVos's record.

"I think we're selling our kids short by not being able to ask follow up questions," said Sen. Al Franken (D-Minn.). Franken had asked DeVos for her views on the debate — common in education circles — about whether standardized tests should measure the progress students make during a year, or their grade-level proficiency. He was unimpressed with what he said was her lack of familiarity with that debate.

"I'm surprised you don't know this issue," Franken said.

Teachers unions and civil rights groups have argued that DeVos's

support for a free-market approach to education has undermined public schools, which they see as a critical civic institution. DeVos's opponents also point to the fact that she has no record on higher education or protecting children's civil rights, two areas critical to the work of the department she aims to lead.

*[Betsy DeVos and her family members are major donors to the senators who will vote on her confirmation]*

Asked about her relatives' contributions to anti-LGBT groups, DeVos said she believes in equality: "I believe in the innate value of every single human being and that all students, no matter their age, should be able to attend a school and feel safe and be free of discrimination," she said.

But she declined, under questioning from Sen. Patty Murray (Wash.), the ranking Democrat, to say whether she plans to rein in the Office for Civil Rights, which investigates allegations of discrimination in schools.

Sen. Elizabeth Warren (D-Mass.) asked questions about DeVos's qualifications to run the trillion-dollar federal student loan program, with DeVos acknowledging that she has no experience running or managing anything near the size and complexity of the program. DeVos also acknowledged that she had never taken out a federal student loan for herself or her children.

*[Dems raise concerns about possible links between DeVos and student debt collection agency]*

DeVos declined to take a stand on whether guns belong in schools, saying that decision should be left

to local and state officials. She pointed to a rural Wyoming school that is surrounded by a fence to keep bears out: "I would imagine there's probably a gun in the school to protect from potential grizzlies."

Asked by gun control advocate Sen. Chris Murphy (D-Conn.) — whose constituents include parents who lost children in the mass shooting at Newtown's Sandy Hook Elementary in 2012 — whether she would support Trump if he moves forward with his proposal to ban gun-free school zones, she said she would "support what the president-elect does."

The hearing went forward Tuesday evening over the objections of Democrats, who are concerned that the Office of Government Ethics, which is responsible for vetting presidential nominees for potential conflicts of interest, has not finished its review of DeVos's vast wealth and financial investments.

Alexander has said that the committee won't vote until the ethics office's work is complete. DeVos promised to resolve any conflicts of interest the office identifies. "I will not be conflicted, period," she said. "I commit that to you all."

She said that if confirmed, she will be a "strong advocate for great public schools." But when public schools are "troubled, or unsafe, or not a good fit for a child," she said, parents should have a "right to enroll their child in a high-quality alternative."

"I share President-elect Trump's view that it's time to shift the debate from what the system thinks is best for kids to what moms and dads want, expect and deserve," she said.

*[Betsy DeVos omitted \$125,000 anti-union political donation from Senate disclosure form]*

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On the campaign trail, Trump proposed a new \$20 billion grant program to encourage states to expand such efforts, but he offered few details about how that might work, and there is a tension between the incoming administration's interest in expanding vouchers and charter schools and conservatives' interest in leaving decisions about education to states and school districts.

DeVos said Tuesday that she would not coerce states to expand vouchers or charters. But in an exchange with Murray, she also refused to say that she would not work to privatize schools.

Sen. Tim Scott (R-S.C.), an advocate for vouchers and charters, called DeVos a champion for low-income children who don't have access to great schools.

"Mrs. DeVos is not opposed to accountability," he said, rejecting one of the Democrats' charges against her. "What she is opposed to is leaving children trapped in schools that we know are failing, failing the very students that will have no hope if they do not receive a high-quality education."



## Editorial : Breaking the fall of trust in institutions

The Christian Science Monitor

January 17, 2017 —Rolls-Royce, the British engineering giant, took an unusual bow of penitence on Tuesday. It apologized "unreservedly" after being fined for bribery world-wide. And to regain the confidence of its workers, customers, and investors, it promised to be a "more trusted" business that "wins right" in securing contracts for its jet engines.

The company, like many before it, was smart to come clean. Trust is a rare commodity these days, and not only in business, according to a new global survey.

After 17 years of polling, the Edelman marketing firm found that trust in four institutions — government, business, media, and nongovernmental organizations — took the steepest drop ever last year.

Almost two-thirds of people surveyed in 28 countries do not trust the four institutions to "do what is right." More than 50 percent say "the system" is not working for them.

The rising distrust may help explain the attraction of anti-elitist and ultranationalist political leaders from the Philippines to Europe. More than 70 percent in the survey say government officials are not at all or

somewhat credible. And the credibility of business chief executive officers fell 12 points to 37 percent.

Edelman warns that trust must be rebuilt soon to avoid a downward cycle. As people lose faith in institutions, they also become more fearful, furthering eroding trust. Last year, Edelman found that two-thirds of Donald Trump supporters held strong societal fears compared with 45 percent of Hillary Clinton supporters.

In addition, more people worldwide are relying on themselves or peers — often via social media — than on experts. A good example: 59 percent of those surveyed would

believe a search engine over a human editor. The reason: More than 80 percent of people distrust traditional media.

Yet a large majority also hope that companies can act to improve conditions in the communities where they operate. Rolls-Royce may be an example. A new CEO is rebuilding trust from the workplace up, ending practices that bred corruption while setting an example by taking far less in benefits than his predecessor. "We now conduct ourselves in a fundamentally different way. We have zero tolerance of business misconduct of any sort," says CEO Warren East.



## Dollar Tumbles on Trump Comments (UNE)

Chelsey Dulaney, Ian Talley and Ira Iosebashvili

Updated Jan. 17, 2017 7:52 p.m. ET

The dollar tumbled to its lowest level in a month after Donald Trump suggested to The Wall Street Journal he favored a weaker dollar, breaking with decades of tradition and intensifying investor concern over the incoming administration's capacity to surprise.

The president-elect in an interview published Monday described the dollar as "too strong." He dismissed a major tax proposal that would favor U.S. exports over imports—known as a border adjustment—that was expected to further boost the dollar, as "too complicated."

Mr. Trump's remarks represent a departure from a bipartisan tradition where presidents generally leave commentary about the U.S. currency to the Treasury Department, which typically says little more than that a stronger dollar is in the country's best interests.

The dollar fell 1.3% Tuesday against a basket of major peers to its lowest level since Dec. 7. The index has now given back nearly half of its postelection rally, which drove the currency to its highest level in more than 14 years. Government bonds strengthened and the S&P 500 financials sector slid 2.3%, its worst day in nearly seven months despite Morgan Stanley posting its best fourth-quarter results since the financial crisis. Gold was up 1.4%, underscoring rising investor anxiety.

In another factor in Tuesday's dollar decline, the British pound surged 3.1% after a speech by Prime Minister Theresa May on Britain's exit from the European Union appeared to reduce some investors' worries.

A market heavily skewed toward a stronger dollar also is exacerbating the selloff. Speculative investors were holding about \$26 billion in bets on a rising dollar as of Jan. 10, according to Commodity Futures Trading Commission data, near the highest level in a year.

Tuesday's market moves were the latest sign of growing investor skepticism about the "Trump trade," in which expectations of rising fiscal spending, lower taxes and looser regulation drove a postelection

surge in U.S. stock indexes, bond yields and the dollar.

The Trump comments have "raised the level of confusion on what policies we're going to get," said Brad Bechtel, a foreign-exchange strategist at Jefferies Group.

Traders said the retreat reflects several factors, including subdued global growth, challenges in accomplishing policy changes and concerns that large gains from crowded trades are vulnerable to sudden reversals.

"If this is random or haphazard behavior, without a grand plan, we are headed for some shocks," said David Kotok, chief investment officer at Cumberland Advisors, a Sarasota, Fla., money manager with \$2.4 billion in assets.

Mr. Trump said in the Journal interview that the U.S. dollar was already "too strong" when asked about the U.S. trade relationship with China, because China holds down its currency, the yuan. "Our companies can't compete with [China] now because our currency is too strong. And it's killing us," he said.

He had alluded to the dollar throughout the campaign, threatening to label China a currency manipulator for what he has described as an unfair devaluation of the yuan. But Mr. Trump's comments to the Journal were the clearest indication yet that the new administration would prefer a weaker dollar.

He also said the U.S. might need to "get the dollar down" if a change in tax policy drives it higher. "Having a strong dollar has certain advantages, but it has a lot of disadvantages," Mr. Trump added.

Mr. Trump's options for pushing the dollar down are limited. The major drivers of the exchange rate are differences in economic growth and investment prospects, which are largely out of his control.

Central-bank policy is also a driver, and the Federal Reserve has been raising interest rates of late, which tends to push the value of a currency up.

The president, through the U.S. Treasury, has the power to buy and sell foreign currency—called foreign-exchange intervention—to change the dollar's value and can call on the Fed to use its own

resources in that effort. Such intervention is particularly powerful when used in concert with other nations.

By talking down the value of the dollar, Mr. Trump could be veering from more than two decades of strong-dollar precedent.

Previous administrations have maintained a steady policy of backing a strong U.S. currency as a way to keep interest rates low, inflation under control and U.S. buying power strong.

Presidents have tended to refrain from commenting on the currency altogether. When Treasury leaders have talked about it, they have tended to speak in carefully calibrated terms for fear of upsetting financial markets.

Federal Reserve officials, for their part, may allude to how the dollar has influenced its policy decisions but without saying whether they would prefer the U.S. currency to strengthen or weaken.

The occasional slip has led to heightened volatility. In 2001, Treasury Secretary Paul O'Neill told a German newspaper that Washington wasn't pursuing a strong dollar, but rather the currency's strength resulted from a strong economy. That sent the greenback falling. In the following days, Mr. O'Neill denied that President George W. Bush's administration was veering away from its policy of supporting a strong dollar.

"I believe in a strong dollar," Mr. O'Neill said. "If I decide to shift that stance, I will hire out Yankee Stadium and some rousing brass bands and announce that change in policy to the whole world."

Still, markets watch Washington's words about the currency carefully because the U.S. has pursued sudden shifts in the past.

When President Richard Nixon broke from an agreement to peg the dollar's value to gold in 1971, Treasury Secretary John Connally told European counterparts, "The dollar is our currency, but your problem."

On Tuesday, a financier associated with the incoming Trump administration doubled down on his comments regarding the dollar's value.

Anthony Scaramucci, who has been named an adviser to the president, said at a Journal-hosted panel in Davos, Switzerland, that the administration needed to be "careful about a rising dollar."

A weaker dollar would be good for many U.S. companies by bolstering the value of their earnings in foreign countries. The dollar's more than 20% surge since mid-2014 has dragged down U.S. corporate profits, as the currency makes U.S. products less competitive abroad.

A stronger dollar also weighs on inflation by making imports cheaper, hurting commodity prices and making the repayment of debt costlier in emerging-market nations such as China.

Mr. Trump's criticism in the Journal interview of part of the House Republicans' corporate-tax plan added fuel to the dollar's selloff, analysts said. The plan to tax imports and exempt exports was expected by analysts to boost the dollar. If U.S. exporters are able to sell goods more cheaply abroad, it would boost demand for them and the dollar.

The president-elect earlier this month had discussed imposing a border tax on companies that move jobs overseas, in a tweet that targeted Toyota Motor Corp.'s plans to build a plant in Mexico.

A market heavily skewed toward a stronger dollar also is exacerbating the selloff. Speculative investors were holding about \$26 billion in bets on a rising dollar as of Jan. 10, according to Commodity Futures Trading Commission data, near its highest level in a year.

Even so, many said the dollar will likely remain in limbo until Mr. Trump provides more clarity. Brian Daingerfield, a macro strategist at RBS Securities, said Friday's inauguration speech could provide impetus for the dollar to resume its rally.

"Any indications on tax reform or infrastructure spending are going to be seen as a positive for the dollar," Mr. Daingerfield said.

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**The  
New York  
Times**

Charlie Savage

## Chelsea Manning to Be Released Early as Obama Commutes Sentence (UNE)

In addition, Mr. Obama on Tuesday commuted the sentence of Oscar Lopez Rivera, who was part of a

Puerto Rican nationalist group that carried out a string of bombings in the late 1970s and early 1980s; the

other members of that group had long since been freed. Mr. Obama also granted 63 other pardons and



207 other commutations, mostly for drug offenders.

Under the terms of the commutation announced by the White House on Tuesday, Ms. Manning is set to be freed on May 17 of this year rather than in 2045. A senior administration official said the 120-day delay was part of a standard transition period for commutations to time served, and was designed to allow for such steps as finding a place for Ms. Manning to live after her release.

The commutation also relieved the Defense Department of the difficult responsibility of Ms. Manning's incarceration as she pushes for treatment for her gender dysphoria, including sex reassignment surgery, that the military has no experience providing.

But the move was sharply criticized by several prominent Republicans, including the chairmen of the House and Senate armed services committees, Representative Mac Thornberry of Texas and Senator John McCain of Arizona, who called her leaks "espionage" and said they had put American troops and the country at risk.

Speaker Paul D. Ryan called it "outrageous." "President Obama now leaves in place a dangerous precedent that those who compromise our national security won't be held accountable for their crimes," he said in a statement.

But in a joint statement, Nancy Hollander and Vince Ward — two lawyers who have been representing Ms. Manning in appealing her conviction and sentence, and who filed the commutation application — praised the decision.

"Ms. Manning is the longest-serving whistle-blower in the history of the United States," they said. "Her 35-year sentence for disclosing information that served the public interest and never caused harm to the United States was always excessive, and we're delighted that justice is being served in the form of this commutation."

In recent days, the White House had signaled that Mr. Obama was seriously considering granting Ms. Manning's commutation application,

in contrast to a pardon application submitted on behalf of the other large-scale leaker of the era, Edward J. Snowden, the former intelligence contractor who disclosed archives of top-secret surveillance files and is living as a fugitive in Russia.

Asked about the two clemency applications on Friday, the White House spokesman, Josh Earnest, discussed the "pretty stark difference" between Ms. Manning's case for mercy and Mr. Snowden's. While their offenses were similar, he said, there were "some important differences."

"Chelsea Manning is somebody who went through the military criminal justice process, was exposed to due process, was found guilty, was sentenced for her crimes, and she acknowledged wrongdoing," he said. "Mr. Snowden fled into the arms of an adversary and has sought refuge in a country that most recently made a concerted effort to undermine confidence in our democracy."

Mr. Earnest also noted that while the documents Ms. Manning provided to WikiLeaks were "damaging to national security," the ones Mr. Snowden disclosed were "far more serious and far more dangerous." (None of the documents Ms. Manning disclosed were classified above the merely "secret" level.)

Ms. Manning was still known as Bradley Manning when she deployed with her unit to Iraq in late 2009. There, she worked as a low-level intelligence analyst helping her unit assess insurgent activity in the area it was patrolling, a role that gave her access to a classified computer network.

She copied hundreds of thousands of military incident logs from the Afghanistan and Iraq wars, which, among other things, exposed abuses of detainees by Iraqi military officers working with American forces and showed that civilian deaths in the Iraq war were probably much higher than official estimates.

The files she copied also included about 250,000 diplomatic cables from American embassies showing sensitive deals and conversations,

dossiers detailing intelligence assessments of Guantánamo detainees held without trial, and a video of an American helicopter attack in Baghdad in which two Reuters journalists were killed, among others.

She decided to make all these files public, as she wrote at the time, in the hope that they would incite "worldwide discussion, debates and reforms." WikiLeaks disclosed them — working with traditional news organizations including The New York Times — bringing notoriety to the group and its founder, Julian Assange.

The disclosures set off a frantic scramble as Obama administration officials sought to minimize any potential harm, including getting to safety some foreigners in dangerous countries who were identified as having helped American troops or diplomats. Prosecutors, however, presented no evidence that anyone had been killed because of the leaks.

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At her court-martial, Ms. Manning confessed in detail to her actions and apologized, saying she had not intended to put anyone at risk and noting that she had been "dealing with a lot of issues" at the time she made her decision.

Testimony showed that she had been in a mental and emotional crisis as she came to grips, amid the stress of a war zone, with the fact that she was not merely gay but had gender dysphoria. She had been behaving erratically, including angry outbursts and lapsing into catatonia midsentence. At one point, she had emailed a photograph of herself in a woman's wig to her supervisor.

Prosecutors said that because the secret material was made available for publication on the internet, anyone, including Al Qaeda, could read it. And they accused Ms. Manning of treason, charging her with multiple counts under the Espionage Act, as well as with "aiding the enemy," a potential

capital offense, although they said they would not seek her execution.

Ms. Manning confessed and pleaded guilty to a lesser version of those charges without any deal to cap her sentence. But prosecutors pressed forward with a trial and won convictions on the more serious versions of those charges; a military judge acquitted her of "aiding the enemy."

In her commutation application, Ms. Manning said she had not imagined that she would be sentenced to the "extreme" term of 35 years, a term for which there was "no historical precedent." (There have been only a handful of leak cases, and most sentence are one to three years.)

After her sentencing, Ms. Manning announced that she was transgender and changed her name to Chelsea.

The military, under pressure from a lawsuit filed on her behalf by Chase Strangio of the American Civil Liberties Union, has permitted her to partly transition to life as a woman, including giving her cross-sex hormones and letting her wear women's undergarments and light cosmetics.

But it has not let her grow her hair longer than male military standards, citing security risks, and Ms. Manning said she had yet to be permitted to see a surgeon about the possibility of sex reassignment surgery.

Until recently, the military discharged transgender soldiers. In June, Secretary of Defense Ashton B. Carter changed that policy and said the military would instead provide treatment for them, eventually including such surgery if doctors said it was necessary.

President-elect Donald J. Trump mocked that change as excessively "politically correct," raising the possibility that he will rescind it.

But even if he does, Ms. Manning will soon no longer be subject to the military's control.

**THE WALL  
STREET  
JOURNAL**

## President Obama Commutes Chelsea Manning's Sentence (UNE)

Devlin Barrett  
and Carol E. Lee

Updated Jan. 17, 2017 11:14 p.m.  
ET

WASHINGTON—President Barack Obama shortened Chelsea Manning's 35-year prison sentence

Tuesday, setting a May release for the former Army intelligence analyst convicted of leaking government secrets.

Mr. Obama's decision about the transgender former soldier was announced along with more than 200 other commutations and

dozens of pardons by the White House three days before he leaves office.

The president also issued a pardon in the case of James Cartwright, a retired four-star general and former vice chairman of the Pentagon's Joint Chiefs of Staff, who was

awaiting sentencing for lying to authorities investigating leaks about a classified effort against Iran's nuclear program. Prosecutors had been seeking a two-year prison sentence for Gen. Cartwright, who was one of Mr. Obama's most-trusted military advisers.

The president's decisions intensified the national debate about leaks, intelligence and what sort of punishment should be given to those who reveal government secrets.

Republicans immediately criticized the commutation. "This is just outrageous," said House Speaker Paul Ryan (R., Wis.). "Chelsea Manning's treachery put American lives at risk and exposed some of our nation's most sensitive secrets. President Obama now leaves in place a dangerous precedent that those who compromise our national security won't be held accountable for their crimes."

Commutations shorten the punishment meted out, typically by reducing the time in prison a convict must serve, but they don't remove the recipient's criminal record. A pardon wipes their slate clean.

Senior administration officials said Mr. Obama has now granted 1,385 commutations to individuals, more than the previous 12 presidents combined.

More than a third of those commutations were granted to people serving life sentences for drug offenses. Officials said Mr. Obama focused on commutations to relieve those who received what he considered unfair sentences during decades of strict drug laws.

By comparison, Mr. Obama has granted 212 pardons, narrowly exceeding predecessor George W. Bush, who approved 189.

In 2013, Pfc. Bradley Manning was found guilty at a court-martial of providing hundreds of thousands of documents to the website WikiLeaks.

The Army private leaked a video showing a U.S. Army helicopter in Iraq firing on a group of people who turned out to include journalists from Reuters, as well as incident reports from Afghanistan and Iraq, and thousands of secret State Department cables.

In August 2013, less than 24 hours after being sentenced for being the source of one of the biggest classified leaks in U.S. history, Pfc. Manning said she wanted to begin hormone therapy and be known by a new name, Chelsea. In 2016, the Army agreed to allow her to receive medical treatment for gender dysphoria.

Senior administration officials said the president considered Ms. Manning to have committed serious crimes, but also took into consideration the fact that she had faced justice and took responsibility for what she had done.

The president had faced pressure from human rights groups to show mercy to Ms. Manning, who twice attempted suicide last year.

The American Civil Liberties Union and Amnesty International praised the decision. "This move could quite literally save Chelsea's life," said Chase Strangio, a staff attorney with the ACLU's LGBT Project representing Ms. Manning.

"Chelsea Manning exposed serious abuses, and as a result, her own human rights have been violated by the U.S. government for years," said Margaret Huang, executive director of Amnesty International U.S.A., adding that the commutation was overdue.

Ms. Manning's father, Brian Manning, said in an email that he is relieved by Mr. Obama's decision, adding that Ms. Manning "has served and been punished, both physically and mentally, for long enough."

Sen. Tom Cotton (R., Ark.) said that when he was leading soldiers in Afghanistan, "Private Manning was undermining us by leaking hundreds of thousands of classified documents to WikiLeaks. ... We ought not treat a traitor like a martyr."

In 2010, early in Mr. Obama's first term, Ms. Manning gave the trove of secret documents to the website

WikiLeaks, causing a cascade of public revelations embarrassing to the U.S. government, particularly the State Department, which was led at the time by Hillary Clinton.

Last year, the website, which was founded by Julian Assange, became a key actor in the presidential race, publishing emails from Democratic operatives and a top aide to Mrs. Clinton during her presidential campaign against Republican Donald Trump. U.S. officials have concluded the messages were hacked by the Russian government in a bid to tarnish her candidacy.

Mr. Obama didn't consider a pardon for Edward Snowden, who in 2013 disclosed classified documents from the National Security Agency on government surveillance programs that he took while working there as a contractor.

The White House said Tuesday that Mr. Snowden didn't apply for a pardon.

Gen. Cartwright pleaded guilty last year to making false official statements to federal investigators who were investigating leaks to reporters.

Senior administration officials said Gen. Cartwright had taken responsibility for his actions. He served his country honorably for decades, the officials said, and spoke to the reporters in an effort to keep sensitive details from being revealed. "His impressive service to the country, his character and his stated motivation were all high in the president's calculus when he was reviewing the case," an official said.

The case against Gen. Cartwright stemmed from an investigation into a leak after David Sanger, a reporter with the New York Times, published an article and a book that exposed secrets about how the U.S. used a computer virus called Stuxnet to sabotage Iran's nuclear centrifuges.

In a statement, Gen. Cartwright thanked Mr. Obama. "With the greatest pride, I have served my country as a member of the military for more than 40 years," wrote Gen. Cartwright, who left military service in 2011. "This action allows me to continue that work as a private citizen," he said, adding that the U.S. is "the greatest nation on earth."

"I never lost faith in that belief," he said.

Other actions by Mr. Obama included a pardon for Willie McCovey, a member of the Baseball Hall of Fame who pleaded guilty in 1995 to filing a false tax return and was sentenced to probation and a \$5,000 fine in 1996. Mr. Obama also pardoned Ian Schrager, the New York hotelier and co-founder of the nightclub Studio 54. He served prison time after pleading guilty to filing a false tax return.

Also winning a commutation Tuesday was Oscar López Rivera, part of a militant group that fought for Puerto Rican independence more than 30 years ago. He was convicted of "seditious conspiracy" to overthrow the U.S. government in connection with his membership in the Fuerzas Armadas de Liberacion Nacional (FALN).

He has been in federal prison since 1981. The FALN claimed responsibility for more than 70 bombings across major cities in the U.S. between 1974 and 1983. The attacks in New York, Chicago and Washington, D.C., killed five people, injured dozens and caused millions in property damage.

Mr. Rivera's case has drawn attention from Lin-Manuel Miranda, creator of the Broadway musical "Hamilton," and other Latin artists who have urged Mr. Obama to commute his sentence.

**THE WALL  
STREET  
JOURNAL**

## Editorial : Politically Correct Clemency

Updated Jan. 17, 2017 7:56 p.m.  
ET 417 COMMENTS

President Obama's decision Tuesday to commute the 35-year prison sentence of Pfc. Chelsea, née Bradley Manning will be celebrated on the left as a vindication of a well-intentioned whistleblower whose imprisonment at Ft. Leavenworth as a transgender woman was a travesty of justice. The real travesty is the show of leniency for a progressive cause

célèbre whose actions put hundreds of lives at risk.

For those who need reminding, Manning was stationed in Iraq as a low-level intelligence analyst when he gained access to troves of classified material. Starting in 2010 he leaked nearly 750,000 documents to Julian Assange's WikiLeaks. Included in the material were thousands of secret State Department cables and masses of military information on the wars in Iraq and Afghanistan. Assange worked with reporters from several

news organizations to publish the material, to much self-congratulation about the virtues of transparency.

U.S. diplomats and military officers took a less charitable view, with good reason. While many of the State Department cables contained little more than diplomatic party gossip, others disclosed sensitive conversations between U.S. diplomats and opposition leaders in repressive regimes. After the disclosure, Zimbabwe's Morgan Tsvangirai was investigated by the

regime of Robert Mugabe for "treasonous collusion between local Zimbabweans and the aggressive international world," as the country's attorney general put it.

Even more dangerous were leaks of operational secrets, including the names of Afghan informants working with U.S. coalition forces against the Taliban. A Navy SEAL who participated in the 2011 raid on Osama bin Laden's compound in Pakistan testified that Manning's leaks were found on the terrorist's computer.

Little wonder that at the time Mr. Obama criticized "the deplorable action by WikiLeaks." Then-Secretary of State Hillary Clinton warned that the document dump "puts people's lives in danger" and was "an attack on America's foreign policy," its partnerships and alliances. Prosecutors initially sought a life sentence against Manning, who was eventually convicted of 17 of 22 charges, including espionage and theft.

Within 24 hours of sentencing in

**The  
Washington  
Post**

## Obama commutes sentence of Chelsea Manning, soldier convicted for leaking classified information (UNE)

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

President Obama commuted the 35-year prison sentence of Chelsea Manning, an Army private convicted of taking troves of secret diplomatic and military documents and disclosing them to WikiLeaks, after deciding that Manning had served enough time.

Obama also granted a full and complete pardon to retired Marine Gen. James E. Cartwright, a former vice chairman of the Joint Chiefs of Staff who had pleaded guilty to lying to the FBI in an investigation of a leak of classified information about a covert U.S.-Israeli cyberattack on Iran's nuclear program.

The president's dramatic, last-minute clemency actions for Cartwright and Manning were surprising for an administration that has brought more leak prosecutions than all previous ones combined. Obama took office pledging to bring a new era of transparency to government, but during his eight years, his administration has presided over at least nine leak cases.

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But officials said the president thought that in Manning's case, seven years behind bars was enough punishment and that she had been given an excessive sentence — the longest ever imposed in the United States for a leak conviction. The administration has contrasted her case with that of Edward Snowden, the National Security Agency contractor who leaked classified documents in 2013 and then fled the country, pointing out that Manning did not try to avoid facing the U.S. justice system for her crimes.

2013, Manning said he wanted to begin hormone therapy and be known as Chelsea. Last year the Army agreed to finance her medical treatment for gender dysphoria. In December the ACLU and numerous LGBT groups wrote to Mr. Obama urging that he grant clemency to Manning, in part on grounds that she has been held in solitary confinement after suicide attempts.

The commutation sends a dreadful message to others in the military who might have grievances or other

problems but haven't stolen national secrets. The lesson is that if you can claim gender dysphoria or some other politically correct condition, you can betray your country and get off lightly.

On Tuesday Mr. Obama also commuted the sentence of Puerto Rican terrorist Oscar López Rivera, who was convicted of "seditious conspiracy" against the U.S. government. He belonged to the FALN, which was responsible for more than 70 bombings in the U.S.

"Chelsea Manning is somebody who accepted responsibility for the crimes she committed," a senior White House official said, speaking on the condition of anonymity under ground rules set by the White House. "She expressed remorse for committing those crimes. She began serving the sentence that was handed down. The president's concern was rooted in the fact that the sentence handed down is longer than sentences given to other individuals who committed comparable crimes."

*[How do presidential pardons and commutations work?]*

Republicans immediately blasted the White House's decision, saying the commutation would encourage others to leak sensitive documents.

"This is just outrageous," House Speaker Paul D. Ryan (R-Wis.) said. "Chelsea Manning's treachery put American lives at risk and exposed some of our nation's most sensitive secrets. President Obama now leaves in place a dangerous precedent that those who compromise our national security won't be held accountable for their crimes."

President-elect Donald Trump's team did not respond to requests for comment on the case.

Also on Tuesday, Obama granted clemency to more than 200 low-level drug offenders who were sentenced under harsh laws and would have received lighter sentences if convicted today. In all, the president commuted the sentences of 209 individuals and pardoned an additional 64. He is expected to grant more commutations before he leaves office.

Since 2014, Obama has commuted 1,385 sentences, more than the previous 12 presidents combined. Of those, 540 low-level drug offenders had been serving life sentences.

This "final set of actions" as Obama leaves office "is a signal to the system that prosecutors have gone too far," said Steven Aftergood, a national security and transparency expert at the Federation of American Scientists.

Manning, 29, will be set free in four months, on May 17, instead of in 2045, under the terms of Obama's commutation.

The Pentagon did not make the recommendation to the White House to commute Manning's sentence, and senior Defense Department leaders opposed the move, said defense officials who spoke on the condition of anonymity to discuss internal deliberations.

White House officials said the president's decision had nothing to do with a recent pledge by WikiLeaks founder Julian Assange that he would agree to be extradited to the United States if Manning's sentence was commuted.

"Thank you to everyone who campaigned for Chelsea Manning's clemency," read a statement attributed to Assange on the WikiLeaks Twitter feed. "Your courage & determination made the impossible possible."

Trump invoked the death penalty in 2010 after WikiLeaks' disclosures, in stark contrast to his refusal to criticize Assange and WikiLeaks for the dissemination of hacked Democratic Party emails last year.

Members of Assange's legal team did not immediately respond to requests for comment on whether Assange would now agree to be extradited.

"President Obama's decision was both compassionate and amply justified," said Elizabeth Goitein, co-director of the liberty and national security program at the Brennan Center for Justice. "Manning's sentence was orders of magnitude greater than any sentence

between 1974 and 1983, killing five and injuring dozens. Rivera, who has been in prison since 1981, had become the political project of "Hamilton" creator Lin-Manuel Miranda, who is a pal of President Obama. No word from the White House on whether the President alerted the families of the FALN's victims.

previously imposed for leaking classified information to the media."

Manning was arrested in Iraq in May 2010 after she transmitted documents to WikiLeaks that came to be known as the Iraq and Afghanistan "War Logs." She also shared a video that showed a U.S. Apache helicopter in Baghdad opening fire on a group of people that the crew believed to be insurgents. Among the dead were two journalists who worked for Reuters. She also leaked documents pertaining to Guantanamo Bay prisoners, as well as 250,000 State Department cables.

In an impassioned statement last year accompanying her petition for clemency, she accepted "full and complete responsibility" for disclosing the material. She said she pleaded guilty without the benefit of a plea agreement because she believed that the military justice system would understand her motivation for the leak and sentence her fairly. "I was wrong," wrote Manning, who is incarcerated at the all-male Fort Leavenworth prison in Kansas.

She said the 35-year penalty was "far more" than she imagined possible — "unreasonable, outrageous and out of line with what I had done."

*[Bradley Manning comes out as transgender: 'I am a female']*

Manning, formerly known as Bradley Manning, came out as transgender after her conviction. She said in her statement last fall that the three years since she had been sentenced had enabled her to reflect on her actions and her struggle to adjust to the military.

"I am not Bradley Manning," she said. "I really never was. I am Chelsea Manning, a proud woman who is transgender and who, through this application, is respectfully requesting a first chance at life."



Her reason for passing the documents to WikiLeaks was to raise public awareness about issues she found troubling, including the effect of war on innocent civilians, her attorney, Vincent J. Ward, said in a letter accompanying Manning's petition. Ward said Manning's sentence exceeds even international legal norms.

Manning was kept in solitary confinement for almost a year before formal charges were brought, an experience she has called "humiliating and degrading." The United Nations special rapporteur on torture called her treatment "cruel, inhuman and degrading."

She has tried to kill herself twice while at Fort Leavenworth — the first time in July 2016 and again in

November. After the July attempt, she was placed in solitary confinement as punishment.

"The family is delighted to hear the news, and we are looking forward to seeing Chelsea in May, and we want to thank President Obama for granting her request. We're all very, very happy about it," said Debbie, an aunt of Manning's in Maryland, who asked that her last name not be used to protect her privacy.

Cartwright, a retired four-star Marine Corps general, served as the nation's second-ranking military officer and was facing his sentencing in two weeks after pleading guilty in October to a felony count of lying to the FBI in a classified leak investigation. He admitted to falsely telling investigators that he did not confirm

classified information to reporters writing about a covert U.S.-Israeli cyberattack on Iran's nuclear program.

The senior White House official said Cartwright's long history of distinguished service to the nation factored into Obama's decision. The official said a journalist involved in the case testified that Cartwright did not tell the journalist anything that the reporter did not already know. The conversation was "focused on preventing the publication of information that could be damaging to our national security," the official said.

When the president is making clemency decisions, "motive matters," the official said. "It's clear in this case that based on what the journalist has said ... that General

Cartwright's motive was different than most of the people who are accused of leaking classified information to a journalist."

In a statement Tuesday, Cartwright thanked Obama.

"With the greatest pride, I have served my country as a member of the military for more than forty years. This action allows me to continue that work as a private citizen," he said. "I love this country and believe it to be the greatest nation on earth. I have never lost faith in that belief."

Julie Tate, David Nakamura, Spencer Hsu, John Wagner and Missy Ryan contributed to this report.



## Lake : Obama Trolls Trump With Clemency for Manning

Eli Lake

President Barack Obama's decision to commute the sentence of Chelsea Manning is a great parting gift to Donald Trump. It's a Tu Quoque, an argument that exposes the hypocrisy in one's target, from the Latin: "you, also."

It's the kind of thing Trump is very good at. He tweets that he thinks people who burn the American flag should be put in jail. His critics pounce, only to learn later he was quoting from a 2005 bill that Hillary Clinton co-sponsored when she was in the Senate.

Obama is catching on. The spate of pardons and commutations is precisely the kind of thing Trump and his supporters like Sean Hannity love to denounce. Not only has Obama commuted the sentence of Manning, he also commuted a Puerto Rican Marxist bomb-maker and released 10 Guantanamo Bay inmates to Oman.

Too bad Hannity these days supports Julian Assange, the founder of WikiLeaks, which published the material Manning took. In 2010, Hannity wanted Manning's head. Tu Quoque?

The U.S. intelligence community today assesses that Russia's military intelligence, or GRU,

hacked the emails of Democrats last year and delivered them to WikiLeaks. So it's worth comparing Manning's leaks to the Russian ones.

To start off, Manning's leaks did more direct harm to national security. No confidential government sources were exposed as a result of the Russian influence operation. Manning's leaks, because they were published in unredacted form, required the State Department to relocate people who were trying to assist the U.S. Manning's disclosures also aided the enemy. The prosecution against Manning asserted in 2013 that the Afghanistan war logs, a collection of spot intelligence reports from that front, were found in the digital files of Osama bin Laden.

At the same time, the public interest was better served by the Manning leaks. The candid assessment of corruption among Tunisia's ruling family was one factor that provided the tinder for the Arab Spring, for example. That hasn't worked out well for U.S. interests in most of the Middle East. But Tunisia is a freer country today as a result of Manning's disclosures.

The video that Manning provided WikiLeaks, of a U.S. helicopter attack in a Baghdad war zone

against a group of men that included Reuters employees, provided the public with evidence the military had shielded from that news organization. Cables that spelled out Russia's campaign of direct action in Georgia in the 2000s were an important warning in 2010 for Russia's mounting aggression against its neighbors.

The Democratic e-mail leaks are less defensible than Manning's, but for different reasons. To start, they belonged to private citizens. To argue that this is in the public's interest is to sanction a foreign government to violate the privacy rights of Americans. Manning disclosed cables, videos, logs and documents that would have eventually been declassified.

The Russian leaks were also part of a campaign to influence the election. And while some of the hacked e-mails also contained information that was in the public's interest, like a memo that detailed how the Clinton Global Initiative had dovetailed with Bill Clinton's profit-seeking, for the most part the e-mails were dripped out to maximize the advantage for one candidate in the election, Donald Trump.

Obama's decision to grant clemency to Manning is a hard call. She has clearly suffered. The New

York Times has reported that Manning has twice tried to kill herself while in a military prison at Fort Leavenworth. Her 35-year sentence was the longest one ever handed out in a leak case. At the same time, there has never been a leak of this scale in U.S. history -- with the exception of former NSA contractor Edward Snowden, who lives today as a fugitive in Moscow.

The decision on whether to defend Assange, though, is an easy one. His website was used as part of a Russian operation to meddle in our politics. Trump and his supporters would do well to be wary of this delusional Australian.

One interesting part of all of this is whether Obama's decision will spur Assange himself to leave the Ecuadorian embassy in London, where he dodges a Swedish arrest warrant. He promised to extradite himself to the U.S. if Obama granted clemency to Manning. I imagine this is a problem the outgoing president will relish giving to his successor.

This column does not necessarily reflect the opinion of the editorial board or Bloomberg LP and its owners.



## Was Barack Obama a transformative president?

The Christian Science Monitor

departure from eight years of President Obama.

January 18, 2017 Washington—When Donald Trump takes the oath of office on Friday, the Republican takeover of Washington will be complete — signaling a sharp

In many ways, the Trump era has already launched. The new Congress has begun the process of repealing the Affordable Care Act (ACA). Legislators are preparing to roll back a raft of federal regulations

on such areas as overtime pay and funding for Planned Parenthood. Nominees for the incoming cabinet are poised for confirmation, despite some tough questioning from senators.

Conservatives are joyful, liberals despondent. But Obama's domestic

legacy runs deep, and will be more difficult to uproot than both sides seem to believe, analysts say. Popular elements of the ACA, a.k.a. Obamacare, may well survive. Ditto changes to the tax code that have helped low-income Americans. On immigration, both Mr. Trump and House Speaker Paul Ryan have



suggested law-abiding “dreamers” won’t be deported.

And at its most fundamental, there’s nothing Trump can do to take away Obama’s most profound legacy: his election, and reelection, as the first African American president of the United States.

“That will always be the first line about him in textbooks, the first line about him in his obituary – our first black president,” says David Greenberg, a historian at Rutgers University in New Brunswick, N.J.

So, perhaps unique among all 43 American presidents who followed George Washington, Obama’s mere election guaranteed a singular role in United States history, before even taking office.

But Obama made clear throughout his first campaign that getting elected for its own sake wasn’t his goal. He wanted to change the nation’s trajectory, as President Reagan had, he told a newspaper in Reno, Nev., early in 2008.

It was that seemingly boundless aspiration to be a transformative leader, combined with his skills as an orator, that won Obama the presidency. Now, eight years later, he faces the judgments of historians, pundits, and the public. Assessments vary widely, and will continue to evolve for generations to come. But for now, the notion of Obama as a transformative president is probably a stretch.

For all the audacity that he brought to his first campaign in 2008, once he assumed office, he often leaned toward caution – even in his first two years, when Democrats held the reins in Washington.

In crafting the ACA, for example, he worked within the existing private health-insurance system rather than offering more fundamental change. The same could be said of the financial crisis of 2008-09, in which Obama did more to rescue the old system than to change it, liberal activists complain.

“President Obama is someone who is temperamentally very ambitious but also very cautious,” says Professor Greenberg. “And I think the caution in some ways accounts for the disappointments some people have felt – that he didn’t deliver transformation, he didn’t deliver the kind of radical change that some of his most Kool-Aid-drunk supporters expected back in 2008.”

After an electoral rout in his first midterm elections put him on the defensive, Obama turned to unilateral action. His aggressive use of executive actions to enact policy,

bypassing Congress, led to charges of an “imperial presidency.”

The hyperpartisan atmosphere that Obama walked into on Day 1 only grew worse, despite his campaign promise to unite the country.

In the end, Obama as president was both a singular figure and a party of one – unique in American history but also a man who neither won over his opponents nor built up his allies.

Many analysts say he failed to build bridges on Capitol Hill. “Obama was bipartisan, in that he lacked the temperament to work with either party in Congress,” says historian David Pietrusza.

Others, such as Molly Reynolds of the Brookings Institution, argue that even a legislative master like Lyndon Johnson or Bill Clinton may well have struggled amid the prevailing partisan polarization.

Either way, as he leaves office, Obama has a lot going for him: youth, a strong job approval rating (in the mid-50s), and a plan for continued involvement in public life. His personal brand is intact. But his inability to build a broad coalition around his greatest domestic achievements leaves his legacy in peril.

### Dismantling Obama's legacy

In an interview with Fox News last April, Obama named his biggest accomplishment in seven words: “Saving the economy from a great depression.”

Emergency measures by the new president, as well as those by his predecessor, George W. Bush, staunch the nation’s economic freefall. But some, including a record stimulus package passed just on Democratic votes, sparked a political backlash, giving rise to the populist anti-tax tea party movement.

It was to be one of several achievements that only hardened partisan lines. Passage of the ACA in 2010 added big-government tinder to the fire, and in the November midterms, Democrats lost control of Congress – for the rest of Obama’s presidency, it turned out. Now it faces a repeal in Congress.

The Dodd-Frank banking regulations, also passed in 2010, are another Trump target, as is the Pacific-rim trade deal Obama backed.

But there’s a maxim in politics: It’s possible to deny people things, but it’s almost impossible to take things away.

Some parts of the Obama legacy will be easier to dismantle than others. The Pacific trade deal is clearly dead, but Dodd-Frank might be difficult to unwind, analysts say. Meanwhile, some elements of the ACA could prove politically impossible to take away. The provision allowing adult children up to age 26 to stay on their parents’ plan is one. The requirement that insurance companies take all customers, regardless of preexisting conditions, is another.

Over the weekend, Trump told The Washington Post his goal is “insurance for everybody” – a tall order.

“One can well imagine more than just parts of the ACA surviving,” says historian Robert Dallek. “Remember, President Reagan never did get rid of food stamps or close the Department of Education.”

### The imperial presidency

Obama’s aggressive use of executive power may be one of his most consequential legacies, as he cedes the Oval Office to a businessman used to getting what he wants and new to the arcane ways of Congress.

Obama did not start this “massive gravitational shift” of power to the presidency, says Jonathan Turley, a constitutional law professor at George Washington University. But he has accelerated it.

Whether helping certain categories of illegal immigrants or ordering up rafts of new rules and regulations by government agencies, Obama has relied on his “pen and phone” to get things done ever since Republicans retook Congress.

First, there are legal questions. The Supreme Court unanimously struck down Obama’s recess appointments to the National Labor Relations Board, a narrowing of presidential power.

But the larger problem with relying on executive authority is that it’s easy to reverse. Trump has promised to wipe out stacks of Obama orders with the stroke of a pen.

Obama’s approach was short-sighted, says Professor Turley, who reminded Democratic senators repeatedly in congressional testimony, “in case anyone forgot, that [Obama] would not be the last president.”

In addition, Congress is gearing up to deploy an obscure law, called the Congressional Review Act, that will allow it to rescind more than 150 government regulations adopted since late May.

Still, for Obama, the various channels for executive authority have provided a way to create facts on the ground and push the envelope on policy in the face of congressional intransigence.

On immigration, Obama’s legacy of protecting people from deportation who came to the US illegally as children may, in fact, survive in some fashion.

Trump has promised to rescind Obama’s executive actions on immigration, but has stated publicly that he wants to help the young illegal immigrants known as “dreamers.”

“We’re going to work something out that’s going to make people happy and proud,” Trump said in a Time magazine interview.

Speaker Ryan has echoed that message. When asked by a young mother, also a dreamer, at a recent CNN town hall if he thought she should be deported, Ryan replied, “No.”

“First of all, I can see that you love your daughter and you are a nice person who has a great future ahead of you,” he said, “and I hope that your future is here.”

### The first black president

No aspect of Obama’s tenure has raised more expectations and attracted more scrutiny than his role as the first black president. He lifted the hopes of millions of African Americans, and of a nation long striving to overcome its ugly racial past.

In the end, Obama was bound to disappoint. In his early years, he was mostly guarded on racial matters, wanting to be perceived as the president of all Americans, not just black America. As the years wore on, he opened up – speaking out on the killings of young black men and launching his My Brother’s Keeper initiative, which aims to help young men of color lead productive lives.

Perhaps inevitably, Obama faced a backlash, exposing not just the racism still extant in the nation but also the frustrations of some leading black voices who felt Obama should do more for African Americans. Still others felt Obama used his race as a political tool to sow divisions and motivate his supporters.

Obama is, of course, unique. He had to bear the particular expectations of black Americans on top of the already-daunting duties of the presidency. And in a fundamental way, his presidency addressed some of the most pernicious claims of racism, political analysts say.

"Hopefully, Barack Obama's presidency settled the question of whether people of color can govern or are capable of being president," says Andra Gillespie, an expert on black politics at Emory University in Atlanta.

When asked to assess Obama's legacy as the first black president, African American scholar Robert C. Smith strikes the tone of a realist: "I would say Obama did the best he could on race, given the resources at his disposal, the political climate, public opinion, and Congress."

Professor Smith, a political scientist at San Francisco State University, points to Obama's use of executive orders to make "modest advancements" in affirmative action in the federal bureaucracy and in higher education, as well as criminal justice and on housing desegregation.

In addition, he notes, the ACA disproportionately benefited black people – a not-insignificant result of the law.

But Obama was rhetorically reticent. "To the extent his policies had any kind of racial bias or favoritism, I don't think he wished to emphasize that," says Smith.

In that way, Obama converted minority voters to his political brand but failed to leave a legacy that would continue to draw them to his party.

Hillary Clinton's failure to beat Trump last November cost Obama his surest vehicle to lock in his legacy. But the "Obama coalition" of minority voters, young voters, and single women didn't turn out in big enough numbers for her.

In fact, the Democratic Party atrophied significantly during Obama's eight years in office. He gave more energy and attention to his own activist group, Organizing for America, than to the Democratic National Committee. Democratic representation in Congress, governorships, and state legislatures has taken a big hit. How can he protect his legacy without a party structure? Democrats ask.

The next two years will begin to offer an answer.