

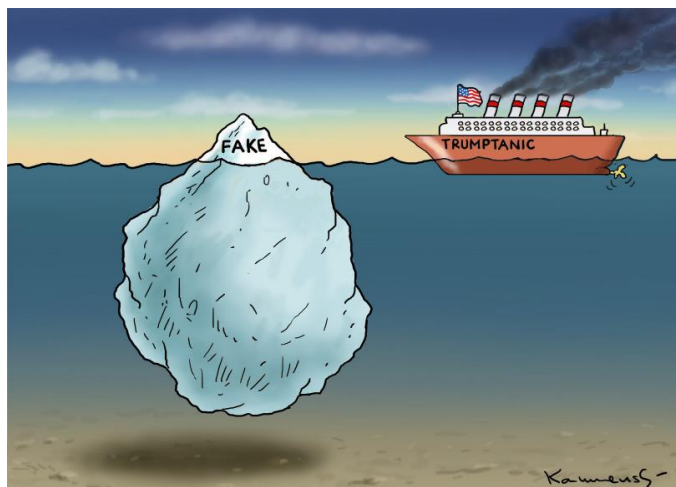
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A mosque is at the center of a raw debate in the South of France (UNE)

By James McAuley

NICE, France — The Mosque En-Nour is hidden on the outskirts of town, tucked away in an anonymous office park behind the airport and off a highway. No feature betrays its identity; no sign marks its entrance.

Yet many people know exactly where to find it, and some are convinced that it has to go. On two occasions since it opened in June, nearby residents, to humiliate worshippers, have left the bloodied heads of pigs outside the mosque's door. Shortly thereafter, regional authorities resumed their push to shut it down, after nearly 15 years of trying — and failing — to prevent it from opening.

This modest, nondescript house of worship, the largest yet to open in the region, has become a symbol of the precarious position occupied by French Muslims, the country's largest minority, in a society reeling from terrorist violence and hurtling toward a watershed presidential election. If the mosque is forced to close, it would violate the age-old promise of a proudly secular republic never to discriminate among citizens on the basis of race or religion.

Today's WorldView

What's most important from where the world meets Washington

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But a forced closure is a real possibility. Christian Estrosi, the president of the administrative region that includes the city of Nice, announced this month that he would launch yet another legal challenge against the mosque, which Estrosi, who raced motorcycles professionally in a previous career, would prefer to convert into a day-care center.

For locals — Muslims and non-Muslims alike — the eruption of this issue in the sunny South of France is hardly a surprise. Despite its reputation as a destination for Hollywood celebrities and Russian oligarchs, the scenic Cote d'Azur is among the most sensitive frontiers in France's ongoing culture wars.

It was here that so many former French colonists and their

descendants — known as "pieds-noirs" — eventually resettled after the bloody Algerian war of independence in the early 1960s. A staggering percentage of them now support the National Front, France's far-right populist party: roughly 40 percent, according to data from the most recent regional elections.

It was also here that many North African Muslims chose to settle when they arrived in France in the decades that followed, mostly seeking economic opportunities. Resentment of them runs deep, and the establishment of the area's largest mosque — even more than 50 years after these respective communities arrived — was never going to be smooth sailing.

[Nice attacker plotted for months and had accomplices, French prosecutor says]

Especially not after the terrorist attack in Nice in July, when one local Tunisian man, later claimed as a "soldier" by the Islamic State, plowed a rented truck through crowds of revelers gathered to celebrate France's national holiday, killing 86 and injuring hundreds more.

Mosque En-Nour had only opened the month before the attack, but a growing number here began to view the notion of a large mosque — especially one housed in a building originally purchased by the Saudi minister of Islamic affairs — as further evidence of a fundamental incompatibility between the French Republic and its second-largest religion.

In the words of Estrosi, shortly thereafter: "We can't go around proclaiming secularism everywhere and at the same time say that Islam and democracy are perfectly compatible."

But in Nice after the attack, this narrative quickly broke apart: The first victim of the Bastille Day attack was Fatima Charrihi, 62, a devout Muslim and a member of Mosque En-Nour.

She had made the commitment to come all the way down to the Promenade des Anglais to celebrate her adopted homeland with her husband, her eldest son and some of her grandchildren.

"My mother had said to my nephews, 'We'll go and get some ice cream,'" recalled her daughter, Hanane Charrihi, 27. "And, well, she never got that ice cream."

[People in Nice are throwing trash on the spot where the attacker died]

In one of her last conversations with her mother before the night Fatima Charrihi died, Hanane, who lives in the Paris suburbs with her husband and two sons, recalled being regaled with details of Nice's new mosque — confined as it is to a corporate office park far from the city center.

Having lived in the Mediterranean city since 1983, Fatima had no choice but to worship for decades with her children in a series of small, impromptu prayer rooms, her daughter said. Before Mosque En-Nour, there was no centralized place for Nice's Muslim community to gather for major holidays and community events.

"She told me, 'Oh, this is wonderful, beautiful, and with such good light, so much light,'" Hanane said.

She has since co-authored a book about her mother, "Ma Mère Patrie" — "My Motherland" in English — which came out last week.

The notion of pride in having a place, said Mahmoud Benzamia, the imam of Mosque En-Nour, is why he has spent the past 15 years fighting for the mosque's right to open.

"It's for our dignity," he said. "The young ask, why do others have their churches and their synagogues? We, we have no place."

"This," he said, gesturing at the beginnings of a mosque still virtually empty, "is supposed to be a place that gives satisfaction and makes Muslims proud and grateful."

And yet despite this mission, Mosque En-Nour is a modest enterprise. Strolling past, there is no way of knowing it exists, and its aesthetic is one of namelessness: concrete slabs, tinted glass. This could be a doctor's office, a travel agency.

But the aesthetic has its advantages, Benzamia said: There is the inescapable reality of the world outside. "Our French co-citizens wouldn't accept so easily a

religious site in the city center, quite simply," he said. "So, we prefer to be on the outside of town."

This, Hanane Charrihi could confirm. When she and her family went to leave flowers for their mother along the Promenade des Anglais, she said, a man continued heckling them even after they told him they had lost their mother in the attack. "That's good," she recalled the man saying. "It's one fewer."

Walking through the mosque, which still has many trappings of an office — glaring fluorescent lights, linoleum floors — Benzamia directly addressed the implicit charge from local authorities that his mosque was linked to Wahhabism or any other radical strain of Islam often associated with funding from Saudi Arabia.

The reason the Saudi Islamic affairs minister, Sheikh Saleh bin Abdulaziz, had purchased the space, he explained, was that the community on its own could never have afforded anything more than a series of converted apartments. The rest, he said, gesturing at a haphazard selection of desks, books and spartan prayer rooms, was financed by worshippers.

[Exhausted police in France stretched thin by constant security threats]

In response to Estrosi's assertion that his office continues "to have questions about the funding of this place of worship whose owner is still the Saudi Arabian minister of Islamic affairs," Benzamia said that on no occasion had he been instructed to teach anything in particular by Abdulaziz or anyone else. Services are conducted in both Arabic and French, he said.

"We live in France," he said, "and we respect the laws of the Republic."

Estrosi did not respond to repeated requests for comment.

In any case, Adolphe Colrat, the local prefect, already declared over the summer that Mosque En-Nour "does not depend on any foreign influence," granting it clearance to open in a country that has recently started cracking down on foreign-funded mosques as a means of combating terrorism.

When it came time to facilitate her mother's funeral, Hanane Charrihi insisted that it take place at Mosque En-Nour. It was there, in a makeshift atrium in the

middle of an office park, that she and her family said the prayer for the dead.

"It was important, because she loved this place," she said. "And it was the last thing we could do for her."

The
Washington
Post

In France, once powerful Socialists stand little chance of winning election

By James McAuley

(Reuters)

Socialist Benoît Hamon, who won the first round of the left-wing primary for the 2017 French presidential election on Jan. 22, will run for the nomination against former prime minister Manuel Valls in a Jan. 29 runoff. Socialist Benoît Hamon won the first round of the left-wing primary for the 2017 French presidential election on Jan. 22. (Reuters)

PARIS — France is among the world's most storied welfare states, the historic province of the 35-hour workweek and, now, "the right to disconnect" from work emails after leaving the office.

For decades, the country has been home to one of Europe's strongest Socialist parties, which managed to influence policy even when technically out of power. But as France prepares for its 2017 election — a contest widely expected to shape the course of a troubled Europe — a jarring reality has emerged.

Quite simply, the Socialists have almost no chance of winning, according to nearly every major public opinion poll. And they are increasingly unlikely to qualify for even the second and final round of the presidential election, to be held in early May.

Today's WorldView

What's most important from where the world meets Washington

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As the power of the center-left wanes across the

Western world — in the Europe of Brexit and in the United States of Donald Trump — it looks as though France may follow suit.

On Sunday, French voters went to the polls in the first round of an election to choose which one of seven candidates they want to lead the center-left come late April and early May. In first and second place came Benoît Hamon, a former education minister, and Manuel Valls, the former prime minister of François Hollande, France's current Socialist president and the most unpopular president in the country's modern history.

One of the two will be chosen in a second-round vote next Sunday.

After that, the climb to victory gets much steeper.

First is the threat from Emmanuel Macron, an increasingly popular former finance minister who defected from the current Socialist administration to launch an independent and more-centrist campaign.

Second is the specter of the center-right François Fillon and the rightist Marine Le Pen, both of whom are expected to make the final round of the presidential election in May.

For the first time, Le Pen has polled ahead of Fillon, suggesting what for decades has been unthinkable: that the National Front, France's far-right populist party of xenophobia and economic protectionism, could actually win a national election.

The National Front, once a pariah party, has become the linchpin of a pan-European coalition of far-right parties. On Saturday, Le Pen spoke at a summit of other nationalist

leaders in Koblenz, Germany — a gathering that also included Geert Wilders, the leader of the anti-Islam Dutch Freedom Party, and Frauke Petry, a joint leader of the Alternative for Germany party, one of whose other leaders drew headlines last week for attacking Holocaust atonement.

"In 2016, the Anglo-Saxon world woke up," Le Pen said at the conference. In "2017, I am sure, the people of continental Europe will wake up."

In France, Socialists have begun to worry that her prediction will come true. In the final days before Sunday's vote, even some of the leftist candidates seemed to have considered their primary a fool's errand in a changing country.

This was a point made by Jean-Luc Bannahmias, one of the virtually unknown candidates, in one of the contest's televised debates. Before a reported 3 million viewers, Bannahmias acknowledged that he was a "little candidate" with whom few were familiar.

But, he added, so was everyone else on the stage, in the grand scheme of things. "There are no candidates here who have the floor on the big subjects," he said.

Data suggests that he is correct. Apart from Le Pen and Fillon, the most recent opinion poll conducted by Le Monde newspaper and the Cevipof agency ranked all Socialist candidates behind the centrist Macron, a former investment banker, and even the far-left candidate Jean-Luc Mélenchon.

The reasons for the surprising demise of the Socialist Party in France are manifold.

For starters, Hollande is staggeringly unpopular. He has struggled with relatively high and constant unemployment and a wave of terrorist violence that has killed 230 in the past two years.

Hollande decided in December not to run for reelection. This is the first time in a primary that a ruling leftist party is not represented by its incumbent president.

But analysts see the fall of the Socialists as part of a deeper trend away from a perceived establishment, which in France has long been dominated by the center-left. The same dissatisfaction with the realities of an increasingly globalized economy that fueled much of the Brexit campaign — and the Trump campaign — has begun to see an enemy in the French left.

"There is a general crisis in social democracy," said Gérard Grunberg, a renowned historian of the French left at Sciences Po in Paris. "And it's become more and more difficult to show why it matters, what its values are, against the evolution of financial capitalism and globalization. What's come back is anti-liberalism, reaction."

In the throes of these significant external challenges, Grunberg said, there is virtually no unity on the center-left to sway voters away from the extremes on either end of the political spectrum. "The party is no longer a community," he said.

Bloomberg

Bershidsky : Fillon Conjures a New European Pragmatism

Bershidsky

Leonid

French center-right presidential candidate Francois Fillon has long been in favor of closer ties with Russia. Until very recently, that made him an outlier among serious European politicians. But now that the U.S. is no longer exerting anti-Russian pressure on Europe, Fillon is far more confident in pushing his creed to fellow conservatives, such as German Chancellor Angela

Merkel. They aren't convinced yet, but that may be a matter of time.

On Monday, Fillon made a major speech at a Berlin forum organized by the Konrad Adenauer Foundation, which is close to Merkel's Christian Democratic Union party. Its main theme was defending Europe's place "between Donald Trump's United States, Vladimir Putin's Russia and Xi Jinping's China":

Do we want the U.S., China and Russia to be the only players to determine the future of the world? Do we want to continue paying without deciding anything, as we risk doing in the case of Syria? Do we want always to be invited to donor conferences, but excluded from venues where real decisions are made?

Trump has said the U.S. has been too assertive internationally, pursuing ideological visions and regime change to the detriment of its

own interests. In Fillon's view, Europe has the opposite problem. At a time when the U.S. will be less inclined to project its power internationally, Europe needs more military spending and more assertive policies to protect its interests. Those interests, Fillon said, included a new relationship with Russia -- "frank, respectful, firm if necessary."

Russia, Fillon argued, could be an ally in the fight against terrorism and an important economic partner,

especially when it comes to energy and agriculture. It could also be part of a new European security architecture, Fillon said in an apparent reference to the fading importance of the North Atlantic Treaty Organization. "We need to exit the confrontation into which we're locked for the moment and which doesn't benefit anyone," Fillon said.

He paid lip service to the need to follow the Minsk ceasefire deal between Russia and Ukraine before European sanctions against Russia can be lifted. That agreement, however, is easy to reinterpret in more Moscow-friendly terms: Ukraine has dragged its feet on its part of the deal, making no move to call elections in territories currently held by Russian proxies. Fillon is anything but pro-Ukrainian: In his Berlin speech, he said Europe should have the courage to admit it had given Ukraine false hopes of European Union and NATO membership.

At times, Fillon sounded a lot like Trump's pick for secretary of state, Rex Tillerson, who has also called for a more respectful and deal-oriented relationship with Russia, while condemning Putin's authoritarianism and aggression. Fillon was recently eclipsed in the polls by former

minister Emmanuel Macron, running as an independent candidate. But for many he remains the front-runner. If he wins the French election, it's easy to imagine a new Western consensus forming on pragmatic, non-ideological lines: Make deals where possible, stand up for national (and, in Europe's case, also supranational) interests where necessary, speak confidently and back up words with enhanced military power.

Fillon and Tillerson are not calling for Putin appeasement, but rather for taking a firm stand on red lines that truly matter to their countries. These apparently do not run through Syria or Ukraine.

This is not just Putin's dream world. His predecessor, Boris Yeltsin, also pushed for a "multipolar world" -- rhetoric that made U.S. politicians smile: Yeltsin's Russia was too weak and dependent to aspire to be a pole. Putin has legitimized this ambition at a relatively minor cost to economically shaky Russia, with limited military displays and skillful diplomacy. His Syrian adventure has shown both Trump and the likes of Fillon in Europe that he has the wherewithal to end the war there. And both the U.S. and Europe want the Syrian war to end -- the former to suppress the terrorist threat that comes from it, the latter also to stem

the flow of refugees. Russia's potential usefulness is obvious. Its threat to the U.S. and Western Europe is largely hypothetical.

Fillon's vision of a multipolar alternative to the receding Pax Americana is important: It lends legitimacy to similar views expressed by nationalist populists throughout Europe. Most recently, Beppe Grillo, the leader of Italy's popular Five Star Movement, joined the chorus, saying that "Putin is the one who is the most sensible on foreign policy" and adding that the world needed "strong statesmen" like Trump and Putin. But Grillo, French National Front leader Marine Le Pen, Dutch nationalist Geert Wilders and the leaders of the Alternative for Germany party are anti-establishment politicians. Fillon, with his long and largely successful career in public life and his support among the affluent French right, is establishment incarnate. He can speak to Merkel as an equal.

Merkel is not particularly receptive now. On Monday, her spokesman Steffen Seibert said that while Germany was interested in a good relationship with Russia, it couldn't overlook the Ukraine problem. Merkel herself has argued that the West had the economic strength to do to the Putin regime what it once had done to East Germany. Fillon

disagrees with that. "No one should believe that it's possible to bring a country like Russia to its knees with sanctions," he told reporters in Berlin.

Merkel could eventually come around to Fillon's point of view, especially if the U.S. becomes uninterested in pushing for global trade restrictions against Russia -- a likely development under Trump and Tillerson, who are not strong believers in sanctions. Despite stressing liberal values, she is already cooperating closely with an authoritarian ruler -- Turkey's Recep Tayyip Erdogan -- in resolving the refugee crisis. Erdogan, of course, is also involved in the Putin-led Syrian peace process.

Even if a new multipolar, pragmatic global arrangement proves to be more than a tantalizing tease for Putin, it need not spell defeat for values-based policies. It will be a chance to turn them inward, presenting a stronger example for nations run by the likes of Putin and Erdogan. In foreign policy, it would be an even longer game than the current one of rhetoric and economic pressure -- but, one hopes, a more effective one.

The New York Times

Roman Polanski Won't Preside Over César Film Awards in France

Rachel Donadio

PARIS — After protests from French feminist groups, the director Roman Polanski will not preside next month over the César awards ceremony, the French equivalent of the Academy Awards, his lawyer said on Tuesday.

Mr. Polanski, 83, fled the United States for Europe in 1978 while awaiting sentencing for a conviction of having sex with a 13-year-old girl, and the announcement that he would preside over the awards ceremony had met outrage, including from a high-ranking French official.

"In order not to disturb the César ceremony, which should be centered on cinema and not on whom it chose to preside over the ceremony, Roman Polanski has

decided not to accept the invitation," Hervé Temime, a lawyer for Mr. Polanski in Paris, said in a statement.

The uproar, which Mr. Temime said was "based on false information" and had "deeply saddened" the director and his family, came at a time of heightened awareness of women's issues worldwide. On Saturday, millions of women took to the streets around the world, including in Paris, to highlight women's issues and to protest the presidency of Donald J. Trump in the United States.

Last week, the French minister for families, children and women's rights, Laurence Rossignol, called the decision to invite Mr. Polanski to preside over the Feb. 24 ceremony "shocking and surprising."

Feminist groups backed Ms. Rossignol, the hashtag #BoycottCesars gained popularity on Twitter and a petition on Change.org calling for Mr. Polanski to be dismissed of his César duties received nearly 62,000 signatures.

In December, the Polish Supreme Court rejected an extradition request from the United States for Mr. Polanski. The filmmaker is a dual citizen of Poland and France, which does not extradite its citizens.

In his statement on Tuesday, Mr. Temime noted that Switzerland and Poland had rejected extradition requests for the director and that the woman at the center of the legal case against Mr. Polanski, Samantha Geimer, had long called for it to be dropped.

"This polemic arose in a totally unjustified way," Mr. Temime said, adding that Mr. Polanski has received other cinema awards and served as president of the jury of the Cannes Film Festival in 1991.

The Académie des César, which oversees the César awards, did not respond to requests for comment. In inviting Mr. Polanski to preside over the ceremony, it praised him as an "insatiable aesthete" whose film artistry had constantly evolved over the years.

Emmanuelle Seigner, Mr. Polanski's third wife, posted a video of a forest on Instagram on Tuesday that appeared to express support for her husband. "I woke up in the forest far from human nastiness and stupidity," she wrote.



Editorial : Europe's anchor for identity in rough seas

The Christian Science Monitor

January 23, 2017 — In a summit this March in Rome, the European Union will mark its 60th anniversary. The event was meant to be a celebration of a grand project in continental unity, peace, and prosperity after

World War II. Instead it may be more of a collective introspection.

The EU identity is under fire like never before. Britain, the bloc's second-largest economy, voted last year to exit, perhaps by 2019. Russia poses threats in the east. Debt levels and joblessness appear

chronic in many EU countries. Nationalist parties are becoming more popular. And the new American president, Donald Trump, has criticized the EU as a vehicle for German domination. He predicted its breakup.

Polls within the EU still reveal an overall positive view of its role in binding together more than 300 million people across 28 countries (soon to be 27 without Britain). Yet, said Italian Finance Minister Pier Carlo Padoa-Schioppa last week, the EU needs a vision for unity, and quickly.

Too often, the EU finds it must defend itself rather than proclaim its successes in promoting a shared economy. "The be-all and end-all is that Europe doesn't let itself be divided," said German Chancellor Angela Merkel, in reference to Mr. Trump's remarks.

Yet, during these difficult trials, the EU is trying to assert a shared identity based on its cultural bonds, both historic (Christianity and the

Enlightenment) as well as modern, such as the popular pan-European singing contest called Eurovision.

In a speech last week, Donald Tusk, president of the European Council, the body representing national leaders, laid out the cultural glue that defines the bloc by more than its geography and economy. "It is precisely culture that anchors us, Europeans, in time and space, giving us a sense of identity. Culture

is that territory we want to and should defend," he said.

Mr. Tusk cited the work of the late Polish philosopher Zygmunt Bauman, who said a highly diverse Europe has an important role in showing the world how to view "the other" as one's neighbor and to learn from one another.

The EU has programs that support artists and other cultural workers. It also promotes exchanges of

students between universities. And each year since 1985, it has selected one or two cities as a "European capital of culture," a title that brings both subsidies and a recognition of the continent's heritage as the home of Western civilization.

THE WALL STREET JOURNAL

Eurozone's Four-Year Binge on Global Bonds Is Halted

Mike Bird

Updated Jan. 23, 2017 6:12 p.m. ET

Investors in the eurozone were net sellers of foreign bonds for the first time in four years, a shift in trade that could impact the euro and even U.S. fixed-income markets.

Between September and November, European investors sold €15.99 billion (\$17.1 billion) more in foreign bonds than they bought, according to the most recent data from the European Central Bank. The last time the eurozone was a net seller of global debt was August 2012.

The ECB's bond-buying program and negative interest rates have helped push yields in the eurozone to record lows, sending local investors looking elsewhere for returns.

But in the past six months, investors have been selling fixed income as part of the global deflation trade.

That selling has pushed up yields across the eurozone. So even as investors dump eurozone bonds, the extra yield makes it more attractive for some local buyers to keep money at home, analysts say.

If eurozone investors continue to sell foreign bonds, that could hit what has been a big source of demand for U.S. debt. It could also boost the euro, because investors aren't selling this currency to buy bonds denominated in others.

"The eurozone has been a global liquidity pump," said Claus Vistesén,

economist at Pantheon Economics. "In the second half of last year the story changed, inflation expectations went up, interest rate expectations went up. I suspect it's partly a reaction to that."

In July of last year, yields on 10-year German government debt fell to as low as minus-0.19%. Last week they rose as high as 0.38%. That extra yield is keeping some investors at home, even as there is a general rotation out of fixed-income markets.

The latest spike in European bond yields, in the middle of 2015, also coincided with a slowdown in international bond purchases by eurozone investors.

Eurozone investors' buying and selling of bonds is far bigger than that of equities, meaning that moves in the fixed-income market are more important when it comes to the bloc's financial inflows and outflows.

In equity markets, eurozone investors bought €12.03 billion more in international shares than they sold in the three months to November.

But that, too, may change. Although U.S. equities have outperformed European shares for years, some investors predict a rotation to Europe as global investors are attracted to the comparatively cheap valuations.

Capital flows to buy and sell debt are a major driver of foreign-exchange movements. When European investors want more debt from abroad, they are

effectively selling the euro to get hold of foreign assets.

"If the money suddenly stops flowing out, the euro can go up quite strongly," added Mr. Vistesén.

While the euro fell hard against the dollar at the end of last year, most currencies declined against the greenback. The euro has actually held up against other currencies during the period.

"Fixed-income portfolio flows have been the key driver of the euro in the short term," said Dhaval Joshi, chief European strategist at BCA Research. "Forget the dollar, if you think about the yen, the pound, the yuan, the euro has actually done pretty well," he added.

Europeans were big buyers of U.S. debt in particular. The region's investors were big spenders abroad, buying €3.762 trillion more in international bonds than they sold during the recent 50-month buying streak.

Although U.S. yields had also fallen sharply in recent years, they still offered higher returns than those in the eurozone. Even at its lowest point last year, 10-year U.S. Treasuries still yielded 1.36%.

The eurozone is the third-largest holder of government debt, second only to Japan and China, according to U.S. Treasury department data.

Those holdings shot up after the ECB introduced negative interest rates in 2014, according to the central bank's data. Since 2014,

eurozone investors have added more than €578 billion worth of U.S. bonds to their portfolios, taking their total holdings to over €1.5 trillion. Such buying has helped push borrowing costs lower in the U.S.

A 2016 survey of primary dealers conducted by the Federal Reserve Bank of New York cited international demand, a spillover from low yields abroad, as the biggest single factor in the decline in U.S. yields.

"Ten year treasury yields are around 55 basis points lower than you'd expect them to be, based on market expectations for the Fed and other macro factors," said Anton Heese, a strategist at Morgan Stanley.

To be sure, data on portfolio flows overseas can be volatile and investors in the eurozone could start buying abroad again.

With the Federal Reserve set to raise U.S. interest rates as many as three times this year and the ECB set to keep rates well into negative territory, some analysts believe that European investors will continue to be attracted to U.S. bonds.

"We expect the ECB to maintain very dovish monetary policy," said Sam Lynton-Brown, foreign exchange strategist at BNP Paribas. "That's while the Fed hikes rates twice or maybe more in 2017."

THE WALL STREET JOURNAL

German Party Won't Expel Rightist Who Assailed Holocaust Apology

Alison Smale

BERLIN — A leading member of Germany's rising rightist party Alternative for Germany will be disciplined but not expelled after having caused widespread alarm with a speech challenging the national atonement for the Holocaust and other Nazi crimes.

Party leaders decided that the member, Björn Höcke, leader of the party in the eastern state of

Thuringia, would face unspecified disciplinary measures, but not expulsion from the organization, according to a statement relayed on Monday by an aide at the European Parliament office of Marcus Pretzell, who sits in the legislature for the German party.

The German public broadcaster ARD, citing unidentified sources, said the decision had been made after a three-hour conference call among senior party leaders.

Last week, Mr. Höcke gave a speech in Dresden in which he particularly lamented that a memorial to Europe's murdered Jews had been erected by the Brandenburg Gate in Berlin. Germans were "the only people in the world to plant a monument of shame in the heart of its capital," Mr. Höcke said. The Germans, he added, had the "mentality of a totally vanquished people."

Mr. Höcke has a reputation for provocative statements, particularly about the Nazi past. His speech drew condemnation from Frauke Petry, who is a leader of the Alternative for Germany nationally. She and her husband, Mr. Pretzell, reiterated at a weekend rally on Saturday in Koblenz that they were not happy with Mr. Höcke's statements. Ms. Petry has called Mr. Höcke a "burden on the party."

But Monday's decision appeared to leave Mr. Höcke free to attract support from his sympathizers for the already far-right party, a relatively new threat to German politics. The Alternative for Germany now has seats in 10 of the country's

16 state legislatures, and is expected to enter the national Parliament after fall elections.

The party started life as an anti-euro party in 2013, when it almost cleared the 5 percent hurdle to enter

Parliament in national elections. Since then, Chancellor Angela Merkel has allowed more than one million refugees, many of them Muslims fleeing war in the Middle East, to enter Germany. The Alternative for Germany has

benefited from opposition to the influx to become perhaps the strongest right-wing force in the country since the Nazi defeat in 1945.

**The
New York
Times**

Why a Trident Missile Test Is Rocking British Politics

Kimiko de
Freytas-Tamura

and Patrick J. Lyons

LONDON — Prime Minister Theresa May of Britain found herself in political hot water on Monday over reports that an unarmed Trident missile went astray during a test at sea in June, and that the government kept the incident a secret. Ms. May was initially unwilling to acknowledge that she was aware of the test when she urged Parliament in July to invest in new Trident-armed submarines. Here is a look at the weapon and concerns about a possible cover-up.

What's a Trident missile?

It is a strategic nuclear weapon: a 44-foot long ballistic missile launched from a submarine that can deliver eight nuclear warheads to targets thousands of miles away. Tridents are built by Lockheed Martin, a major American defense contractor, and are used by the American and British navies. The current generation, the Trident II D5, was first deployed in 1990, and is

expected to remain in front-line service at least into the 2020s, and potentially the 2030s.

Have they had problems in the past?

The Trident II D5 is called the most reliable large missile in the world, with more than 160 successful tests over the years, according to Lockheed Martin. Most have been conducted by the United States Navy (including two tests in November). The British Navy performs them only sparingly — one every three to five years — for cost reasons: each missile is said to cost £17 million (\$21 million). Failures have been rare; one expert quoted in British news reports estimated that there had been fewer than 10 failures in the weapon's history, and the British Navy is not known to have had any go awry before June 2016.

Why do they run tests of a proven missile?

It is done mostly to test the submarines that launch them. The

Times of London reported that the June 2016 test was a required step in checking out a sub, H.M.S. Vengeance, that had just been refitted with upgraded computer systems and new launch equipment.

There is also said to be strategic value in reminding potential enemies that a weapons capability is still active by testing it from time to time.

Why did the failed test become a political issue?

Because Mrs. May did not reveal it when she addressed Parliament to persuade lawmakers to spend £40 billion (\$49 billion) on a new generation of Trident-armed submarines that would replace Britain's aging current fleet. Though the test took place in June, before she became prime minister, her office acknowledged on Monday that she was aware of the test results when she spoke to Parliament in July.

Critics now accuse Mrs. May and her predecessor, David Cameron, of a cover-up because earlier,

successful British Trident tests — in 2000, 2005, 2009 and 2012 — were routinely publicized by the Ministry of Defense, but the June 2016 test was not.

What went wrong with the test in June?

It is not clear, and the British government is not saying, beyond a statement that the test was "successfully concluded." Michael Fallon, the British defense secretary, told Parliament on Monday that because "the security of our deterrent is absolutely paramount at a time like this," he would not make public any operational details about the test.

Mr. Fallon refused to respond to news reports in Britain suggesting that the missile may have flown far off its intended course after launch. Such a failure could have resulted from bad information fed into the guidance system rather than a flaw in the missile itself.

INTERNATIONAL

**The
New York
Times**

First Day of Syria Peace Talks Quickly Descends Into Quarreling (UNE)

Anne Barnard
and Hwaida Saad

The tension demonstrated the challenges that remain for Russia, the Syrian government's most powerful backer, as the Russian government tries to show its approach can accomplish more than the largely fruitless efforts led in past years by the United States and the United Nations.

Expectations for progress had been low. Many diplomats and analysts say the more meaningful talks are those that have been held in recent months, largely in secret, among Russia, Turkey and Iran.

The meeting in Astana, meant to send the message that Russia would seek to resolve the conflict in its sphere of influence, was markedly different from the United Nations-sponsored talks that have

taken place in recent winters in Geneva.

Delegates crisscrossed the towering atrium of the Rixos Hotel in the remote Kazakh capital built 20 years ago on the orders of Nursultan Nazarbayev, the former Communist boss who has been the country's president since it became independent with the collapse of the Soviet Union in 1991. He has a reputation as a pragmatic strongman and enjoys good relations with Russia and Turkey.

Palm trees planted indoors belied the subzero temperatures and blowing snow outside, as a flute-and-piano duo wearing evening gowns played "Strangers in the Night" and the theme from "Titanic." Western diplomats, largely sidelined, huddled in the hotel's Irish pub, and the United States ambassador to Kazakhstan, who was invited over Iran's objections

and attended only as an observer, avoided reporters.

When the Americans had participated in previous rounds of talks in Geneva, the meetings took place at the Palace of Nations, one of the stolid lakeside edifices built when the United Nations was formed after World War II. Those buildings symbolized a postwar order that tried to institutionalize human rights and the laws of war, an order associated with American leadership — or domination — amid the tensions of the Cold War.

Now, the role of the United States in Syria and across the Middle East is widely seen as having receded under former President Barack Obama, and its future remains uncertain. Mr. Obama, while backing some rebel groups, resisted deeper American involvement in the Syrian conflict, ceding the leading role to Russia. His successor, President

Trump, has signaled broad approval of Russian leadership and policies and sent mixed messages on Syria.

Officially, all sides in the Syrian conflict describe the goal of the talks in Astana as reaffirming a tenuous cease-fire in order to revive the Geneva talks. The cease-fire, started in December and known formally as a cessation of hostilities, is largely ignored in many parts of the country and excludes jihadist groups, including the Levant Conquest Front and the Islamic State.

A strengthening of the cessation across Syria, the United Nations envoy Staffan de Mistura said Monday, could pave the way for discussion of more substantive political issues at talks scheduled for February in Geneva. The United Nations initially resisted anything more than an observer role in the talks in Astana, but Mr. de Mistura at

the last minute agreed to act as a mediator and was shuttling between the delegations who were in separate rooms.

Western diplomats were also watching warily to see whether the talks in Astana could be a Russian effort to ultimately replace the Geneva discussions, which the Russian government has criticized. The Syrian government and the Russians have long argued that the Geneva framework, calling for a transitional body with full governing powers, does not require President Bashar al-Assad to step down, while the opposition has insisted that it does.

But as a practical matter, an increasing number of Western countries, including the United States, and even some of the rebels' backers in the Middle East, like Turkey, have moved toward the Russian position.

With Turkey mainly concerned about checking Kurdish

mililitants within its borders and in Syria, and the United States focused on battling Islamic State militants, they have stopped pushing loudly for Mr. Assad to step down ahead of a settlement, instead signaling that they could accept some role for him in a transitional political arrangement.

There were signs on Monday of Russian willingness to apply pressure on the Syrian government to keep the talks on track. The tense exchanges in Astana were followed by a Russian statement unusually critical of the Syrian government: The state-owned news agency RIA Novosti said monitors of a cease-fire in Syria were "particularly concerned about sporadic violations of truce by the Syrian government forces" — echoing a complaint of rebels.

Russia's large-scale air campaign, which began in the fall of 2015, helped forces loyal to Mr. Assad drive rebels from their foothold late last year in half of the important city

of Aleppo, an offensive criticized by the opposition for indiscriminate air and artillery attacks on civilians. Some rebel groups also shelled civilians in government-held areas.

Now one of the main battles is over Wadi Barada, a besieged rebel-held area in the watershed that provides most of the drinking water for Damascus, the Syrian capital. Water supplies have been cut off for weeks, with the government blaming rebels and rebels blaming the government.

Mr. Jaafari, the chief Syrian government negotiator and his country's envoy to the United Nations, was incensed that Mr. Alloush, the rebel representative, had sounded the alarm over the plight of people in Wadi Barada. He said raising concerns about government attacks on Wadi Barada was tantamount to defending the Nusra Front, the former name of the Levant Conquest Front, which is excluded from the cease-fire.

Residents and rebel fighters in Wadi Barada say that some Nusra fighters are present, but they are a minority among other rebel groups and civilians.

Mr. Jaafari said that rebel groups had "misunderstood" the terms of the cease-fire, adding, "We had guarantees from their guarantors that they would behave, but they did not behave."

Fares Bayoush, a negotiator from an American-backed rebel group who defected from the Syrian Army, said, "He is the one who misunderstood."

Correction: January 23, 2017

Because of an editing error, an earlier version of this article misstated the given name of the United Nations envoy for Syria. He is Staffan de Mistura, not Stefan.

**THE WALL
STREET
JOURNAL**

Syria Talks in Kazakhstan Get Rough Start

Raja Abdulrahim

Updated Jan. 23, 2017 8:39 p.m. ET

ASTANA, Kazakhstan—The Syrian regime and the rebel opposition ended the first day of peace talks on Monday without reaching agreement on how to monitor a shaky cease-fire, but the sides continued trying to hammer out details of a potential deal.

The indirect negotiations in the capital of Kazakhstan are expected to conclude on Tuesday and it is not clear if any agreement will emerge. The talks that Russia and Turkey had initially hoped would begin mapping out a political settlement to the six-year conflict got off to a rocky start amid harsh rhetoric.

Expectations for the talks have been tempered in recent days as both sides have said the cease-fire, which was meant to be the foundation for a peace deal, was not being adhered to.

Russia's special envoy to the talks, Alexander Lavrentyev, said Monday's talks were "quite successful" and said participants were working on a statement that they hoped to publish Tuesday, according to Russian news agencies. Russia is a main ally of Syrian President Bashar al-Assad's regime.

"There were meetings with the armed Syrian opposition. The delegation members were somewhat tense at the start, but

then the level of mistrust that we saw in them at first evaporated," Mr. Lavrentyev said.

Syrian state media reported that talks were ongoing.

Rebels confirmed that they had met directly with delegations from Russia, the United Nations and Turkey, which backs some opposition groups, about specific monitoring mechanisms for the cease-fire. But they said they were unsure whether the talks would yield any agreement and accused the Syrian regime and its backer, Iran, of not being serious about the negotiations.

The negotiations sponsored by Moscow and Ankara are a test of whether their newfound cooperation can achieve a breakthrough to end the bloody six-year conflict. The U.S. is largely sitting the talks out.

Opposition negotiator Mohammed Alloush said his delegation attended as a "strategic choice to reach a fair political solution" but accused the regime of a "politics of oppression and killing and destruction."

After the opening, Syria's ambassador to the U.N., Bashar al-Jaafari, who is heading the regime's delegation, harshly criticized Mr. Alloush's comments.

"We were surprised...by the delegation of the armed terrorist groups who lacked diplomatic tact," he said. "His words were offensive and exhibited bad behavior."

The rebel delegation said it had opted not to engage in direct talks with the Syrian regime because of its continued bombardment in opposition-held areas.

After the opening remarks, the sides met with U.N. moderators in separate rooms, the regime delegation joined by Russia and the rebels with Turkey.

Turkey and Russia had previously said the negotiations would work to map the outlines of a peace agreement. But now, amid continuing clashes between Syria's regime and the armed opposition, they are hoping to establish monitoring mechanisms for a cease-fire signed last month.

The Trump administration on Saturday scaled back U.S. participation in Astana, despite an invitation from the Kazakh government with the backing of Russia and Turkey. It will be represented by its ambassador to Kazakhstan, rather than a full delegation.

The U.S. has been a key backer of Syria's opposition under former President Barack Obama.

Both sides have in recent weeks blamed each other for violating the cease-fire. Opposition activists on Monday reported regime airstrikes and shelling on rebel-held parts of Syria.

The Russian military said Monday evening that it had recorded nine

violations of the truce by rebels in the prior 24 hours.

"Every cease-fire attempted in Syria in the past has broken down," U.N. Syria envoy Staffan de Mistura said at the start of the talks. "The chances of success will be greater if the parties here are able to agree on a mechanism to oversee and implement nationwide cease-fire."

The opposition is being represented in Astana by a delegation comprised mostly of rebel commanders, rather than the political opposition-in-exile that has participated in previous talks. The opposition's participation in the talks wasn't guaranteed and on Sunday it sent word through Turkish backers that if bombardment continued on rebel held areas, it would withdraw.

Mr. Jaafari said the cease-fire wouldn't include areas of the country controlled by Islamic State, former al Qaeda affiliate the Syrian Conquest Front or other groups that didn't sign last month's cease-fire agreement, according to state media.

The Syrian Conquest Front is formerly known as Nusra Front and designated a terrorist group by the U.N. and the U.S. The front maintains a strong presence in swaths of opposition-held Syria and remains an ally of many moderate rebel factions, including some of those attending talks in Astana.

White House Expresses Willingness to Cooperate With Russia on Islamic State

Ben Kesling, James Marson and Gordon Lubold

Jan. 23, 2017 7:21 p.m. ET

The White House said Monday that President Donald Trump is open to cooperating with Russia on combating the Islamic State extremist group, if Russia shares U.S. interests in doing so, but didn't outline plans or a process for establishing joint military ventures or strikes.

Sean Spicer, the White House press secretary, opened the door to possible cooperation during a news conference. "I think if there's a way that we can combat ISIS with any country, whether it's Russia or anyone else, and we have a shared national interest in that, sure, we'll take it," he said, using an acronym for Islamic State.

The comment came on the same day Russia had claimed in a statement from Moscow that it had received U.S. intelligence information in conducting airstrikes with unidentified members of the U.S.-led coalition.

The Pentagon, however, said it had not aided or cooperated with Russia.

The Russian defense ministry said that on Jan. 22, Russia's air force had carried out strikes on ISIS near al-Bab with warplanes from the U.S.-led international coalition. The ministry said it received the coordinates of Islamic State targets from the U.S. over a hotline. Two Russian warplanes and two coalition aircraft carried out strikes that destroyed ammunition stores, vehicles and militants, the ministry said, without saying which coalition partner the aircraft were from.

U.S. officials said the U.S. and Russia have procedures in place to coordinate the use of airspace and prevent mishaps, but none for airstrikes or intelligence.

"We do not coordinate military strikes with the Russian military at all," said Maj. Adrian Rankine-Galloway, a Pentagon spokesman. "There is no exchange of targets."

Russian's military also said it carried out joint strikes on Islamic State near al-Bab in Aleppo province on

Jan. 21 with the Turkish air force in which three Russian warplanes and four Turkish aircraft knocked out 22 targets.

However, U.S. officials said that any coordination between Russian and Turkish military officials in Syria wouldn't have used American intelligence. "That's not possible," said one official.

Senior officers at the Pentagon have discussed elevating the routine exchanges between U.S. and Russian military officers from a colonels' level to a three-star general officer level. But that initiative isn't yet a formal proposal, said Gen. Joe Dunford, chairman of the Joint Chiefs of Staff, has said.

Gen. Dunford said there have been some "conversations" on the issue, but nothing more. He also said that the primary U.S. interest is to make sure Americans can be protected on the ground and a "proper framework" exists to accomplish U.S. objectives there.

A senior military official said there had been no movement on the idea

as of yet. Defense Secretary James Mattis' first full working day was Monday.

U.S. military officials long have questioned Moscow's interest in countering Islamic State, noting that most airstrikes are aimed at civilians and moderate rebels who oppose Syrian President Bashar al-Assad.

Mr. Spicer's comments on U.S.-Russian cooperation Monday were consistent with what President Donald Trump has said in the past, when he has identified the job of combating Islamic State as a top national security priority.

When asked about the possibility of working with Mr. Assad, Mr. Spicer wouldn't close the door to cooperation. "We are going to smartly do this," he said, then added, "We're not gonna get together with people under guise of defeating ISIS if that's not truly their guise."

At Russia-led talks, Syrian rebels and government meet for the first time

ASTANA, Kazakhstan — Russian-backed peace talks aimed at ending the Syrian war brought rebels and the Syrian government face to face for the first time Monday, marking the launch of a new role for Russian President Vladimir Putin as a Middle East power broker.

There was no indication that any progress was made on the first day of what is expected to be a two-day event, taking place in a conference room in the Turkish-owned Rixos Hotel in Astana, the capital of the central Asian nation of Kazakhstan.

There is cautious optimism, however, that the talks may go further than previous failed efforts because of the evolving role of Russia, a critical political and military backer of Syrian President Bashar al-Assad.

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In the past, Moscow frequently acted as a spoiler when the United States was driving the diplomacy on Syria, but it is now embracing a role as mediator between Assad's

government and moderate rebels once denounced by Russian officials as terrorists.

Turkey and Iran are co-sponsors of the talks, but it is Moscow that has thrown its prestige behind the effort to bring the warring factions together, leaving little doubt that this is a Russian-led process, diplomats said. The United States, meanwhile, has been relegated to observer status and has not been a party to the intensive negotiations preceding the talks.

[Trump administration not sending a delegation to Syria peace talks]

Even the choice of location spoke to the emerging Russian role. Astana, a remote and snowbound city in Kazakhstan, a former Soviet republic, lies close to the Russian border and nearly 6,000 miles from Washington.

"We're in uncharted territory," said Noah Bonsey, a senior analyst for the International Crisis Group, who was in Astana. "We're here in Russia's back yard, and the ball is in their court. There's a new political and military dynamic, and it is happening on Russian political turf."

In an early success for Moscow's diplomacy, representatives of Assad

and the Syrian rebels seeking to overthrow him sat together in the same room for the opening session of the talks — the first time they have encountered one another directly since the bloodshed began in 2011.

Participants said the mood was frosty as the warring factions took their places on opposite sides of the conference room. Between them were representatives of Russia, Turkey and Iran, and the United Nations' top Syria envoy, Staffan de Mistura. The U.S. ambassador to Kazakhstan, George Krol, attended as an observer.

Hopes for a breakthrough immediately faded. The head of the Syrian government delegation, Syrian U.N. Ambassador Bashar Jaafari, denounced the opposition as "terrorists" in his opening remarks. The opposition said it did not believe that the government was serious about seeking a settlement.

There were no immediate plans for direct negotiations between the two sides, apart from their encounter at the opening session. For subsequent meetings, the rival delegations met in separate rooms, with the U.N. envoy shuttling between them.

The sponsors have set the relatively modest goal of strengthening a shaky cease-fire that was introduced late last month but has been widely ignored in many locations. The Syrian opposition delegation is composed entirely of representatives from rebel groups, and the Syrian government delegation includes officers with the Syrian army.

That the rebels and the government were even in the same room nonetheless was a small step forward. The Syrian government has in the past met face to face with members of the political opposition at peace talks in Geneva, but it has refused to meet with the armed opposition, which it has consistently labeled as "terrorists."

The biggest shift, however, has been in the position of the Russians, who until recently shared the Syrian government's view that there are no "moderate" Syrian rebels. That changed in December, after the military defeat of the rebels in their symbolically vital stronghold of east Aleppo. The rebels' collapse was also a defeat for U.S. diplomacy, which had been focused on securing a cease-fire in Aleppo.

[Russia's new influence may limit Trump's scope in Middle East]

Russia has since moved forcefully to the center of the international diplomacy, sidelining the United States and its European and Persian Gulf Arab allies while reaching out to Turkey and Iran, the two nations with the most influence on the ground in Syria.

Turkey controls the border on which the rebels rely for their supplies and has troops fighting alongside rebels against the Islamic State in a pocket of territory in northern Syria. Iran sponsors and funds many of the militias fighting on the ground on behalf of Assad, including the powerful Lebanese Hezbollah militia.

Moscow has also courted the rebel groups it previously rejected as potential negotiating partners when Washington was trying to promote talks. The opposition delegation was headed by Mohammed Alloush, a political officer with the Islamist

Jaish al-Islam group, which Moscow previously sought to persuade the United States to designate as a terrorist organization.

"It's a big shift. Russia has realized that those people they were calling terrorists, they can talk to them," said Yahya al-Aridi, a spokesman for the rebel delegation. And after their military defeats, the rebels realize they have no choice but to negotiate with Russia, he said.

"We are not falling in love with the Russians. We do not forget they targeted markets and hospitals with their planes," he said. "But this change is something to welcome, and we are ready to help it, especially if it results in a situation where Syrian children are not being killed on a daily basis."

In one sign that Russia appears to be serious about pressuring the Assad regime to make concessions, the Russian military issued a statement explicitly accusing the

government of violating the cease-fire.

Russian officials say they do not intend for this initiative to supplant the U.N.-backed Geneva peace process, which has sputtered on for the past four years without success but remains the only internationally recognized formula for ending the war.

A new round of Geneva talks is due to begin Feb. 8. The hope is that any agreements on a cease-fire reached at Astana will help build confidence for the more challenging task of negotiating a wider political settlement. As a member of the U.N. Security Council — along with Russia — the United States will play a bigger role in those talks, but how remains in question because the new administration of President Trump has not yet articulated a position on Syria.

[Trump's 'America first' view sets him at odds with the world]

Trump has, however, suggested that better ties between Moscow and Washington could bring better coordination in the fight against the Islamic State, which is not covered by the cease-fire talks.

In Moscow, Kremlin spokesman Dmitry Peskov told reporters that Putin and Trump could "very soon" have their first phone conversation since Trump took office.

The fate of Assad, which is not on the agenda for the Astana talks, is the thorniest long-term obstacle to peace. The rebels will not accept any solution to the war that does not include the president's eventual departure, Aridi said. Representatives of the government say Assad's position is not up for discussion.

Zakaria Zakaria in Istanbul and Brian Murphy in Washington contributed to this report.

The
Washington
Post

Afghans hope — and worry — that Trump will shake things up

https://www.facebook.com/profile.php?id=100011342442800&ref=br_rs

KABUL — Over the past eight years, Afghans have become increasingly disillusioned with the American role in their country. Many blamed President Barack Obama's policies for an increase in Afghan corruption, for air attacks that killed civilians, and for a foreign troop presence that failed to stop Taliban insurgents and was pulled out too quickly.

So it is not surprising that, like American voters who supported Donald Trump out of a longing for change, many Afghans are looking to his presidency as a chance for a fresh start. Most know little about Trump except that he may do something bold and unexpected. For now, that sounds appealing.

"Obama was too predictable. Sometimes a small dose of madness can be good," said Davood Moradian, director of the Afghan Institute for Strategic Studies. He suggested that Trump's bluntness and "masculine" approach may be useful for deterring the insurgencies that are thwarting Afghanistan's path to stability and development.

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"We need to work against both state-sponsored terror and violent attacks by nonstate actors," Moradian said. "He may put some discipline into them."

A variety of Afghans interviewed in the capital also expressed the hope that Trump would bring decisive action and sharp attention to the region's problems. Many singled out Pakistan as a neighbor that has meddled destructively in their country, especially by supporting the Taliban, while reaping the benefits of U.S. military aid as a partner in the war on terrorism.

"We ask Trump to put immense pressure on Pakistan to close the training centers for terrorists on its soil," said Taj Mohammad Ahmadzada, 53, deputy director of the Afghan journalists union. Afghans, he added, expect Trump to "interact honestly with Afghanistan" after years of "vague policies" that he said have fostered suspicions that Washington has had a self-interested "secret agenda" in the region.

Trump made little mention of Afghanistan in his campaign, and his few remarks have been contradictory. He has vowed to crack down on Islamist extremism and violence but has shown little appetite for nation-building. He has said he would reluctantly keep some U.S. troops in Afghanistan, but only because of potential threats from Pakistan's nuclear arsenal.

Trump on Friday spoke by teleconference from Washington with U.S. troops at Bagram air base

in Afghanistan while he was onstage at an inaugural ball. He told them, "I'm with you all the way," and added, "Keep fighting; we're gonna win," but he made no specific comments about the Afghan conflict or the U.S. military's role in it.

Despite their eagerness for change, Afghans are ambivalent about whether they want American troops to remain. They have been outraged by incidents of civilian casualties, such as a mistaken airstrike on a combat zone hospital that killed 42 people in 2015, and offended by allegations of American troops insulting Islam. The troop presence has been both a lightning rod for Taliban attacks and a deterrent.

"We do not trust the American government. It has used our soil and people for its own goals," said Sahar Gul, a taxi driver in his 30s. "I very much hope Mr. Trump pulls out all the troops from our country, because the invasion has brought us more misery, deaths, destruction and enriching of the warlords."

On the other hand, many Afghans see the U.S. military presence as necessary to ward off insurgent aggression that their own forces cannot handle alone. They complain that Obama withdrew most forces too soon, at the end of 2014, and they are relieved that he later allowed about 10,000 to remain and has sent a contingent of Marines to bolster the fight in besieged Helmand province.

"The failure of Afghanistan is the failure of America, and it seems the war is heading for total failure,"

said Sayed Fatah, 25, a university student. "Trump needs to review Obama's policy and find out where the fault lies. We do not want troops withdrawn because of the situation we are in, but at the same time, we do not want the status quo to go on for an indefinite period."

Several analysts noted that for all their complaints, Afghans have long accepted the primacy of U.S. power and are far less trusting of other regional governments such as Russia's, with its history of military intervention here. Many never forgave the United States for abandoning Afghanistan after the Soviets withdrew in 1989, and they worry that it could happen again.

"The United States remains the indispensable actor in Afghanistan, and most Afghans want them to remain despite their grievances. No one else can fill that vacuum," Moradian said.

"The U.S. presence is the lesser evil," he added. "The greater evil is anarchy."

Several Afghan observers of U.S. policy in Afghanistan and the region expressed alarm over Trump's tendency to react emotionally and his vow to take actions that contradict long-standing U.S. foreign policy stances, such as intervening in the dispute between India and Pakistan over Kashmir.

On the other hand, they expressed hope that if the new president is tempted to take precipitous steps that could risk destabilizing the

region, such as canceling Obama's nuclear deal with Iran or cutting off aid to Pakistan, he will be reined in by more cautious experts and institutional wisdom.

"We have no idea what Mr. Trump will do because he has no experience with these issues," said Abdul Hakim Mujahid, a member of the government peace council. "But

American democracy is more than one individual. It has stable institutions and a capable bureaucracy. We hope they will

restrain his actions and not allow situations to deteriorate."

**The
New York
Times**

As Gambia's Yahya Jammeh Entered Exile, Plane Stuffed With Riches Followed

Dionne Searcey and Jaime Yaya Barry

Mr. Jammeh first took power in a coup in 1994, beginning a brutal and sometimes bizarre administration that jailed opponents and journalists, hunted people thought to be witches and unleashed fear so intense that even Gambians who had fled to Senegal were afraid he was spying on them.

Gambia had been locked in a tense showdown since Mr. Jammeh was ousted in the election, but after initially conceding defeat, he announced that he rejected the election results. Refusing to give up power, he vowed to use the military to defend his presidency.

A coalition of West African troops entered the country, and presidents of nearby nations flew in to negotiate with him. On Saturday night, Mr. Jammeh boarded a plane, accompanied by the president of Guinea.

Mr. Jammeh is now in exile in Equatorial Guinea, a nation known for its own brutal government. President Teodoro Obiang Nguema Mbasogo has arbitrarily detained and tortured critics, as well as disregarded election outcomes. His family has faced

international prosecution for using hundreds of millions of dollars in oil profits to enrich itself.

Late last year, a fleet of luxury cars — including a Porsche and a Bugatti Veyron owned by the president's son, Teodoro Nguema Obiang Mangue — were impounded by the authorities at a Geneva airport as part of a money laundering case.

On Monday, opposition party members in Equatorial Guinea said they objected to the nation hosting Mr. Jammeh.

"Mr. Jammeh is dangerous — he killed opposition members, he stole from his country and his people," said Andrés Esono Ondo, the secretary general of the opposition party Convergence for Social Democracy. "We already have one dictator as a president. We don't need another."

The diplomat who declined to be identified said that Mr. Jammeh had tried to withdraw money from the Gambian central bank in recent weeks but was denied access. Two weeks ago, he shipped 22 vehicles to Mauritania. As he was flying into exile on Saturday, at least one cargo plane also left stuffed with the luxury cars and other household items.

The airport official said 10 more cars and additional goods were still on the tarmac waiting to be loaded onto another cargo plane, but it was unclear when it was scheduled to fly out.

On Monday in Gambia, troops from the West African coalition swarmed the statehouse, without resistance, to secure it for Mr. Barrow's arrival. As of late in the day, it was still unclear when Mr. Barrow, who owns a real estate company and has no political experience, would arrive. For now, he was camped out with family and aides in a house he owns in an upscale neighborhood in Dakar, working on naming his cabinet.

More Gambians who had fled across the border to Senegal, which surrounds Gambia on three sides, were returning home, waiting for their new president to arrive. United Nations officials had feared the rush of people out of the country would set off a humanitarian crisis if the standoff lingered.

As Mr. Jammeh left the country, the United Nations, the African Union and the Economic Community of West African States released a joint declaration saying they were committed to preventing the seizure

of assets from the former president and his family and loyalists.

Mr. Barrow has dismissed the document as nonbinding, and many Western diplomats have noted that its careful language would not rule out action against Mr. Jammeh. Mr. Barrow has said he will create a truth and reconciliation commission to look into allegations of misdeeds during Mr. Jammeh's rule.

Some residents in the capital said they were outraged that Mr. Jammeh had been allowed to leave their country with many of his valuables.

Fatima Fanny Ceesay, 24, a seamstress, said anything that Mr. Jammeh left behind should have been seized after he left the country, even if those items were part of an agreement to persuade him to go.

"Yahya Jammeh came to power with nothing," Ms. Ceesay said. "Everything he has, he stole from Gambians. They should not let him take anything with him apart from his clothes to put on. He is a big thief."

**The
Washington
Post**

Gambia's defeated president finally gave up power — and took luxury cars and millions of dollars with him

<https://www.facebook.com/kevin.sief>

Gambia's defeated leader Yahya Jammeh left the country to fly into exile in Equatorial Guinea on Jan. 21, after 22 years in power. (Video: Reuters / Photo: AP)

Gambia's defeated leader Yahya Jammeh left the country to fly into exile in Equatorial Guinea on Jan. 21, after 22 years in power. Gambia's former president Yahya Jammeh boards a Guinean plane and leaves after 22 years in power. (Video: Reuters / Photo: AP)

NAIROBI — As the plane carrying Gambia's disgraced former president prepared to depart the small west African country on Saturday, onlookers caught a last glimpse of Yahya Jammeh's face through the window. He had been

forced from the country that he ruled for more than two decades. But, bizarrely, Jammeh was smiling.

According to Gambian officials, he had one big reason to be happy. Before leaving the country, he had managed to steal millions of dollars from the government's coffers. He had loaded a cargo plane full of luxury cars and sent it abroad.

At a news conference Sunday, Mai Ahmad Fatty, a special adviser to the new president, Adama Barrow, told journalists that in a two-week period Jammeh had stolen \$11.4 million.

Please provide a valid email address.

"The Gambia is in financial distress. The coffers are virtually empty. That is a state of fact," Fatty said, according to the Associated Press. "It has been confirmed by

technicians in the Ministry of Finance and the Central Bank of the Gambia."

Later in the day, a spokesman for Barrow, Halifa Sannah, said at a news conference that "everything is intact," regarding the central bank, according to a report from Reuters. It was unclear whether Sannah was contradicting the earlier claim by Barrow or only asserting that Jammeh's theft did not extend to the bank.

Jammeh was known for his expensive habits, even as the country he ruled for more than 22 years was mired in poverty, with thousands of people taking the perilous route across the Mediterranean to Europe each year. He owned a fleet of Rolls Royces with his name embroidered on the headrests. A trust linked to the former president purchased a \$3.5

million house in Potomac, Md., in 2012. His daughter attends a Manhattan private school that costs more than \$40,000 a year.

When he lost an election in December, Jammeh refused to step down. Finally, after thousands of west African troops threatened to oust him by force, he agreed to leave Saturday on a plane accompanied by the president of Guinea. Although he was offered asylum in Morocco and Nigeria, it remains unclear where Jammeh plans to live.

[Gambia's defeated president finally agrees to step down]

Before leaving, Jammeh tried to negotiate amnesty for any crimes he might have committed during his decades in office. There has not been a thorough investigation into how Jammeh managed to

accumulate such massive wealth, but Barrow has suggested that he might launch a "truth and reconciliation" committee into possible crimes.

Scandals involving the enormous wealth and lavish lifestyles of African leaders ruling some of the world's poorest countries are far from uncommon. But recently there

has been a slew of particularly high-profile cases.

Teodoro Nguema Obiang Mangue, the son of the president of Equatorial Guinea, is on trial in France for embezzlement and money-laundering. His assets included a \$30 million mansion in Malibu and 11 sports cars, among them several Ferraris and Bugattis.

Last month, Bloomberg reported that Joseph Kabila, the president of the Democratic Republic of Congo, was linked along with his siblings to more than 70 companies operating in the country, including some earning tens of millions of dollars annually.

Also last month, a scandal erupted in Zimbabwe when Grace Mugabe,

the wife of president Robert Mugabe, became embroiled in a dispute over a \$1.35 million diamond ring that she had purchased.

The New York Times **Quandary in South Sudan: Should It Lose Its Hard-Won Independence?** (UNE)

Jeffrey Gettleman

NAIROBI, Kenya — Tens of thousands of civilians dead, countless children on the verge of starvation, millions of dollars stolen by officials, oil wells blown up, food aid hijacked and as many as 70 percent of women sheltering in camps raped — mostly by the nation's soldiers and police officers.

Just a few years ago, South Sudan accomplished what seemed impossible: independence. Of all the quixotic rebel armies fighting for freedom in Africa, the South Sudanese actually won. Global powers, including the United States, rallied to their side, helping to create the world's newest country in 2011, a supposed solution to decades of conflict and suffering.

Now, with millions of its people hungry or displaced by civil war, a radical question has emerged: Should South Sudan lose its independence?

As international frustrations and worries grow, some momentum is growing for a proposal for outside powers to take over South Sudan and run it as a trusteeship until things calm down.

Several academics and prominent opposition figures support the idea, citing East Timor, Kosovo and Bosnia as places where, they say, it has worked, though of course there are plenty of cautionary tales where outside intervention failed, like Somalia and Iraq.

The Ugandan scholar Mahmood Mamdani recently floated a plan in which the African Union would take the lead in setting up a transitional government for South Sudan. Ideally, Mr. Mamdani said, none of the current South Sudanese politicians who have helped drag their nation into civil war would be able to participate, and the trusteeship would last around six years, requiring United Nations support.

"The response to the crisis will need to be as extraordinary as the crisis," he said.

But there is one not-so-little problem. Many South Sudanese might not go for it.

Independence ceremony celebrations. Global powers, including the United States, rallied to South Sudan's side, helping to create the world's newest country in 2011, a supposed solution to decades of conflict and suffering. Tyler Hicks/The New York Times

For that matter, so does Mr. Padiet, a soft-spoken scholar who is not a Dinka. He called trusteeship "offensive" because South Sudan has a potential crop of good leaders waiting in the wings who haven't had a chance to rule. Still, Mr. Padiet conceded, the country desperately needs help.

"As we speak now," he said, "South Sudan is at crossroads of disintegration or total fragility."

Clashes have spread to new areas of the country, and ethnic-based militias are mobilizing in the bush. It's all a staggering plunge from the country's birth. I, along with hundreds of other journalists, was standing in a crowd that felt like a million people on July 9, 2011, the insanely hot day when South Sudan broke off from Sudan. The sense of pride, sacrifice, hope and jubilation will be hard to forget.

For decades, South Sudanese rebels had battled the better-armed, Arab-dominated central government of Sudan. They fought in malarial swamps and on sweltering savannas, incredibly hostile environments where it's hard to survive, let alone wage a guerrilla war on a shoestring.

The South Sudanese had absorbed bombings and massacres. The Arabs stole their children and turned them into slaves. As a result, many South Sudanese were scattered across the four corners of the earth — the famous Lost Boys, but also many Lost Girls, ripped from their families and forced to flee to cold foreign places that they had never envisioned.

On independence day, South Sudan's capital, Juba, partied until

dawn. Lost Boys swigged White Bull (the local beer) next to hardened guerrillas bobbing their heads to reggae rap. All around us, there seemed to be a real appreciation of what had been achieved and what lay ahead. Most important, there was unity.

That crumbled quickly, undermined by old political rivalries, ethnic tension and a greed for South Sudan's one main export: oil. The fault line was the most predictable one, the Dinka versus the Nuer. The two biggest ethnic groups had alternated between allies and enemies throughout South Sudan's liberation wars.

Starting in December 2013, after a breakdown between their political leaders, who not so long ago had been hailed as heroes, Nuer and Dinka militias began killing each other and civilians across the country, especially in ethnically mixed areas.

Women were raped. Children were burned to death. Some people were even forced at gunpoint to eat the flesh of their dead relatives. The horror has been meticulously documented. Still, it goes on.

For years, the United Nations has stationed thousands of peacekeepers in the country, but often they have not intervened. In 2012, shortly after independence, I rushed to a remote town, Pibor, where hundreds had just been massacred by an ethnic militia.

I saw one woman who was literally holding her arm together — she had been blasted by a Kalashnikov — as she sat in a medical tent that smelled of decaying flesh. She stared at the wall, not making a murmur. I interviewed peacekeepers who told me how they had watched civilians get shot right in front of them, yet the peacekeepers felt too scared to raise their rifles.

United Nations officials in Juba have been excoriated for failing to spring into action and effectively step between Mr. Kiir and Riek Machar, the former vice president and the most influential Nuer, as their rivalry intensified and grew into nationwide

bloodshed. This is a big reason some people think an international trusteeship will never work.

"Having completely failed in the international state-building project, now we're going to move to an international takeover? With what army?" asked John Prendergast, who has been working on South Sudan for 30 years and co-founded the Enough Project, an anti-genocide group.

"Would the same international bureaucrats that undertook massive state-building experiments in Iraq and Afghanistan come to Juba to lead another failed political intervention?" he added. "It all seems fantastical, doomed and extremely unlikely."

Other scholars take a middle view. Amir Idris, chairman of Fordham's African and African-American studies department and a frequent writer on South Sudan, said an international trusteeship should be considered — but only as a last resort.

He says the most important issue is that a new government be built with new people, including academics and technocrats.

"South Sudan has no chance of transitioning itself to a functioning state unless the edifice of the current leadership is brought down," he said.

Bronwyn Bruton, the deputy director of the Africa Center at the Atlantic Council, called South Sudan's leaders "such a disaster." She said Mr. Kiir and Mr. Machar were "corrupt," "self-interested" and "willing to stoke ethnic conflict and commit horrible violence in pursuit of power."

"Genocide is beginning to look inevitable," she said. "The situation could hardly be more hopeless."

But she worries that no country has the appetite to spearhead a meaningful intervention. The Obama administration considered several ways to help usher in a political transition, a former administration

official said, but eventually concluded it was not feasible.

It's not as if Mr. Kiir or Mr. Machar or their inner circles, who are widely believed to continue to profit from oil and conflict, are going to volunteer to step aside. Thousands of armed men are intensely loyal to them, and

even a few friends left in Western capitals make the case that the South Sudanese government has stabilized Juba in recent months, has become more inclusive and should be allowed to stay.

One glimmer of hope comes from across the continent. In the last few

days, troops from several West African countries banded together to eject Gambia's president, who tried to stay in power illegally.

If such resolve was demonstrated in this part of Africa, then maybe, the interventionists argue, South Sudan's leaders could be pushed

aside and the country would be allowed to breathe.

THE WALL STREET JOURNAL

Anthony Harrup

Updated Jan. 23, 2017 5:22 p.m. ET

MEXICO CITY—President Enrique Peña Nieto, troubled by falling approval ratings at home, vowed Monday to protect migrants, free trade and investment as his government prepares for negotiations with the administration of President Donald Trump.

In a speech at the presidential residence outlining Mexico's position on future relations, Mr. Peña Nieto said Mexico would remain open to global trade while seeking to diversify its trade and political relations.

"We must maintain free trade between Canada, the U.S. and Mexico. Commercial exchanges among the three countries should be exempt from any tariff or quota, as has been the case since 2008," he said.

The comments came as Mr. Trump, who has said he would seek to renegotiate the North American Free Trade Agreement to achieve better terms for the U.S., formally withdrew the U.S. from the Trans-Pacific Partnership, a broad trade pact that includes Mexico, Canada and other Pacific nations. Mr. Trump also reiterated plans for a major border tax on U.S. companies that move production abroad.

Mexico Vows to Protect Migrants, Free Trade in Talks With Trump Administration

Washington's abandonment of the TPP, which had been hopelessly stalled months before Mr. Trump's inauguration, threatens the survival of the trade agreement, which has yet to be implemented. Mr. Peña Nieto said Mexico would seek to negotiate bilateral trade agreements with members of the TPP, and was also ready to negotiate a bilateral trade deal with the U.K. once it leaves the European Union.

Mexico, which sends around 80% of its exports to the U.S. and has free-trade trade pacts with more than 40 other countries, will also bring migration and security issues to the table in its talks with the U.S., in which it will neither seek confrontation nor be submissive, Mr. Peña Nieto said.

"While for Mexico the relationship with the U.S. is fundamental, so too for the U.S., the relationship with Mexico is of great importance," he added.

Mexico's Foreign Minister Luis Videgaray and Economy Minister Ildefonso Guajardo will lead a Mexican delegation to Washington this week to start talks with senior Trump administration officials.

Mr. Peña Nieto, who spoke with Mr. Trump by phone on Saturday, plans to visit the U.S. at the end of the month. He also spoke Sunday with

Canadian Prime Minister Justin Trudeau.

Mr. Peña Nieto said Mexico would demand that the U.S. guarantee humane treatment and respect the rights of Mexican migrants, including those repatriated from the U.S., and called for the U.S. to guarantee flows of remittances Mexicans in the U.S. transfer home to their families. He also urged the U.S. to help stem the flow of illegal weapons to Mexico.

The president criticized Mr. Trump's plans to build a wall along the U.S.-Mexico border, which Mr. Trump has said Mexico would be made to pay for. Mexican officials have repeatedly denied Mexico would do so.

"We will work for a border that unites us, not one that divides us," Mr. Peña Nieto said. "Mexico doesn't believe in walls; our country believes in bridges."

Mr. Peña Nieto's attempt to show a firm position in relation to Mr. Trump came as the Mexican leader has suffered from plunging approval ratings amid widespread protests over sharp increases in gasoline prices.

The president's speech appeared aimed at a domestic audience, said Jorge Chabat, a professor of international relations at Mexico's

CIDE university. Putting security on the agenda is a good move considering its sensitivity as an issue for the U.S., Mr. Chabat said. He added Mexico's efforts to diversify trade aren't new and haven't worked well in the past. "They don't have much maneuvering room," he said.

Concerns about the impact Mr. Trump's policies could have on Mexico have helped send the peso to historic lows against the U.S. dollar, and prompted economists to lower their growth projections for this year.

The meetings between Mexico and the U.S. could help to reduce some of the uncertainty as it becomes clearer what to expect from bilateral relations, Alejandro Werner, director of the Western Hemisphere Department at the International Monetary Fund, said at a press conference early Monday.

He noted that the IMF lowered its 2017 growth outlook for Mexico to 1.7% from 2.3%, while raising its forecast for the U.S. "The only country where the effect of the uncertainty has materialized is Mexico," he said.

The Washington Post

Mexican president says firm negotiations with Trump can protect Mexicans

<https://www.facebook.com/josh.partlow1>

MEXICO CITY — Faced with new threats from the United States, President Enrique Peña Nieto and other top Mexican officials outlined Monday a set of foreign policy goals that prioritize defending the country's "national interests" while also starting negotiations with President Trump.

They described the policy as one that remains devoted to free trade within North America and beyond, as well as to the defense of the rights of Mexicans at home and in the United States.

"It's evident that the United States has a new vision for its foreign policy," Peña Nieto told an audience at the presidential palace Monday. "Given this reality, Mexico is obligated to take actions to defend its national interests. It's clear that we have to initiate a negotiation."

Today's WorldView

What's most important from where the world meets Washington

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"Mexico does not believe in walls," added Peña Nieto, who plans to visit Trump in Washington on Jan. 31 to talk about the North American Free

Trade Agreement and other issues. "Mexico believes in bridges."

The speeches showed again how much Trump has rattled Mexican authorities and forced them to rethink their strategy toward their most important trading partner and largest neighbor. Many of Trump's proposals — from taxing imports from Mexico to deporting millions of undocumented Mexicans to building a wall along the border — run counter to Mexico's interests.

In his speech, Peña Nieto, whose approval ratings have fallen to close to single digits amid Trump's rise and a struggling economy, outlined priorities that include diversifying

Mexico's economic and political ties with nations around the world, rather than relying so heavily on the United States. He also said that any deportation effort by Trump should be "orderly and coordinated" with Mexico and that remittances from Mexicans in the United States should not be disrupted.

Peña Nieto has been criticized here for not taking a firmer stance against some of Trump's proposals. Beyond insisting that Mexico will not pay for the border wall, Peña Nieto has gone out of his way to be polite to Trump and to display optimism about future relations. He has stressed negotiations, rather than confronting Trump with an

aggressive stance or rolling over in the face of his demands.

"Neither of these postures is a solution: not confrontation, nor submission," he said Thursday. "The solution is dialogue and negotiation."

Mexican officials are determined to make the case to Trump that Mexico performs a valuable service to the U.S. economy. Luis Videgaray, who recently took over as foreign minister to lead talks with the Trump administration, rattled off statistics intended to show how American

states rely on Mexican investment. He said that trade with Mexico provides 566,000 jobs in California and 380,000 in Texas.

"In the states that were crucial to the political outcome in November 2016, exports from the United States to Mexico played a fundamental role," he said.

Some political observers were not optimistic about Peña Nieto's chances of swaying Trump's point of view toward Mexico.

"It will be a very difficult negotiation," said Raúl Benítez Manaut, a professor at the National Autonomous University of Mexico. "Mexico right now has few favorable cards to play. We have a divided country, an economy in crisis. The Mexican government will have to deploy extraordinarily able negotiators."

Alfredo Coutiño, director for Latin America at Moody's Analytics, said Mexico should begin working on a backup plan in case respectful discussion does not work. Shifting

trade to other countries is a process that takes years, he said, and Trump could forge ahead with his plans despite pleas from Mexico.

"So Mexico is voting for dialogue and negotiation," Coutiño said. "And if that doesn't work? What next?"

Gabriela Martinez in Mexico City contributed to this report.

Read more

THE WALL STREET JOURNAL

China Says Prepared to Lead Global Economy if Necessary

Josh Chin

Updated Jan. 23,

2017 7:30 p.m. ET

BEIJING—China is prepared to take the helm of the global economy if Western nations abdicate their leadership role, a top Chinese diplomat said Monday, days after U.S. President Donald Trump pledged in his inaugural address to put "America first."

"If it's necessary for China to play the role of leader, then China must take on this responsibility," Zhang Jun, head of the Chinese foreign ministry's office of international economic affairs, told a small group of foreign reporters in Beijing.

Mr. Zhang made the comments following Chinese President Xi Jinping's trip last week to the World Economic Forum in Davos, Switzerland, where he delivered a defense of economic globalization in a speech that likened trade protectionism to "locking oneself in a dark room."

Many who listened to Mr. Xi's Davos speech saw it as a rebuke to

Western politicians like Mr. Trump, who have pushed for a more inward focus. A stream of commentary in Chinese state media has since sought to portray Mr. Xi as an internationalist and China as the new standard-bearer for free trade.

China's Foreign Ministry has been cautious on the subject. But with Mr. Trump painting an especially glum picture of the effects of globalization in his inaugural speech on Friday, Mr. Zhang entertained the idea of China adopting a new global role.

"If people want to say China has taken a position of leadership, it's not because China suddenly thrust itself forward as a leader. It's because the original front-runners suddenly fell back and pushed China to the front," he said.

Mr. Trump on Friday said the U.S. needed to protect its borders "from the ravages of other countries making our products, stealing our companies and destroying our jobs."

The new U.S. president has threatened to slap steep tariffs on Chinese goods to protect American workers, and has said he might label

China a currency manipulator for keeping the value of the yuan low to boost exports. Several economists have questioned whether tariffs are likely to bring jobs back to the U.S. and pointed out that China has recently been trying to prop up its currency, not weaken it.

Mr. Zhang said launching a trade war wouldn't be putting America's interests first. "The goals Trump has set will be very difficult to achieve in a closed environment," he said.

Mr. Zhang said China would continue to push for a free-trade agreement in the Asia-Pacific region, a competitor to the Trans-Pacific Partnership trade deal. Mr. Trump on Monday formally pulled the U.S. out of the 12-nation TPP. His move was the fulfillment of a campaign promise to end U.S. participation in the proposed TPP deal. China is excluded from the deal.

The Chinese diplomat also pointed to his country's \$3 trillion "One Belt, One Road" development initiative, which aims to rebuild the old Silk Road trade routes between East

and West, as evidence of the country's dedication to economic interconnectedness.

Foreign governments and companies have accused Beijing of adopting mercantilist policies that unfairly favor Chinese companies and products through subsidies and restrictions on foreign access to lucrative markets.

In an annual survey of members of the American Chamber of Commerce in China, released last week, four out of five said they felt less welcome in China than before, nearly double the rate from three years ago.

Mr. Zhang pushed back at such criticism on Monday, saying China was trying to improve market order and believed its subsidies were legal under the rules of the World Trade Organization. He also pointed to a new plan by China's cabinet, the State Council, to expand the areas open to foreign investment.



Bergstrand : Killing TPP is bad news for Americans, but great for China

Jeffrey H. Bergstrand is a

professor of finance, economics and global affairs at the University of Notre Dame and has published more than 50 articles on international trade, free trade agreements and related economic issues. The opinions in this article belong to the author.

(CNN)It's now clear that the election of Donald Trump will dramatically alter the shape of the world's economy for the foreseeable future. But based on his executive action to withdraw from the negotiating process of the Trans-Pacific Partnership (TPP), this reshaping will not be for the benefit of US workers and citizens.

Rather, the bulk of American workers, consumers and businesses likely will be hurt by the unfolding of US trade policies under President Trump.

Today's action means that TPP is dead. Without ratification by the US Congress, it dies. Some workers' high-paying jobs in the US will be saved.

However, based upon sound estimates from the two most respected economic analyses of TPP -- the Petri-Plummer study from the Peterson Institute in Washington, DC, and the US International Trade Commission study -- the vast bulk of workers, businesses, and consumers in the US will lose out on this.

For instance, using the Petri-Plummer estimates, not only business owners would have gained (about 0.4 percent annually), but workers would have gained 0.5 percent more real income per year once fully implemented. Moreover, less educated workers would have gained almost as much as more educated workers. We all lose the benefits of the greater productivity and lower prices that TPP would have provided.

Second, the vacuum will be filled. While not perfect, markets for good and services are basically efficient. In a global competition for economic growth by the 200 or so countries in the world, the evolution of trade policies by countries is also like a market.

Even as TPP (which excluded China) was being negotiated, another extensive trade agreement -- though lesser known -- has been under discussion. China and 15 other Asia-Pacific Rim countries have been negotiating the Regional Comprehensive Economic Partnership (RCEP) agreement since 2012.

The final RCEP agreement, which is a major trade policy undertaking of nearly the scope of the TPP, but including China, Japan, India, Australia, and South Korea to name a few countries, will provide, when ratified, a ready opportunity for 16 Asia-Pacific Rim governments to advance further the lowering of trade barriers and enhance their global interactions.

Last week, China's President Xi Jinping attended for the first time the World Economic Forum in Davos and spoke on the benefits that globalization and reduced trade barriers has provided for China. He made a clear statement that the Chinese government is happy to take the lead in fostering globalization, and earlier remarks have suggested that RCEP negotiations will move forward.

Unfortunately, this means the rules for global commerce will increasingly be set by other nations -- not by the United States. More importantly, with the United States absent from RCEP, considerable

trade will be diverted away from the US.

Third, another likely trade policy move by the new administration will be the renegotiation of the North American Free Trade Agreement (NAFTA). It has been the case that large economies wield large influence in trade negotiations, and NAFTA reflected the best interests of the United States 20 years ago, when the US economy was 10 times the size of Canada's and 25 times the size of Mexico's.

NAFTA took years to negotiate, and will likely take years to renegotiate. In the meantime, the uncertainty of the future of this trade relationship

creates an immediate "tax" on businesses' profits and consequently workers' incomes.

There is now sound economic evidence of the cost of trade policy uncertainty. Moreover, the tax has already been implemented; the recent sharp depreciation of the Mexican peso relative to the US dollar implies that the dollar has appreciated relative to the peso, which hurts US competitiveness. We are already incurring costs of a future renegotiation.

The solution to increased globalization is not to attempt to halt it. We learned from the 1930s that spiraling protectionism tipped a

severe recession over the edge to become the Great Depression.

Rather, the answer lies in providing resources to workers and firms most impacted by globalization: tax relief for the least productive firms hurt by trade policies; worker assistance through re-education; and enhancement of the Trade Adjustment Assistance program.

Despite some of the political rhetoric being heard right now, solutions to the costs of globalization do exist -- and it's possible to implement them without throwing away the benefits.



Editorial : Trump pulls the plug on TPP

If there were any doubts that Donald Trump would vigorously pursue the anti-trade agenda he campaigned on, he put those to rest on Monday.

On his first full weekday in office, Trump announced the United States' withdrawal from the Trans-Pacific Partnership, or TPP. He signaled he would renegotiate the North American Free Trade Agreement, or NAFTA. And, for good measure, he reiterated his threat of a border tax on products made by companies that move abroad.

Taken together, these steps repudiate decades of policies, pursued by presidents of both parties, aimed at lowering trade barriers. These are also misguided moves likely to harm the U.S. economy far more than they help.

The TPP is — or perhaps we should now say “was” — America's best

hope for expanding its influence in Asia and limiting the influence of China, which is not part of the pact. Now, the remaining 11 nations will have to decide whether to ratify the pact on their own, do nothing, or join an alternative pact that China is pitching, one that puts China at its center.

It is hard to imagine a more counterproductive policy for America's economy and national security interests than pulling out of the TPP, which was already on life support in Congress. But if one could be imagined, it would pulling out of NAFTA.

To be sure, Trump says only that he wants to “renegotiate” the 1994 deal among the United States, Canada and Mexico. But what he means by that is anyone's guess. The pact sets a tariff of 0% on goods moving between the countries in it. Does he expect Canada and Mexico to accept U.S. goods duty-free while

the United States imposes duties on their goods?

One approach to renegotiating NAFTA would be to make some updates. Trade experts have suggested that it might benefit from sections on currency manipulation, and trade from the digital economy. The irony is that these provisions are included in TPP. It would be awkward, to say the least, to update NAFTA with provisions carved from the corpse of TPP.

Trump's rhetoric about NAFTA being “the worst trade deal maybe ever” is way over the top. Since its adoption, Canada and Mexico have become far and away the United States' largest export markets. At \$312 billion annually, exports to Canada are more than our exports to all European Union countries combined. At \$240 billion, exports to Mexico are slightly less than exports to the EU.

Both Canada and Mexico maintain manageable trade surpluses with

the United States that are much smaller than those of China, Japan and Germany — none of which has a trade pact with America.

Since NAFTA went into effect, U.S. economic output per person has surged by 40% after adjusting for inflation. And rising incomes in Mexico have caused once bounteous rates of illegal immigration to slow to a trickle.

President Trump's protectionist trade policies might benefit a sliver of U.S. manufacturing workers, who have been hurt more by automation than by trade. But protectionism is likely to set off rounds of retaliation that will end up harming the American economy as a whole and raise prices on imported goods, increases that will be most harmful to lower income people who voted for Trump.



Trump Abandons Trans-Pacific Partnership, Obama's Signature Trade Deal (UNE)

Peter Baker

But some in both parties worry that China will move to fill the economic vacuum as America looks inward, and will expand its sway over Asia and beyond.

Monday was a busy day for the new president. In addition to abandoning the trade deal, he ordered a freeze on federal government hiring, except for the military and other security agencies. He reinstituted a ban on federal funding for overseas family planning groups that assist or counsel women seeking abortions. He met with congressional, labor and business leaders. And he promised to cut up to 75 percent of federal regulations.

Mr. Trump's decision to scrap the Trans-Pacific Partnership, or T.P.P., reversed a free-trade strategy adopted by presidents of both parties dating back to the Cold War, and aligned him more with the political left. When he told a meeting of union leaders at the White House on Monday that he had just terminated the pact, they broke into applause.

“We're going to stop the ridiculous trade deals that have taken everybody out of our country and taken companies out of our country, and it's going to be reversed,” Mr. Trump told them, saying that from now on, the United States would sign trade deals only with individual

allies. “I think you're going to have a lot of companies come back to our country.”

Mr. Trump may also move quickly to renegotiate the North American Free Trade Agreement. He is scheduling meetings with the leaders of Canada and Mexico, the two main partners in that pact, which was negotiated by President George Bush and pushed through Congress by President Bill Clinton. While Nafta has been a major driver of American trade for nearly two decades, it has long been divisive, with critics blaming it for lost jobs and lower wages.

But free-trade advocates said that in canceling the Pacific pact, Mr.

Trump lost an agreement that had already renegotiated Nafta under more modern rules governing intellectual property, internet access and agriculture, since both Mexico and Canada were signatories. He also undercut Mr. Obama's so-called pivot to Asia and, critics said, essentially ceded the field to China, which was not part of the agreement.

“There's no doubt that this action will be seen as a huge, huge win for China,” Michael B. Froman, the trade representative who negotiated the pact for Mr. Obama, said in an interview. “For the Trump administration, after all this talk about being tough on China, for their

first action to basically hand the keys to China and say we're withdrawing from our leadership position in this region is geostrategically damaging."

Some Republicans agreed, but only a few would publicly challenge the president. Senator John McCain of Arizona called the decision "a serious mistake" that would hurt America. "It will send a troubling signal of American disengagement in the Asia-Pacific region at a time we can least afford it," he said in a statement.

The Obama administration negotiated the trade pact for nearly eight years. Speaker Paul D. Ryan and other congressional Republicans worked with Mr. Obama to pass legislation granting so-called fast-track authority to negotiate it over Democratic objections. But Mr. Obama never submitted the final agreement for approval amid vocal opposition.

The agreement, the largest regional trade accord ever, brought together the United States and 11 other nations in a free-trade zone for about 40 percent of the world's economy. It was intended to lower tariffs while establishing rules for resolving trade disputes, setting patents and protecting intellectual property.

Obama officials argued that it benefited the United States by opening markets while giving up very little in return. In particular, it finally brought the United States and Japan, the world's largest and third-largest economies, together in a free-trade pact.

Mr. Trump's decision was crushing for Japan, where Prime Minister Shinzo Abe spent considerable political capital to get the agreement through Parliament, which ratified it Friday. Just hours before Mr. Trump dispensed with it, Mr. Abe told Parliament that Tokyo would lobby the new administration on the merits of the deal.

Japan was the last to join the pact, which would give its manufacturers tariff-free access to export markets in the United States and other Asian countries, but would bring its automakers into competition with lower-wage countries like Mexico. Mr. Abe became a strong enthusiast after making politically painful concessions on agricultural imports that the United States had sought.

China, by contrast, welcomed Mr. Trump's move, although its leaders will probably relish the moment quietly. Given Mr. Trump's harsh attacks on China and his appointment of a leading China critic, Peter Navarro, to the new post of trade council director, Beijing is

bracing for a potentially combative relationship.

Victor Shih, an expert on China's political economy at the University of California, San Diego, said withdrawing from the T.P.P. would alter America's image in the region. "The U.S. will be seen as an unreliable partner both economically and perhaps even in the security arena," he said. "While some countries in Asia have no choice but to be close to the U.S., others may begin to look to China."

China has already sought to capitalize by making a push to complete an alternative pact, the Regional Comprehensive Economic Partnership, which aims to unite 10 members of the Association of Southeast Asian Nations with Japan, South Korea, Australia, New Zealand and India.

Australia's trade minister, Steven Ciobo, said on Monday that other members of the trade pact were exploring whether to create a "T.P.P. minus one," without the United States.

"The T.P.P. offers very material benefits for all parties that signed up for the agreement," he said in an interview. "It would be a great shame to lose those benefits. Notwithstanding President Trump's

decision, there's still a lot of merits to capturing those gains."

If Mr. Trump scrambled coalitions overseas, he did so at home, too. Democrats and labor groups praised his move. James P. Hoffa, general president of the Teamsters union, said Mr. Trump had "taken the first step toward fixing 30 years of bad trade policies." Lori Wallach, director of Public Citizen's Global Trade Watch, said it would "bury the moldering corpse" of the Pacific deal, though she expressed concern about how Nafta would be renegotiated.

Some people emerging from the union meeting with Mr. Trump, who won surprising victories in Midwestern labor strongholds, expressed enthusiasm for both his trade action and his promise to build new roads, bridges and other infrastructure.

"We just had probably the most incredible meeting of our careers," Sean McGarvey, president of North America's Building Trades Unions, said. "We will work with him and his administration to help him implement his plans on infrastructure, trade and energy policy, so we really do put America back to work."



Withdrawal from Trans-Pacific Partnership shifts U.S. role in world economy (UNE)

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

(Reuters)

President Trump signed an executive order formally withdrawing the U.S. from the Trans-Pacific Partnership trade deal, an order establishing a federal hiring freeze, and a third order reinstating the "Mexico City policy," on Jan. 23 at the White House. Trump signs orders on TPP, federal hiring freeze, 'Mexico City policy' (Reuters)

President Trump's cancellation Monday of an agreement for a sweeping trade deal with Asia began recasting America's role in the global economy, leaving an opening for other countries to flex their muscles.

Trump's executive order formally ending the United States' participation in the Trans-Pacific Partnership was a largely symbolic move intended to signal that his tough talk on trade during the campaign will carry over to his new administration. The action came as China and other emerging economies are seeking to increase

their leverage in global affairs, seizing on America's turn inward.

Mexico's President Enrique Peña Nieto declared Monday that his country hopes to bolster trade with other nations and limit its reliance on the United States. Chinese state media derided Western democracy as having "reached its limits"; President Xi Jinping had touted Beijing's commitment to globalization during his first appearance at the annual gathering of the world's economic elite last week in Davos, Switzerland.

"This abrupt action so early in the Trump administration puts the world on notice that all of America's traditional economic and political alliances are now open to reassessment and renegotiation," said Eswar Prasad, a professor of trade policy at Cornell University. "This could have an adverse long-run impact on the ability of the U.S. to maintain its influence and leadership in world economic and political affairs."

The TPP was one of President Barack Obama's signature efforts, part of a broader strategy to increase American clout in Asia and

provide a check on China's economic and military ambitions. The deal with 11 other nations along the Pacific Rim covered a wide swath of goods, granting U.S. cattle ranchers better access to Japan and lowering tariffs on apparel imported from Vietnam. Congress granted Obama "fast-track" authority to negotiate the agreement in 2015, but political sentiment quickly shifted, and the deal fell apart without making it to Capitol Hill for approval.

(Reuters)

Mexico will aim to keep tariff-free commerce with NAFTA partners Canada and the United States in its talks with the new U.S. government, Mexican President Enrique Peña Nieto said on Monday. Mexico will aim to keep tariff-free commerce with NAFTA partners Canada and the United States in its talks with the new U.S. government. (Reuters)

Trump's election effectively guaranteed its demise. Monday's executive order made it official.

Pulling out of the deal "raises fundamental questions about American reliability," said Richard

Haass, president of the Council on Foreign Relations. "It leaves our allies and trading partners in the lurch. It does create strategic opportunities for China."

Those include Beijing's own regional trade agreement, which it is pursuing with 15 other Asian countries, including Japan. An analysis by White House economists under Obama found that a deal between just China and Japan could jeopardize \$5 billion in U.S. exports and millions of American jobs. Proponents of the TPP have also pointed to recent reports of Beijing's weapons buildup on islands in the South China Sea as evidence of the country's emboldened posture.

Sen. John McCain (R-Ariz.) echoed those concerns Monday, calling Trump's withdrawal from the TPP a "serious mistake" that will give China greater authority to dictate the terms of international trade.

In his speech in Davos, even Xi warned that America's protectionist turn could backfire and wind up damaging the world economy.

"No one will emerge as a winner in a trade war," Xi said.

But canceling the TPP was one of the clarion calls of Trump's campaign, part of a global backlash against the drive toward greater internationalization that has defined the world economy since the end of World War II. British Prime Minister Theresa May, who is in the midst of navigating her country's own break from established trading partners, is slated to visit with Trump this week. A White House spokesman said meetings with Peña Nieto and Canadian Prime Minister Justin Trudeau are in the works.

"What we want is fair trade," Trump said during a meeting with business executives Monday. "And we're going to treat countries fairly, but they have to treat us fairly."

Ending America's involvement in the TPP was also a top priority for Democrats. On Monday, five Democratic senators introduced legislation that would require the president to notify each of the 11 other countries involved in the deal of the United States' withdrawal. It would also block any "fast track" approval of the agreement in the future.

AFL-CIO President Richard Trumka hailed the president's executive order and called for additional action.

"They are just the first in a series of necessary policy changes required to build a fair and just global economy," he said in a statement.

John Veroneau, a partner at the law firm Covington who served as deputy U.S. trade representative under President George W. Bush, said the Trump administration could still pursue bilateral deals with individual countries, particularly Japan and Vietnam, that mirror the deals negotiated under the TPP. But he pointed out that China is aggressively seeking to lock in trade agreements with many of the same countries that had signed on to the TPP.

"If the U.S. decides to pause, we should assume that some of our trading partners will move ahead," Veroneau said.

In addition to backing out of the TPP, Trump has also vowed to renegotiate the North American Free Trade Agreement, the cornerstone of the U.S. economic relationship with Mexico and Canada for more than two decades. Trump's nominee for commerce secretary, billionaire investor Wilbur Ross, has said he considers reopening the deal the first order of business for his agency. On Monday, White House spokesman Sean Spicer said the administration would tackle NAFTA "very shortly."

In Mexico, Peña Nieto said in a speech Monday that he plans to begin trade talks with other countries that had signed on to the TPP. And he stressed that in the Trump era, one of Mexico's top priorities will be to diversify its trading and political partners so it won't have to rely so heavily on the United States.

Mexico is a nation "open to the world," Peña Nieto said.

Meanwhile, Trudeau and other top Canadian officials met with Trump adviser Stephen Schwarzman, chief executive of the Blackstone Group, according to the *Globe and Mail*. Schwarzman called trade between the United States and Canada "in balance."

"Things should go well for Canada in terms of any discussions with the United States," he said, according to the *Globe and Mail*.

In meetings with business leaders and union workers Monday, Trump highlighted his proposal for a border tax as a centerpiece of his administration's trade policy.

Dow Chemical chief executive Andrew Liveris, who attended the meeting, said the border tax was discussed extensively. He said the executives were asked to return in 30 days with a plan to shore up the manufacturing industry.

"I would take the president at his word here," Liveris said. "He's not going to do anything to harm competitiveness. He's going to actually make us all more competitive."

Still, it is unclear exactly how a border tax would be implemented. Testifying before the Senate Finance Committee last week, Trump's nominee to lead the Treasury Department said any border tax would be targeted at specific businesses. However, the president does not have the power to levy taxes, and experts on

international trade have warned that focusing on particular companies could violate treaties.

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House Speaker Paul D. Ryan (R-Wis.) has proposed allowing businesses that export goods to deduct many of their expenses, while those that import would not receive the same benefit. But in a recent interview with the *Wall Street Journal*, Trump dismissed the plan, known as "border adjustment," as "too complicated."

Some industry groups argue that Trump's approach would better leverage America's status as the world's largest economy.

Scott Paul, president of the Alliance for American Manufacturing, said his group is hoping that opening up NAFTA could provide more leeway to combat currency manipulation in countries outside the agreement. His group, which represents both industry and unions, is also seeking more stringent rules of origin, which dictate how much production must occur within member countries to qualify for free-trade status.

"The details are going to matter a lot," Paul said. "Renegotiating NAFTA obviously entails some risks and some rewards."

Joshua Partlow contributed to this report.

**The
New York
Times**

Editorial : Opening Salvos in President Trump's Trade War

The Editorial Board

President Trump seems intent on starting a trade war. On Monday, he told business executives at the White House that he would punish companies that shut factories in the United States and moved jobs overseas by imposing a "very major" border tax. Such a tax would probably be illegal under American law and would definitely violate treaties with other countries.

Mr. Trump's remarks came on the same day that he withdrew from the Trans-Pacific Partnership, a trade agreement the Obama administration had negotiated with 11 countries, including Australia, Japan and Vietnam, but Congress never ratified. He also pledged to renegotiate the North American Free Trade Agreement with Canada and Mexico. In this flurry of activity, he seemed oblivious to how his actions might affect the economy and millions of Americans who stand to

lose their jobs if he tears up trade agreements and causes other countries to retaliate by penalizing American goods and services.

Congress has given the president authority to raise tariffs on imports in certain situations — as in war or during an international economic emergency or when foreign businesses sell products below the cost of production. But that authority has not been used to take aim at the products of individual companies that moved manufacturing of their goods abroad. Mr. Trump told a German newspaper this month that BMW might have to pay a 35 percent border tax on cars imported from a new factory in Mexico. In that case, BMW is not even moving production out of the United States, but moving it from Germany, China and South Africa, to Mexico. Experts say federal courts would most likely strike down such a tax if Mr. Trump tried to impose it. Even Congress might not have the authority to

impose such taxes, because the Constitution's bills of attainder clause bars lawmakers from singling out specific businesses or individuals for punishment.

Foreign countries would almost certainly respond if Mr. Trump tried to impose a border tax. They would file cases against the United States at the World Trade Organization, which has the power to authorize retaliatory tariffs on American products, potentially hurting exporters like Boeing, General Electric and farmers in the Midwest. The leaders of some countries, including China, which Mr. Trump frequently criticizes, could create a similar tax to force American manufacturers to set up more factories in those countries. Such tit-for-tat would inevitably harm American workers who make goods for export as well as businesses that rely on raw materials and parts from other countries.

One of Mr. Trump's big complaints about trade deals is that other countries are cheating the United States. His charges don't stand up to scrutiny. For example, much of the United States' trade deficit with Canada and Mexico is a result of imports of oil and gas. When those basic raw materials are excluded, American trade with those countries has been pretty balanced in recent years, according to a 2015 Congressional Research Service report. The United States also had trade surpluses with both countries in services, which include things like insurance and Hollywood movies. If Mr. Trump seeks to renegotiate Nafta and place tougher conditions on factories in Canada and Mexico, those countries might try to put restrictions on American service exports, which amounted to \$56.4 billion for Canada and \$31.5 billion for Mexico in 2015.

In his inaugural speech, Mr. Trump railed against trade: "The wealth of

our middle class has been ripped from their homes and then redistributed across the world." But

the protectionism he champions assumes trade provides no benefits. In fact, it brings Americans cheaper

goods and drives economic growth and innovation.

THE WALL STREET JOURNAL

Editorial : Trump's Pacific Trade Retreat

Jan. 23, 2017
7:13 p.m. ET 262 COMMENTS

President Trump fulfilled a campaign promise Monday with an executive order formally withdrawing from the 12-nation Pacific trade pact, and that was the easy part. Now he'll have to deal with the fallout, which includes new doubts about U.S. economic commitments and strategic gains for China.

The Trans-Pacific Partnership (TPP), negotiated and signed by President Obama, was already on life support as Mr. Trump and Hillary Clinton campaigned against it. Mr. Obama hoped to push it through in the lame-duck Congress, but after ignoring trade for so many years as President his persuasive powers were nil.

Mr. Obama stressed the deal's strategic importance as a counter to Chinese soft power in the Pacific, and he's right. But he never made a consistent case for the deal's economic benefits, and Mr. Trump was able to use TPP as a political whipping boy. The agreement has flaws, with many special carve-outs for this or that country, but on the margin the trade experts at the Cato Institute consider it a net economic plus for the U.S.

What now? Mr. Trump isn't interested in new multilateral pacts, but China is. Beijing is pitching a rival to TPP, the Regional Comprehensive Economic Partnership, and many countries in Asia will sign up as they observe the U.S. walking away. Malaysia, the Philippines and Thailand are already moving by degrees from the U.S. toward China, and others will begin to wonder about the U.S. commitment to the Western Pacific region.

The U.S. trade trend has already led to the water-into-wine miracle of Chinese President Xi Jinping preaching the benefits of free trade at the annual global gabfest in Davos last week. The problem is that China preaches free trade for its exports but too often practices something else at home.

The Chinese impose multiple regulatory barriers to imports. They subsidize overproduction in commodity goods like steel that hurts foreign producers and workers. They use political measures to restrict foreign competition so they can build "national champions" in industries like computer chips. In short, the Chinese continue to practice a mix of free trade and mercantilism, and

the Asian trade pact will no doubt seek to continue that pattern.

TPP would have spread the better Western model of a rules-based trading system. Mr. Trump and his advisers are targeting China for a U.S. trade-policy renegotiation, albeit with few details about their strategy or their ultimate goal—beyond reducing the U.S. trade deficit in goods with China.

The irony is Mr. Trump would have more negotiating leverage with TPP in his pocket. If China resisted trade-opening concessions at home and a trade war results, the U.S. could rely on TPP countries for alternative component suppliers and consumer goods. Now China can use the Asian trade pact as leverage with these U.S. trading partners.

Mr. Trump will need a reassurance strategy with Japan in particular. Prime Minister Shinzo Abe has staked his government on faster growth from economic reform. TPP is supposed to be his battering ram to overcome domestic political opposition to breaking up Japan's economic cartels. Now he'll need a Plan B.

Mr. Trump would be wise to consider taking the bones of TPP and building it into a U.S.-Japan bilateral trade deal. In any event,

Rex Tillerson will have to make Tokyo one of his first overseas visits as Secretary of State.

The larger shock in TPP's failure is the symbolism of the U.S. withdrawing from global trade leadership. For nearly 90 years since the Smoot-Hawley Tariff, and especially since the end of World War II, the U.S. has championed a world of freer markets and liberal trade. No doubt all Americans haven't benefitted equally, but the free-trade consensus held through the high-growth 1980s and 1990s. It fell apart in the slow-growth Obama era.

The question is what will fill the trade vacuum if the U.S. resorts to its own form of mercantilism. TPP's failure was baked into financial markets so it's no great economic shock, and perhaps the Trump Administration will step back from some of its worst trade rhetoric.

The economic damage will come in the months ahead if trade becomes a game of beggar-thy-neighbor self-interest in which national success is measured by a simple trade surplus. Then we'll look back on TPP's demise as a watershed to regret.



Max Boot : The Grave Dangers and Deep Sadness of 'America First'

Paul McLeary |
21 mins ago

Donald Trump's caustic, ill-tempered, and divisive inaugural address sounded as if it came from a different world from the one I inhabit — or, to be exact, from a different America than I have known for the 40 of my 47 years that I have been lucky enough to live in this wonderful country.

Trump's America is full of "rusted-out factories scattered like tombstones across the landscape of our nation." It is home to an education system "which leaves our young and beautiful students deprived of knowledge." It is rife with "crime and gangs and drugs that have stolen too many lives and robbed our country of so much unrealized potential." And who is responsible for this "American carnage"? Trump heaped blame on other countries and on disloyal American elites.

"For many decades," he complained, "we've enriched foreign industry at the expense of American industry; subsidized the armies of other countries while allowing for the very sad depletion of our military; we've defended other nation's borders while refusing to defend our own; and spent trillions of dollars overseas while America's infrastructure has fallen into disrepair and decay."

And, in a not-too-subtle suggestion that his predecessors did not have the country's best interests at heart, Trump pledged, "The bedrock of our politics will be a total allegiance to the United States of America." Trump left it to the listeners' imagination to speculate where previous presidents had owed their allegiance, but in the past he has railed against "global special interests" that are supposedly in cahoots with Americans, such as George Soros and Hillary Clinton, who "don't have your good in mind."

This is a very jarring vision of America — paranoid, angry, xenophobic — for someone like me who came here in 1976 from the Soviet Union as a wide-eyed, 7-year-old boy, along with my mother and grandmother. To us, and to countless other immigrants (including, ahem, Trump's own grandparents), America appeared to be not the hellhole he describes but a land of unimaginable wealth and opportunity.

This country took us — foreign-born Jews — into its bosom and made us feel welcome in a way that would be hard to imagine occurring in too many other nations. I have never felt less than fully American, and I have never personally experienced anti-Semitism — at least not until the past year, when pro-Trump trolls flooded Twitter with vile anti-Jewish rants.

My family and I have been able to thrive here. Admittedly, we haven't done nearly as well as Trump and most of his appointees. We're not

billionaires or even millionaires; we don't travel in private aircraft or own skyscrapers. But my mother is a professor, I'm a writer and historian, and we live comfortable lives that are the envy of much of the world.

I recognize, of course, that not all Americans are so lucky, that life is particularly hard for some of Trump's core supporters — working-class white men without college degrees. But even those who are in poverty in America live far better than most people around the world. The Pew Research Center found in 2015 that 72 percent of the world's people were poor or low income, subsisting on less than \$10 a day; 15 percent somehow survive on less than \$2 a day. By contrast, 56 percent of Americans are considered high income, living on more than \$50 a day. Pew concluded that "almost nine-in-ten Americans had a standard of living that was above the global middle-income standard."

Americans are also blessed with another gift of incalculable value: They are free to live, worship, and speak as they please, without fear of a visit from the secret police or from ethnic-cleansing squads. They are able, moreover, to determine who rules them, a freedom symbolized by last week's peaceful transfer of authority. Few others around the world are so lucky: Freedom House estimates that 60 percent of the world's population is trapped in countries that are either not free or only partially free. If I were still living in Russia and denounced Vladimir Putin as regularly as I denounce Donald Trump, I would likely wind up in prison, exile, or an early grave.

I would not have enjoyed the freedom and prosperity of America were it not for the generous, even altruistic, foreign policy of America. For the emigration of Soviet Jews, including my family, was made possible by the 1974 Jackson-Vanik Amendment, sponsored by Sen. Henry "Scoop" Jackson of Washington and Rep. Charles Vanik of Ohio, both Democrats, which tied American trade relations with the Soviet Union to its willingness to allow freedom of emigration and other basic rights. The Jackson-Vanik Amendment was opposed by coldblooded realpolitikers like Richard Nixon, who thought that human rights had no place in American foreign policy, but passed

by an overwhelming vote of Congress. As a result, hundreds of thousands of Soviet Jews were able to leave that Communist regime and seek better lives elsewhere, primarily in Israel and the United States.

I and countless others will forever be grateful that the United States took us in.

I and countless others will forever be grateful that the United States took us in. And, dare I say, America has benefited from our contribution just as it has benefited from previous waves of immigration. Consider just one Soviet Jewish immigrant: Sergey Brin, who has helped make Google one of the most successful companies in America and the world, creating far more wealth and employment than the Trump Organization ever has.

The actions America took to press the Soviet Union on its human-rights record were done not simply to undermine an adversary, but to promote freedom — in other words, they were done for a combination of self-interested and altruistic motives that have always characterized the best of American foreign policy. It was for the same reasons that after World War II the United States did not follow the policy extolled by Trump during his visit to the CIA on Saturday: "to the victor belong the spoils." Instead of looting its

defeated enemies, the United States helped them get back on their feet, making it possible for them to become our trading partners and allies. In retrospect, this is generally seen as one of the wisest moves made by any American administration.

But if Trump had been a little older in those days one suspects he would have been denouncing Harry S. Truman, George Marshall, and Dean Acheson as suckers who were letting "real" Americans be taken advantage of. He would surely have had little respect for Truman, in particular, given that president's unimpressive business record as a failed haberdasher. He might even have echoed Joe McCarthy's foul charges that Marshall and Acheson were Communist dupes who were selling out America. Trump, who has almost no record of philanthropy or in fact of doing anything not calculated to benefit him personally, has crafted a perfect foreign policy for a solipsist: He thinks that America should look after its narrow self-interest and that the rest of the world can take a flying leap.

The generation of Democrats and Republicans that created the postwar world, after having seen for themselves the disastrous consequences of pursuing an "America First" foreign policy, had a broader and wiser outlook. Their

view was well summed up by Truman's speech to a joint session of session of Congress in 1947 in which he announced a program of aid to an embattled Greece and Turkey. "The seeds of totalitarian regimes are nurtured by misery and want," he said. "They spread and grow in the evil soil of poverty and strife. They reach their full growth when the hope of a people for a better life has died. We must keep that hope alive. The free peoples of the world look to us for support in maintaining their freedoms. If we falter in our leadership, we may endanger the peace of the world — and we shall surely endanger the welfare of this nation."

Those words have, for the most part, guided American foreign policy to the present day. But apparently no longer. Instead a mean, crabbed, selfish vision of America's role in the world appears regnant — one that will not, in the end, serve our interests nearly as well as the more generous and idealistic vision that drew me and so many others to this fair land.

ETATS-UNIS



How Many of His 'Day One' Promises Did Trump Fulfill?

David A. Graham

"On Day One." The notion of immediately turning the page on policy is a staple of presidential transitions, from Franklin Roosevelt's "first 100 days" on, but Donald Trump made the promise of things he'd get done on his first day in the White House into a special mantra throughout the campaign.

The full list, as Tim Murphy chronicled, included some things that were either wildly implausible and evidently figurative, or things that are impossible to assess. (How would you "fix" the Veterans Affairs Department on Day One? What does it mean to start taking care of the military?) But Trump also laid out a set of 18 specific, discrete promises for his first day in office in what he called a "Contract With the American Voter." So how did he do?

First, let's acknowledge that Trump changed the criteria a little bit,

designating Monday as his real first day. "I don't want to be signing and get it mixed up with lots of celebration," he told *The Times* of London. With that, on to the promises.

The first six concern corruption:

Propose a constitutional amendment to impose term limits on all members of Congress.

If Trump has proposed such an amendment formally, there's been no public announcement of such.

Complete? No.

A hiring freeze on all federal employees to reduce the federal workforce through attrition (exempting military, public safety, and public health).

Trump signed a memorandum on Monday declaring, "By the authority vested in me as President by the Constitution and the laws of the

United States of America, I hereby order a freeze on the hiring of Federal civilian employees to be applied across the board in the executive branch. As part of this freeze, no vacant positions existing at noon on January 22, 2017, may be filled and no new positions may be created, except in limited circumstances." Interestingly, the Contract said it would exclude public safety and public health, but the order excepts only military personnel. The order does, however, offer heads of agencies wide leeway to ignore it: "The head of any executive department or agency may exempt from the hiring freeze any positions that it deems necessary to meet national security or public safety responsibilities."

Complete? Yes.

A requirement that for every new federal regulation, two existing regulations must be eliminated.

There's no indication that Trump has issued such an order, though White House Chief of Staff Reince Priebus on Friday sent a memo freezing all new regulations until they can be reviewed by Trump appointees.

Complete? No.

A five-year ban on White House and congressional officials becoming lobbyists after they leave government service.

There's no indication of such a ban. While Trump could likely make such a rule for executive-branch employees, he probably could not do so for congressional ones without Congress's assistance.

Complete? No.

A lifetime ban on White House officials lobbying on behalf of a foreign government.

There's no indication that Trump has issued such a ban.

Complete? No.

A complete ban on foreign lobbyists raising money for American elections.

There's no indication that Trump has issued such a ban.

Complete? No.

The next seven promises have been billed as helping American workers:

I will announce my intention to renegotiate NAFTA or withdraw from the deal under Article 2205.

On Sunday, Trump reiterated his declaration that he will renegotiate NAFTA or else walk away from it. It's unclear what weight a written declaration to that effect would carry beyond what he has already said; there were reports he would sign one Monday anyway, but none has materialized as of writing. As White House Press Secretary Sean Spicer noted on Monday, Trump would have to notify the other parties to NAFTA if he intended to withdraw the United States from the treaty, under section 2205 of the agreement, but the president has said he's open to simply revising the existing treaty.

Complete? Yes.

I will announce our withdrawal from the Trans-Pacific Partnership.

In a memorandum to the U.S. trade representative on Monday, Trump wrote, "I hereby direct you to withdraw the United States as a signatory to the Trans-Pacific Partnership (TPP), to permanently withdraw the United States from TPP negotiations, and to begin pursuing, wherever possible, bilateral trade negotiations to promote American industry, protect American workers, and raise American wages."

Complete? Yes.

I will direct the Secretary of the Treasury to label China a currency manipulator.

There's no public announcement of such a directive. One possible road bump: Steven Mnuchin, Trump's nominee for the post of Treasury secretary, has not yet been confirmed, meaning the job is open.

Complete? No.

I will direct the Secretary of Commerce and U.S. Trade Representative to identify all foreign trading abuses that unfairly impact American workers and direct them to use every tool under American and international law to end those abuses immediately.

Once again, Trump has not publicly announced or released the text of such a directive. The commerce secretary-designate, Wilbur Ross, has also not yet been confirmed.

Complete? No.

I will lift the restrictions on the production of \$50 trillion dollars' worth of job-producing American energy reserves, including shale, oil, natural gas and clean coal.

This is one of the vaguest of the pledges. Trump has not publicly announced any changes.

Complete? No.

Lift the Obama-Clinton roadblocks and allow vital energy infrastructure projects, like the Keystone Pipeline, to move forward.

Trump has not released any memorandum or order bearing on the fate of the controversial pipeline, which the Obama administration blocked.

Complete? No.

Cancel billions in payments to U.N. climate change programs and use the money to fix America's water and environmental infrastructure.

Trump has not released any directive bearing on UN funding.

Complete? No.

The final set of actions in the Contract were labeled as "restor[ing] security and the constitutional rule of law":

Cancel every unconstitutional executive action, memorandum and order issued by President Obama.

This vow necessarily includes a great deal of subjectivity—unless the Supreme Court has made a ruling, who is to say what is and is not unconstitutional? Trump did not issue a large flurry of his own orders revoking Obama's, either on Friday or on Monday. Trump did, however, reinstitute the "Mexico City Policy," which bars U.S. government funding for organizations that fund abortion overseas.

Complete? Partly.

Begin the process of selecting a replacement for Justice Scalia from one of the 20 judges on my list, who will uphold and defend the U.S. Constitution.

Trump met with William Pryor, one potential appointee, even before the inauguration, and Spicer indicated the choice would be made within two weeks.

Complete? Yes.

Cancel all federal funding to sanctuary cities.

Trump has not issued any order or directive attempting to strip funding from sanctuary cities, although it's not clear he has the authority to do so anyway.

Complete? No.

Begin removing the more than two million criminal illegal immigrants from the country and cancel visas to foreign countries that won't take them back.

Trump has not issued any statements, directives, or order on immigration.

Complete? No.

Suspend immigration from terror-prone regions where vetting cannot safely occur. All vetting of people coming into our country will be considered "extreme vetting."

Again, Trump has not made public any statements or directives related to suspending immigration or reworking the vetting process.

Complete? No.

It's not a great score, even allowing for the extra three days: four or a generous five out of 18 complete. (It's not the first time Trump didn't follow through on a contract.) That doesn't mean Trump won't eventually keep these promises. During Monday's White House briefing, Spicer was asked why the president hadn't done all those things.

"We're going to continue to sequence that out," he said. "I think part of that is to make sure that we don't spend out entire day signing executive orders and bringing you in. There's a way that we can do this to make sure that we're getting all those things that he promised the American people done in short haste."

In other words: *Yeah, maybe we shouldn't have said we'd get all that stuff done quite on Day One.* Even for a president who pledged to reject the bureaucratic quicksand of Washington, D.C., it's not always easy to get things done as quickly as one might hope. But studies show that presidents do in fact follow through on most of their promises, and President Trump has a long list of other, larger vows to work on now.

The Washington Post

The first days inside Trump's White House: Fury, tumult and a reboot (UNE)

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

President Trump had just returned to the White House on Saturday from his final inauguration event, a tranquil interfaith prayer service, when the flashes of anger began to build.

Trump turned on the television to see a jarring juxtaposition — massive demonstrations around the globe protesting his day-old

presidency and footage of the sparser crowd at his inauguration, with large patches of white empty space on the Mall.

As his press secretary, Sean Spicer, was still unpacking boxes in his spacious new West Wing office, Trump grew increasingly and visibly enraged.

Pundits were dissing his turnout. The National Park Service had retweeted a photo unfavorably

comparing the size of his inauguration crowd with the one that attended Barack Obama's swearing-in ceremony in 2009. A journalist had misreported that Trump had removed the bust of Martin Luther King Jr. from the Oval Office. And celebrities at the protests were denouncing the new commander in chief — Madonna even referenced "blowing up the White House."

Trump's advisers suggested that he could push back in a simple tweet. Thomas J. Barrack Jr., a Trump confidant and the chairman of the Presidential Inaugural Committee, offered to deliver a statement addressing the crowd size.

(Thomas Johnson/The Washington Post)

During a briefing, White House press secretary Sean Spicer accused members of the press on

Saturday of “deliberately false” inaugural coverage. Fact-checking the White House’s inauguration claims. (Thomas Johnson/The Washington Post)

But Trump was adamant, aides said. Over the objections of his aides and advisers — who urged him to focus on policy and the broader goals of his presidency — the new president issued a decree: He wanted a fiery public response, and he wanted it to come from his press secretary.

Spicer’s resulting statement — delivered in an extended shout and brimming with falsehoods — underscores the extent to which the turbulence and competing factions that were a hallmark of Trump’s campaign have been transported to the White House.

The broader power struggles within the Trump operation have touched everything from the new administration’s communications shop to the expansive role of the president’s son-in-law to the formation of Trump’s political organization. At the center, as always, is Trump himself, whose ascent to the White House seems to have only heightened his acute sensitivity to criticism.

This account of Trump’s tumultuous first days in office comes from interviews with nearly a dozen senior White House officials and other Trump advisers and confidants, some of whom spoke on the condition of anonymity to describe private conversations and moments.

By most standards, Spicer’s statement Saturday did not go well. He appeared tired and nervous in an ill-fitting gray pinstripe suit. He publicly gave faulty facts and figures — which he said were provided to him by the Presidential Inaugural Committee — that prompted a new round of media scrutiny.

Many critics thought Spicer went too far and compromised his integrity. But in Trump’s mind, Spicer’s attack on the news media was not forceful enough. The president was also bothered that the spokesman read, at times haltingly, from a printed statement.

Trump has been resentful, even furious, at what he views as the media’s failure to reflect the magnitude of his achievements, and he feels demoralized that the public’s perception of his presidency so far does not necessarily align

with his own sense of accomplishment.

On Monday, Spicer returned to the lectern, crisply dressed and appearing more comfortable as he parried questions from the press corps.

“There is this constant theme to undercut the enormous support that he has,” he told reporters. “And I think that it’s just unbelievably frustrating when you’re continually told it’s not big enough, it’s not good enough, you can’t win.”

[Sean Spicer at press briefing: ‘Our intention is never to lie to you’]

Unlike other senior aides — Chief of Staff Reince Priebus, chief strategist Stephen K. Bannon, counselor Kellyanne Conway and senior adviser Jared Kushner, the president’s son-in-law — Spicer does not enjoy a close and long-standing personal relationship with Trump.

During the campaign, Trump was suspicious of both Priebus and Spicer, who ran the Republican National Committee and were seen as more loyal to the party than to its nominee. Some privately wonder whether Conway is now trying to undermine Spicer.

As Trump thought about staffing his administration following his surprise victory, he hesitated over selecting Spicer as White House press secretary. He did not see Spicer as particularly telegenic and preferred a woman for the position, asking Conway to do it and also considering conservative commentators Laura Ingraham and Monica Crowley — who ultimately stepped down from an administration job because of charges of plagiarism — before settling on Spicer at the urging of Priebus and others.

Yet if there was any doubt over the weekend about Spicer’s standing with the president, it seemed to have been erased by his performance Monday, at least for the moment. Trump told his senior team that he was pleased with Spicer’s more confident and relaxed turn at the lectern.

“His very first briefing as White House press secretary was a tour de force,” Conway said. “He engaged the media, he was respectful and firm, he talked about accountability on a two-way street, he gave facts, he broke news in terms of what the president was doing.”

But tensions and internal power struggles have plagued other parts of Trump’s fledgling orbit, too.

Efforts to launch an outside group supporting Trump’s agenda have stalled amid fighting between Kushner loyalists, such as the campaign’s data and digital strategist Brad Parscale, and conservative donor Rebekah Mercer, according to people familiar with the tensions. Major disputes include who would control the data the outside group would use, with Mercer advocating for Cambridge Analytica, a firm in which her father is invested, and who would control the lucrative contracts with vendors, these people said.

Two people close to the transition also said a number of Trump’s most loyal campaign aides have been alarmed by Kushner’s efforts to elbow aside anyone he perceives as a possible threat to his role as Trump’s chief consigliere. At one point during the transition, Kushner had argued internally against giving Conway a White House role, these two people said.

Because Conway operates outside of the official communications department, some aides grumble that she can go rogue when she pleases, offering her own message and promoting herself as much as the president. One suggested that Conway’s office on the second floor of the West Wing, as opposed to one closer to the Oval Office, was a sign of her diminished standing. Though Conway took over the workspace previously occupied by Valerie Jarrett, who had been Obama’s closest adviser, the confidant dismissively predicted that Trump would rarely climb a flight of stairs.

Yet that assessment may misunderstand the Trump-Conway relationship. The president admires her dogged and fearless defenses of him and respects her on-camera ability to dodge, diffuse and deflect whatever comes her way, according to numerous Trump advisers. On the eve of his inauguration, Trump called Conway on stage at a black-tie dinner to sing her praises.

Trump watched Sunday as Conway sparred with NBC’s Chuck Todd on “Meet the Press.” Some Trump allies were unsettled by her performance, but not the president, according to one official. He called Vice President Pence to rave about how she handled questions from Todd, whom Trump mocked on Twitter as “Sleepy Eyes,” and called

Conway to offer his congratulations. Trump was perturbed that the media focused on two words from Conway’s interview: “alternative facts.”

[How Kellyanne Conway ushered in the era of ‘alternative facts’]

Conway is arguably Trump’s most recognizable aide, which has caused her to receive threats against her life. She has been assigned a Secret Service detail, according to someone with detailed knowledge of the situation.

In perhaps the clearest sign of where the administration’s power center resides, the “Big Four” — Bannon, Conway, Kushner and Priebus — stood in the front row at Sunday afternoon’s swearing-in ceremony for senior staffers, in the White House’s East Room.

Conway herself said that while the advisers sometimes disagree, rumors of dissension are overblown.

“We’re a cohesive unit,” she said. “The senior team exhibits many of the characteristics President Trump has always valued: cohesion, collaboration, high energy and high impact.”

Please provide a valid email address.

Some Trump insiders have suggested tension between Conway and Priebus, but she said that could not be further from the truth. “I really respect the job that Reince is doing most of all,” Conway said. “He has a very good way of choosing battles wisely, which is a hallmark of a real leader and manager.”

Conway said she now hopes to limit her television appearances. Instead, she is taking on an expanded portfolio, which will include health care and veterans’ issues, and Pence — for whom she has worked for years as a pollster — is also expected to carve out more substantive responsibilities for her.

Longtime GOP fundraiser and adviser Fred Malek said that a president benefits from having advisers with distinct perspectives, noting the Ed Meese and Jim Baker debates in the Reagan White House.

“You want to have a robust discussion and you want to have competing points of view debated with vigor,” Malek said. “To the extent that results in bruised feelings sometimes, so be it.”

Trump takes aim at federal workers, trade deals as he settles into White House (UNE)

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

President Trump delivered on more campaign promises Monday by implementing a hiring freeze for most federal agencies, withdrawing from a major trade agreement and urging corporate executives to keep jobs in the country.

But his aides also signaled that the new administration will not move as quickly as Trump had promised earlier on other top priorities, including renegotiating the long-standing North American Free Trade Agreement (NAFTA) and undoing President Barack Obama's executive orders on immigration, including a policy that allows some undocumented immigrants who came here as children to stay lawfully.

Trump's clearest shot at what he has derided as Washington's broken system of governing came in the form of the hiring freeze. The president and his aides have portrayed federal agencies as bloated and wasting money.

But even the hiring freeze may promise more than it can deliver. It provided exemptions for those working in the military, which could include civilian employees, potentially leaving a large part of the federal workforce untouched by the order.

Trump kicked off his first full workweek with a whirlwind of activity — a breakfast with corporate leaders followed by a call with Egyptian President Abdel Fatah el-Sissi and meetings with union workers and congressional leaders.

(Bastien Inzaurre/The Washington Post)

President Trump started his first full week in office Jan. 23 by signing an executive order ending U.S. participation in the Trans-Pacific Partnership. President Trump started his first full week in office Jan. 23 by signing an executive order ending U.S. participation in the Trans-Pacific Partnership. (Video: Bastien Inzaurre/Photo: Matt McClain/The Washington Post)

Throughout the day, Trump maintained a heavy focus on trade, which was at the heart of his presidential campaign and one of the few areas in which he did not shift among positions. And he often seemed comfortably at home in the White House as he entertained,

signed orders, posed for photos and promised to disrupt Washington, just as he had electoral politics.

Monday opened with a "listening session" with leaders of some of the country's largest corporations — who stayed longer than planned to continue talking with Trump in the Oval Office. The president promised the group that he would cut taxes, fast-track their plans to open factories and wipe out at least 75 percent of government regulations.

"We're going to be cutting regulation massively," Trump said during a brief portion of the meeting that was open to the news media. "Now, we're going to have regulation, and it'll be just as strong and just as good and just as protective of the people as the regulation we have right now."

In exchange, Trump said companies must stay in the country and continue employing Americans. He again threatened to impose a "substantial border tax" on companies that move production out of the country. International-trade analysts said Trump may not have the authority to punish individual companies, while broad-based tariffs would violate existing treaties. Trump defended his idea as "fair."

"Don't leave," Trump said. "Don't fire your people in the United States. We have the greatest people."

After the meeting, Andrew Liveris of Dow Chemical told reporters that Trump and the chief executives discussed the border-tax proposal and the industries it would help or hurt. But Liveris added that Trump "is not going to do anything to harm competitiveness. He's going to actually make us all more competitive, recognizing there's a transition here. You can't get things done overnight."

Later in the morning, reporters witnessed Trump signing three pieces of paper that were briefly described aloud by White House Chief of Staff Reince Priebus as he handed them to the president. These documents, labeled executive orders by aides, were not released to the media or the public until late in the day, leaving many to wonder for hours what exactly the president was implementing.

First Trump signed a memorandum ordering the formal end of the United States' participation in the Trans-Pacific Partnership (TPP), a

long-standing campaign promise, although the move at this point is considered largely symbolic because the trade deal had little chance of being approved by Congress.

"We've been talking about it for a long time," Trump said as he held up the order. "Great thing for the American worker."

Trump had also promised to take steps on his first formal day in office to begin renegotiating NAFTA, but that deal went unmentioned Monday. Trump earlier said he will meet soon with the Canadian prime minister and the Mexican president to discuss renegotiating the agreement.

Then came an executive order that would implement a hiring freeze for many jobs in the federal government, another promise Trump made on the campaign trail.

"Except for the military," the president said as he signed the order. "Except for the military."

[Trump freezes hiring of many federal workers]

Finally, Trump signed an order resurrecting an abortion-related rule known as the Mexico City policy. The policy prohibits foreign nongovernmental organizations that receive federal funding from performing or promoting abortion services through their work in other countries. The policy takes its name from the location of a conference at which President Ronald Reagan instituted the restriction in 1984.

Since that time, the rule has been in place under Republican presidents while being lifted by Democratic residents of the Oval Office.

This signing seemed more like a party tradition than a new push by Trump, who had never mentioned the rule on the campaign trail. But he promised evangelical voters that he would remain opposed to abortion.

As reporters left the Oval Office, one asked the president about the lawsuit filed by a liberal watchdog group that alleges that Trump is in violation of a little-known constitutional provision that bars him from taking gifts or payments from foreign governments.

"Without merit," Trump said. "Totally without merit."

Soon attention shifted to Trump's press secretary, Sean Spicer, who endured rounds of criticism and

mockery for delivering a blistering statement Saturday in the White House briefing room that accused the media of underestimating Trump's inauguration crowd size and relied on a number of statistics that quickly proved to be inaccurate.

Spicer held his first formal briefing Monday afternoon to a standing-room-only crowd, opening with a joke about being less popular than his predecessor, Obama press secretary Josh Earnest.

The joke fell flat.

Spicer proceeded to answer questions for nearly 80 minutes, calling on more than three dozen reporters from a wide range of news outlets.

Even as he patiently worked the room, Spicer did not back down from his contention that the press was out to "undermine" the president, and he continued to insist that Trump's inauguration was the most watched in history, after television and Internet viewers were accounted for, without offering full evidence to back his claim.

[Fact Checker: Spicer earns four Pinocchios for claims on inauguration crowd]

"There's this constant attempt to undermine his credibility and the movement that he represents," Spicer said. "And it's frustrating for not just him, but I think so many of us that are trying to work to get this message out."

Spicer was asked why Trump was not following through on more of the campaign promises he pledged to fulfill on his first day in office.

"Part of it is to make sure that we don't spend our entire day signing executive orders," he said. "There's a way that we can do this to make sure that we're getting all of those things that he promised the American people done in short haste and doing it in a way that doesn't just jam them out in a fire hose."

Spicer also said that there had been "no decision" on moving the U.S. Embassy in Israel from Tel Aviv to Jerusalem, a Trump campaign promise that the president's designated ambassador to Israel, David M. Friedman, has said is a "high priority" for the administration.

Technically, the administration has until June to decide whether to renew a waiver, signed every six months by Obama and his predecessors, citing "national

security" reasons for not moving the embassy. The move would have major international significance; Jerusalem is claimed by both Israelis and Palestinians as their capital, and its status has long been considered the subject of future negotiations between the two. No other country has its embassy in Jerusalem.

Asked three times when and if the move would happen, Spicer repeated that the administration was only in the "early stages" of making a decision. "If it was already a decision," he said, "then we wouldn't be going through a

process." The Israeli media has been rife with reports than an announcement on the move was imminent.

Meanwhile, Trump was meeting with a small group of union leaders and workers to promote his executive order canceling participating in the TPP.

"This is a group I know well," the president said, noting that he had hired "thousands and thousands and thousands" of them over the years.

The New York Times

Alan Rappeport

Union leaders also met with Mr. Trump on Monday afternoon, the same day that Mr. Trump withdrew the United States from the Trans-Pacific Partnership trade agreement. While unions often ascribe the shift of manufacturing jobs abroad to "corporate greed," the migration is a result of a more complex corporate calculus.

Wall Street is pushing industrial companies to increase earnings at a double-digit rate when the American economy is growing by only 2 percent, and the quickest way to deliver higher profits is by reducing labor costs, whether through automation or by moving jobs to cheaper locales like Mexico or China.

In some cases, Gordon Gekko-like hedge fund managers are to blame, but much of the time, it is the drive for bigger returns on 401(k) accounts, pension plans and other retirement vehicles that depend on steadily rising corporate profits and, in turn, a buoyant stock market.

Just as significant is the desire by multinational corporations to go where the growth is, and many emerging-market economies, as well as China, are growing at more than twice the rate of the United States.

"Global capital doesn't have a social conscience," said Kevin W. Sharer, who teaches corporate strategy at Harvard Business School and served on the boards of 3M, Northrop Grumman and Chevron, in addition to running the biotech giant Amgen. "It will go where the returns are."

A case in point is Dow Chemical, whose chief executive, Andrew N. Liveris, leads a panel on manufacturing that Mr. Trump

Call to Create Jobs, or Else, Tests Trump's Sway (UNE)

Nelson D. Schwartz and

created. Mr. Liveris was at the White House on Monday.

At the end of 2015, Dow employed 49,500 people, about half of them in the United States, nearly 5,000 fewer than it did at the end of 2012. During the same period, the number of domestic Dow manufacturing locations fell to 55, from 58, but increased by five in Latin America and Asia.

Not that Mr. Liveris is necessarily to blame — he and the company were targeted in 2014 by the activist investor Daniel S. Loeb, who called for splitting the company in two to bolster profits and for the ousting of Mr. Liveris. After a multiyear battle, Mr. Loeb essentially prevailed, and Mr. Liveris will exit Dow after it completes a merger with DuPont later this year, with a breakup to follow.

Dow is hardly the only company to reduce its head count in recent years. International Paper, whose chief executive also attended the White House meeting, had its work force in the United States fall to roughly 34,000 in 2015, about 2,000 fewer than at the end of 2010.

The final piece of the manufacturing jobs puzzle is technology, said Bill George, who formerly ran Medtronic, a producer of pacemakers, stents and other medical devices, and who now teaches at Harvard Business School.

Mr. George noted that Ford Motor, which Mr. Trump has tangled with and whose chief executive was at the White House on Monday, employed a fraction of the workers it did two decades ago because its production lines were now highly automated.

Trump Vows to Cut Regulations 75%

"We think we can cut regulations by 75 percent — maybe more," President Trump said in a meeting

At the end of the day, Trump met with a bipartisan group of congressional leaders and declared it was the beginning of a "beautiful, beautiful relationship."

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As reporters were ushered out, Trump turned to business.

"We're about to make a big deal," he said, eliciting laughs around the table.

But Trump wasn't ready to quite move past discussing the election.

He spent about 10 minutes of the meeting providing a blow-by-blow of election night, according to a person familiar with the discussion, and continued to insist that there were between 3 million to 5 million illegal votes, without which he would have won the popular vote.

Amy Goldstein, Abby Phillip and Ylan Q. Mui contributed to this report.

with business leaders. He added that he would cut taxes "massively."

By CNBC on January 23, 2017. Photo by Doug Mills/The New York Times. Watch in Times Video »

Even boosters of the factory sector, like Scott Paul, president of the Alliance for American Manufacturing, an advocacy group, reacted cautiously to Mr. Trump's initial approach Monday.

"It's easy to get C.E.O.s to come in on the first day of his presidency and warn them they are on watch," Mr. Paul said. "I believe a lot of the C.E.O.s in that room want to do the right thing and create jobs in America, but the realities of Wall Street pressure and a globalized economy leads them to offshore a lot of these jobs."

Mr. Paul added that "there are a lot of villains to go around" and that he hoped Mr. Trump would send a similar message to Wall Street chiefs like Stephen A. Schwarzman, chief executive of Blackstone, and Jamie Dimon of JPMorgan Chase, both of whom sit on an advisory panel of private-sector leaders Mr. Trump created last month.

Mr. Trump made clear on Monday that his plan to reshape the economy and revive the manufacturing sector went beyond exhortations, however. Taxes are up next, he suggested, and when it comes to tax policy, one of his top priorities is to punish American companies that move jobs abroad.

To curb such behavior, Mr. Trump said, he plans to impose a "substantial" border tax on such firms. In the past, he has said the tariff could be as high as 35 percent.

The logistics of such a tax continue to befuddle both Republicans and Democrats. Many wonder what penalties companies such as General Motors, which already has a plant in Mexico, might face, or

what would happen to a technology giant such as Apple that has contracts with manufacturers in China but does not manufacture there itself.

It also remains unclear whether the threat would be carried out as part of a broader tax overhaul or would be imposed through executive powers. While Congress generally sets tax policy, the president does have authority to impose tariffs under certain circumstances.

Michael R. Strain of the conservative American Enterprise Institute said that Mr. Trump's idea to punish companies for sending jobs abroad was a protectionist proposal and that he anticipated corporate backlash if it came to fruition.

"Everything he's said about this has been so vague and ill defined, it's hard to think about it sensibly," Mr. Strain said. "It could be that the business community really starts pushing back against this stuff and it becomes a broader fight."

During the meeting on Monday, Mr. Trump also made the case that building in the United States would soon become a more cost-effective proposition because of his plans to cut the corporate tax rate to 15 or 20 percent and to reduce regulations.

He pointed to onerous environmental regulations as one area where changes could be on the way, and he insisted that, despite the more lax regulatory environment, protections would improve under his administration.

"There will be advantages to companies that do indeed make their products here," Mr. Trump said.

Of course, financial considerations like taxes and regulations alone do not guide corporate decision making.

Terry Gou, the chairman and founder of the Foxconn Technology Group, the largest contract electronics manufacturer in the world, is weighing a major investment to build a factory in the United States.

Mr. Gou, speaking at a company event in Taiwan on Sunday, suggested that the factory, a \$7

billion plant making flat-panel screens, could create 30,000 to 50,000 jobs and that Pennsylvania was the front-runner as a likely location.

Technology analysts were puzzled by the job projections Mr. Gou described because flat-panel displays, like computer chips, are produced in highly automated

factories. But if Foxconn does proceed with a factory in the United States, it will be as much a matter of the politics of trade as the industrial economics of high-tech manufacturing, analysts said.

Foxconn is based in Taiwan, but its largest operations are in China. Apple is its biggest customer, representing about half of

Foxconn's sales, and opening an American plant might be a way to alleviate White House pressure on Asian exporters like China and Taiwan.

THE WALL STREET JOURNAL

Donald Trump Focuses on Trade and Jobs (UNE)

Carol E. Lee and
Damian Paletta

Updated Jan. 23, 2017 7:50 p.m. ET

WASHINGTON—President Donald Trump started his first full workday at the White House focused on the U.S. economy, trade and jobs, the top themes of his campaign.

Amid a round of meetings with business leaders, labor union representatives and members of Congress, Mr. Trump signed a memorandum withdrawing the U.S. from the Trans-Pacific Partnership, a 12-nation trade deal that he claims would have resulted in lost U.S. jobs.

He also pledged to cut taxes and regulations that he said were blunting job growth and promised to impose a "very major" border tax on companies that move some operations overseas, which would require legislation.

At the meeting with labor leaders, Mr. Trump said he would negotiate bilateral trade deals, which he and his team say are easier to enforce, and he promised his administration would set strict restrictions on abiding by the terms.

"If somebody misbehaves, we are going to send them a letter of termination," Mr. Trump said. "Thirty days and they'll either straighten it out or we're gone."

On Monday, Mr. Trump also enacted a hiring freeze across the federal government, except for the military, and reinstated previous Republican presidents' "global gag rule" that blocks U.S. foreign-aid dollars going to international family-planning programs that offer abortion or advocate for abortion rights.

Sen. Richard Blumenthal (D., Conn.) criticized the abortion move, saying it "confirms our worst fears about his administration's assault on women's health care."

Mr. Trump made job creation central to his presidential campaign, hitting the theme repeatedly at rallies. During the transition to the White House, he publicly pressured companies—calling them out by

name—to maintain jobs in the U.S., with several subsequently announcing plans to maintain manufacturing plants in the country. It is unclear if those expansion and spending plans predated Election Day.

By making it the main message of his first full week in office, he is signaling the issue remains a top priority. He plans to meet Tuesday with the top executives of Ford Motor Co., Chrysler and General Motors Co.

Withdrawing the U.S. from TPP, a sweeping Pacific trade pact negotiated by President Barack Obama and backed by many Republicans in Congress, was largely symbolic, given that Congress wasn't expected to ratify it. Still, Mr. Trump said a formal withdrawal would be a "great thing for the American worker."

Sen. John McCain, an Arizona Republican who supports free trade, said on Monday the withdrawal from TPP would hurt rather than help job creation. "This decision will forfeit the opportunity to promote American exports, reduce trade barriers, open new markets and protect American invention and innovation," he said in a statement. "It will create an opening for China to rewrite the economic rules of the road at the expense of American workers."

At the start of his meeting with business leaders, Mr. Trump said he would work with Congress to cut taxes for the middle class and businesses, as well as reduce government regulations by at least 75%. Regulations, he said, have "gotten out of control." While he described himself as a friend of the environment, he said that "some of that stuff makes it impossible to get anything done."

"There will be no country that's going to be faster, better, more fair," he said.

Mr. Trump promised incentives for businesses that produce and hire in the U.S., but warned the leaders, "If you go to another country...we are going to be imposing a very major border tax."

"We don't have free trade because we're the only one that makes it easy to come into the country," he said.

Among the chief executives in attendance were the leaders of Ford, Lockheed Martin Corp., Under Armour Inc. and Whirlpool Corp., according to the companies, as well as Michael Dell and Tesla Motors Inc. CEO Elon Musk.

Dow Chemical Co. CEO Andrew Liveris said after the meeting that Mr. Trump asked them to come back to him within 30 days with specific ideas to boost U.S. manufacturing. He said Mr. Trump had to take a phone call halfway through the meeting but then invited the 12 CEOs to join him and continue their conversation in the Oval Office.

Mr. Liveris said the executives discussed at length with Mr. Trump his proposal to set up a tax on U.S. companies that manufacture goods in other countries and then import them back into the U.S. "We did talk about the border tax quite a bit, and we did talk about the sorts of industries that could be helped or hurt by that," Mr. Liveris said.

Ford CEO Mark Fields said he "came out with a lot of confidence that the president is very, very serious about making sure that the U.S. economy is going to be strong and have policies—tax, regulatory or trade—to help drive that."

Johnson & Johnson CEO Alex Gorsky said the meeting was productive and that he was pleased to talk with the president about job creation, corporate taxes and regulatory overhauls. "I'm looking forward to working with him and the new Congress," he said.

Marillyn Hewson, CEO of Lockheed Martin, said her company supports the president's efforts to end the defense sequester so the military can invest in equipment. "Ending these budget restrictions will allow industry to plan, invest and hire for the long term," she said.

Whirlpool and U.S. Steel referred all questions to the White House.

Mr. Trump's sessions on Monday come ahead of his planned meetings with the leaders of Canada, Mexico and the U.K.

Renegotiating the North American Free Trade Agreement with Mexico and Canada was one of Mr. Trump's campaign promises. He is also eyeing a new trade deal with the U.K. as the country follows through with its decision to exit from the European Union.

Mr. Trump has described his "border tax" in the past as a selective 35% tax on companies that outsource production to other countries and then import goods back to the U.S. That is different from the "border adjustment" that is a key feature of the House Republicans' tax plan. Mr. Trump has criticized that idea, which would tax all imports and exempt exports from U.S. business taxation.

After Mr. Trump's meeting with lawmakers late Monday, Senate Minority Leader Chuck Schumer (D., N.Y.) said that he "went over the reasons we needed discussion on nominations; a lot of debate and discussion." He added that meatballs were served.

Senate Majority Leader Mitch McConnell (R., Ky.) said that "it was a good bipartisan leadership meeting. It was really kind of more like a reception. I enjoyed listening to the president and Sen. Schumer talk about the people they knew in New York, for example. It was pretty lighthearted and a good way to start off."

House Minority Leader Nancy Pelosi (D., Calif.) said Democrats took the opportunity to pitch the importance of the Affordable Care Act, and to share their concerns about Mr. Trump's proposed infrastructure plan paid for with private financing through tax breaks.

"It has to be real infrastructure, not a tax break that allows somebody to be subsidized by the federal government to build something and then charge tolls to the taxpayer who's already subsidizing that purchase," she said.

Mike Colias,
Christina Rogers

and Joann S. Lublin

Jan. 23, 2017 11:40 a.m. ET

DETROIT—Auto executives typically spend the end of the year prepping for product debuts and thinking up ways to spark sales.

This time around, Detroit's chiefs devoted considerable time to trying to figure out how to deal with the nation's new commander in chief. Union bosses are being called in to consult on how to reshuffle factory work, board members are trying to figure out who has friends in President Donald Trump's new administration, and task forces have been created to monitor his Twitter account.

At a dinner party during the Detroit auto show early this month, Ford Motor Co. Chief Executive Mark Fields said he reread Mr. Trump's "The Art of the Deal" over the holidays. He first read it in the 1980s, but wants to better understand the new occupant of the Oval Office.

American companies, several of which have been scolded by Mr. Trump, often via Twitter, are suddenly grappling with a new, unpredictable force in their operations. Barbs have included the price the Pentagon pays for Lockheed Martin Corp. jets and whether Carrier Corp. assembles furnaces in Indiana. AT&T Inc. Chief Executive Randall Stephenson recently met with Mr. Trump, who had expressed concerns about the telecom giant's proposed purchase of Time Warner Inc.

Few industries have spent as much time in Mr. Trump's crosshairs as the U.S. auto sector. Less than a decade after U.S. auto makers bounced back from near catastrophe thanks to a bailout from Washington, they have been rattled by a series of tweets by Mr. Trump accusing them of not being sufficiently committed to U.S. jobs and investment, given their heavy reliance on overseas production.

"It's new territory for most of us," Fiat Chrysler Automobiles NV Chief Executive Sergio Marchionne said during a discussion with reporters earlier this month. "None of us have had a tweeting president before. It's a new way of communication, and we're going to have to learn how to respond."

Mr. Marchionne and the other heads of Detroit's Big Three auto makers—Mr. Fields and General Motors Co. Chief Executive Mary

Barra—are scheduled to meet with Mr. Trump for breakfast Tuesday to talk about jobs. White House press secretary Sean Spicer said on Monday.

A spokesman for the Trump administration didn't respond to requests for comment. In a recent interview, Mr. Trump defended pressuring individual companies to commit to U.S. investment. "I'm not micromanaging," he said.

The leaders of both GM and Ford have talked with Mr. Trump. Ford Chairman Bill Ford, Henry Ford's great-grandson, made a trip to Manhattan during the summer in an attempt to tone down campaign rhetoric.

Mr. Trump has thanked each of the Big Three auto makers for committing to U.S. investments, but his rhetoric on trade and import taxes continues to rattle auto executives. During a meeting of business leaders at the White House Monday that included Ford's Mr. Fields, the president said: "If you go to another country...we are going to be imposing a very major border tax."

Mr. Marchionne told reporters earlier this month: "This whole notion of discussing trade relations [on Twitter], I'm in the dark as much as you are."

Mr. Marchionne doesn't use Twitter, and Mr. Fields doesn't actively tweet from a personal account. GM's Ms. Barra uses the tool sparingly. Her account has published 318 tweets in 47 months of existence.

Mr. Marchionne was one of the few auto captains to get out in front of Mr. Trump's salvos, announcing on the eve of the Detroit auto show that Fiat Chrysler would invest \$1 billion in two Midwest factories and create 2,000 new jobs. Manufacturing investments aren't typical fodder for press releases issued during a major auto show. Mr. Marchionne denied any Trump influence on the timing of the news. The investments have been in the works for many months.

It is the second time in less than a decade that auto executives have had to carefully negotiate their position in Washington. In 2008, with Chrysler and GM running out of money, top executives and the head of the United Auto Workers union flew to Washington to seek federal bailouts for GM and Chrysler. Criticized during their initial sojourn for using corporate jets and producing too many gas-guzzling SUVs, executives were granted

substantial financing after they returned driving fuel-efficient sedans or electric cars.

In 2009, GM's then-CEO Rick Wagoner lost his job as a condition of bailouts. Ms. Barra was on Capitol Hill within three months of taking GM's helm in 2014, apologizing and explaining why it took the auto maker so long to recall millions of small cars with defective ignition switches. She emerged from the safety crisis as a respected tactician.

Auto executives, standing on firmer financial footing these days, hope there might be an upside to Mr. Trump's close attention—if they can use the wrangling over trade as an opportunity to push their own agendas. Auto makers remain unprepared to meet the Obama administration's stringent fuel-economy targets, standards Mr. Trump's nominee to head the Environmental Protection Agency has said he would review. Auto executives also have said they share Mr. Trump's concerns about other countries suppressing the value of their currencies.

Auto executives as far away from Detroit as Munich and Seoul are employing similar tactics to highlight billions of dollars in existing U.S. investment plans. The entire industry is globally integrated, in production, sales and supply chains, which the new administration could disrupt, and the U.S. market is of vital importance to most car makers.

Ms. Barra, a 55-year-old engineer who became the highest-ranking woman in the history of the U.S. car business, read a tweet by Mr. Trump on Jan. 3 criticizing the No. 1 U.S. auto maker for importing the Chevrolet Cruze from Mexico.

The early-morning missive came as GM was returning to work from the holiday break. Ms. Barra was readying a barrage of new product announcements for the North American International Auto Show the following week and preparing presentations for investors that included news of new share buybacks, plans for self-driving cars and an outlook for improved earnings.

She called Mr. Trump and told him the company was readying investment announcements that would include new job commitments. About a week later, during his press conference, Mr. Trump foreshadowed GM's announcement by saying he expected more auto industry news after Ford committed \$700 million to

upgrade a Detroit-area plant and Fiat Chrysler committed \$2 billion for factories in Ohio and Michigan.

Ms. Barra's phone call to Mr. Trump was part of a strategy put in place weeks before.

"There had been a substantial dialogue among the management team and between the management team and our board as to the landscape and how it might evolve and change," General Motors General Counsel Craig Glidden said in an interview, regarding Mr. Trump's campaign messages. "Certainly with the result of the election, those discussions intensified."

At GM's December board meeting, there was no formal discussion about Mr. Trump, said one person with familiar with the matter. Some directors chatted among themselves about whether any had connections among Mr. Trump's cabinet selections.

"What course does a corporation have?" this person said. "If you take him on [publicly], it affects your stock price."

Ms. Barra sought advice from certain board members about whether she should accept an invitation to serve on Mr. Trump's 20-member advisory panel on business, this person said. Board members encouraged her to accept—she later did—figuring more face time with the administration could allow her to help interject the industry's view on trade and other issues, the person said.

"If she's an ambassador, it's because she's influential and persuasive, not because she's necessarily asking for the role," said Mr. Glidden, who played an important role managing GM's interactions with the transition team.

Ms. Barra and her team began mobilizing to "package" some U.S. investment plans that would highlight to Mr. Trump the auto maker's commitment to U.S. jobs, another person familiar with the plan said. Last week, the company announced nearly 1,000 new or retained factory jobs and \$1 billion in fresh U.S. spending, becoming the latest auto maker to repackage preplanned investment news in a way that suits Mr. Trump's agenda.

Ms. Barra's discussion with Mr. Trump wasn't just about trade, focusing also on "ideas of regulatory relief," Mr. Glidden said. The discussions touched on various topics, including tax policy.

GM has committed to doubling its Mexico production capacity through 2018. GM directors, who next meet in February, may discuss future Mexico expansion and weigh Mr. Trump's views as "one more variable" before acting, said a person familiar with the matter. Board members also will ask executives to describe other possible Trump actions "where there will be negative publicity" for GM, this person said.

Mr. Trump's interactions with auto-industry chiefs extend back more than a decade to the days when he took the stage at the New York Auto Show as a spokesman for GM's luxury cars. As a candidate, Mr. Trump didn't criticize GM's Mexico investment plans, which are more expansive than its smaller Detroit rivals.

He focused instead on Ford. That spotlight prompted Mr. Ford, Ford's chairman, to visit Trump Tower last summer.

"I wanted to tell him we are everything he should be celebrating about what's right in America," said Mr. Ford. Mr. Trump was engaged, listened intently and asked a lot of questions as the two discussed trade, the North

American Free Trade Agreement, taxes and foreign exchange.

"I came away pleased," Mr. Ford said.

The good vibes faded in September when Mr. Trump was campaigning in Flint, Mich., the same day Mr. Fields, Ford's CEO, told investors it would move all its small-car production to San Luis Potosí, Mexico, to improve profit margins, and would retain jobs in the U.S.

Mr. Trump told a crowd that Ford's plan was "horrible" and said, "we shouldn't allow it to happen."

That frustrated some Ford executives, who had stressed the move wouldn't eliminate any U.S. jobs because the affected factory would get new models.

"We felt we had a really good plan," Ford's North America chief Joe Hinrichs said. "We thought the whole equation worked well, but it got lost in the Twitter world."

In the autumn, with small-car demand wilting and political pressure over a \$1.6 billion factory in Mexico mounting, Ford began considering a change of course. Although the election outlook was murky, the auto maker

knew it had a solid business case to rejigger an outsourcing plan that had become a banner theme in the Republican candidate's campaign.

Consulting the UAW, Ford executives began studying alternatives.

"I was really glad they were taking another look at it," Jimmy Settles, the union's top Ford bargainer, said in an interview. Mr. Settles said the company had ample space at existing factories to build new cars, including a Ford Focus compact that was struggling, and it would be more prudent to retool an existing plant.

In December, Ford directors were briefed by executives on plans to scrap the Mexico factory, and management approved a new strategy to reinvest in Ford's existing factories, including the upgrade of the Detroit-area plant.

Mr. Ford would talk with Mr. Trump several times after the election, including a mid-November call to tell the president-elect that Ford wouldn't be shipping production of small Lincoln SUVs to Mexico. That prompted Mr. Trump to take some credit for the move in a tweet.

Mr. Ford again called on Jan. 3 to say the Dearborn, Mich., auto maker ditched the Mexico factory.

"Look, he's a businessman," Mr. Ford said of Mr. Trump. "We're not going to make dumb decisions. We can't. He wouldn't expect us to, frankly. So it was the right business decision for us. And obviously it was something he was happy with, and, heck, I'm happy with."

A few days later, Toyota Motor Co. Chairman Akio Toyoda, also had also been challenged by Mr. Trump, announced his company would spend \$10 billion on its U.S. factories over the next five years—similar to its previous five of spending—on long-planned renovations.

Mr. Toyoda reached out to Vice President Mike Pence in Washington the day after the executive's appearance in Detroit. Toyota is a big employer in Mr. Pence's home state of Indiana.

—Chester Dawson and Sean McIn contributed to this article.

The New York Times

Editorial : President Trump's Big-Money Establishment

President Trump says his administration signals the end of "the establishment" that "has reaped the rewards of government while the people have borne the cost." He pledged in his campaign to tend to the interests of the forgotten workingman, and, in his Inaugural Address on Friday, said he was "transferring power from Washington, D.C., and giving it back to you, the people."

Mr. Trump may be out to challenge one establishment — the liberal elite — but he is installing one of his own, filled with tycoons, Wall Street heavyweights, cronies and a new rank of shadowy wealthy "advisers" unaccountable to anyone but him. His gilded cabinet, still being confirmed, presents a jarring contrast with his message.

Take first the Goldman Sachs crowd. The Trump campaign lambasted global financiers, led by Goldman, as having "robbed our working class," but here come two of the alleged miscreants: Gary Cohn, Goldman's president, named to lead the National Economic Council, and

Steven Mnuchin, named as Treasury secretary. Hardly the workingman's ideal of an anti-establishment figure, Mr. Mnuchin is the son of a Goldman partner who worked his way up to partner himself. Now a hedge fund manager, he has a net worth estimated as high as \$500 million and, like Mr. Cohn, has no public policy experience.

Mr. Mnuchin failed to disclose about \$100 million in personal assets to the Senate committee vetting him last week ("an oversight," he called it), as well as his role in an investment fund registered to a Cayman Islands tax haven. In his hearing, Mr. Mnuchin acknowledged that OneWest, a subprime lender he bought and rebranded, foreclosed on military veterans and widows in the aftermath of the housing crisis. Still, he said, he's "proud of our results."

Betsy DeVos, Mr. Trump's pick for education secretary, is an advocate for moving public money into private charter schools. Great wealth should certainly be no bar to public service, nor should it necessarily be a qualification. In her Senate

hearing, Ms. DeVos seemed bewildered by questions about public education policy, philosophy and law. But as the child of one billionaire and the spouse of another, her path to confirmation is most likely smoothed by her record of spreading cash to Republicans on the committee, and in the Senate.

Meanwhile, over at the State Department one finds Rex Tillerson, now busily divesting himself of many millions in Exxon stock. At Labor is Andrew Puzder, a Trump pal and fast-food magnate who has paid millions to settle class-action lawsuits over claims of labor law violations. He likes the idea of replacing workers with machines because, he said, "They're always polite, they always upsell, they never take a vacation, they never show up late, there's never a slip-and-fall, or an age, sex or race discrimination case."

And did Mr. Trump pick Linda McMahon, the billionaire ex-chief executive of World Wrestling Entertainment, for boss of the Small Business Administration because she's a start-up enterprise policy

wonk? Or was it because she and her husband, whose head Mr. Trump famously shaved in the ring, held two WrestleManias in a struggling Trump hotel and gave \$7 million toward his campaign?

Mr. Trump's odd interpretation of governance by the working class extends beyond his planned cabinet. He named Carl Icahn, 1980s corporate raider and close friend, his adviser on overhauling federal regulations, including those that govern financial empires. Corey Lewandowski, former Trump campaign manager, proudly tweeted about an article on his new lobbying business in which he is called "a D.C. fixer peddling access to the White House."

And on it goes. Standing in the rain during Mr. Trump's inaugural speech, farmers and factory workers, truckers, nurses and housekeepers greeted his anti-establishment words by cheering "Drain the Swamp!" even as the new president was standing knee-deep in a swamp of his own.

THE WALL STREET JOURNAL

Stephens : Trump: The Reader's Guide

Bret Stephens
That's according

to a report from Bloomberg, which noted that the German chancellor

has scoured old Donald Trump interviews in search of clues

regarding the 45th president's character, including one he did with

the men's magazine in 1990. Among the insights: "I could be happy living in a studio apartment." Sure.

Mr. Trump is what English teachers call an unreliable narrator, meaning Ms. Merkel is wasting her time reading such interviews. But that's not to say there aren't books to help explain the new president and his administration to the chancellor and other foreign leaders—and I don't mean "The Art of the Deal" or the various biographies written about him.

Start with literature. What character from fiction does Mr. Trump most resemble? I've seen comparisons to Robert Penn Warren's Willie Stark, F. Scott Fitzgerald's Jay Gatsby and Bret Easton Ellis's Patrick Bateman, a.k.a. "American Psycho."

But Mr. Trump's closest literary doppelgänger will be more familiar to Ms. Merkel: Mynheer Peeperkorn, from Thomas Mann's "Magic Mountain." Forceful, magnetic and "filthy rich," he speaks in "robustly prepared but incomprehensible phrases . . . a forefinger bent to form a circle with a thumb."

Read Mann's description of one of Peeperkorn's diatribes and ask yourself whether it reminds you of someone.

"He had said nothing. But his head had looked so incontrovertibly imposing, the play of features and gestures had been so definitive, compelling, and expressive that all of them . . . believed they had heard something very important or, to the extent that they were aware of the lack of anything communicated, and of any thought completed, they simply did not miss it."

Later in the novel, two of Mann's characters debate whether Peeperkorn is a genius or an idiot. "The issue of 'stupidity' and 'cleverness' is at times a complete mystery," observes Hans Castorp, the story's hero. "Let me ask you this question: Can you deny that he has us all in his pocket?"

Mann's final, impenetrable judgment of Peeperkorn: He's "a personality." He dies by suicide.

What about the Trump administration? Here too, foreign leaders are trying to figure out who, among the new cabinet secretaries and White House officials, is likely to have the president's ear. Will Rex Tillerson or James Mattis set policy on Russia? Will Steven Mnuchin or Wilbur Ross have the last word on trade?

Such speculation misses the point about the Trump presidency. It is not an administration in the usual sense. It's a royal court. The family rules. Bloodlines count. Princes and

princesses wield real political power and guard the king's treasures. Proofs of loyalty are delivered in the coin of conspicuous flattery and aggressive denunciation of critics. A suspicious, prickly and capricious ruler relies on confidants, not ministers, and treats his parliament with disdain. Queens from foreign lands come and go.

A frequent point of comparison here is the court of Henry VIII. Ms. Merkel could do worse than to read Peter Ackroyd's history of the Tudors, or Hilary Mantel's fictionalized account of Henry's court in "Wolf Hall." But the Tudors were larger figures than the Trumps—in their brilliance and debauchery, their intrigues and bloody-mindedness.

A better comparison might be to Napoleon III, an ostentatious real-estate developer trapped in the body of an overmatched statesman. "He is not an idiot," Victor Hugo wrote in "Napoleon the Little," his biography of Bonaparte's nephew. "He seems absurd and mad, because he is out of his place and time. Transport him to Spain in the 16th century, and Philip II would recognize him; to England, and Henry VIII would smile on him; to Italy, and Caesar Borgia would jump on his neck."

Finally, foreign leaders trying to understand the Trump phenomenon can also help themselves by

reading some of the classics of modern political thought.

One such book is Czeslaw Milosz's "The Captive Mind," which explains the psychological pathways intellectuals in postwar Poland took to justify and celebrate their new regime as the unsentimental agent of a necessary and inevitable future. Another book is Elias Canetti's "Crowds and Power," with its perceptive understanding of the "peculiar angry sensitiveness" of the crowd "against those it has once and forever nominated as enemies."

And then there is Hannah Arendt's "Origins of Totalitarianism," with its clear-eyed analysis of how public cynicism toward flawed political institutions can be transformed by a wily regime into an assault on foundational concepts of truth—the substitution of facts with Kellianne Conway's "alternative facts."

"One of the greatest advantages of the totalitarian elites of the twenties and thirties was to turn any statement of fact into a question of motive," Arendt wrote. Anyone watching Ms. Conway's performance with NBC's Chuck Todd on Sunday knows that one needn't be totalitarian, much less elite, to employ the same tactic.

Ms. Merkel, start reading.

NATIONAL REVIEW ONLINE

Davis Hanson : Trump & Economy: Prosperity Will Silence His Opponents

"Ten thousand cuts an awful lot of family ties."

— Pike Bishop in *The Wild Bunch*

When Ronald Reagan entered office in 1981 amid negative economic growth, roaring inflation, and high unemployment, his critics immediately grew emboldened and sought to ankle-bite him at every turn: Reagan purportedly had created homelessness all by himself; Reagan was on the verge of ensuring a "nuclear winter" and a "day after" desolation from a likely nuclear exchange, given his nihilistic tough stance against the Soviet Union.

After dismantling the air-traffic controllers' union, Reagan had supposedly endangered the lives of plane passengers and ruined the idea of unionism itself, replacing it with "let them eat cake" indifference.

Yet four years later — with an economy booming at over 7 percent per year — Reagan breezed to reelection victory. It was suddenly "Morning in America." His 1984 election opponent, a decent and

respected Walter Mondale, was reduced to a cardboard-cutout caricature of fossilized 1960s liberalism.

Bill Clinton did almost everything imaginable to destroy his presidency in his last two years in office: kinky sexual explorations with a young subordinate intern, lying under oath about his tawdry escapades, and a recrudescence of older sexual-harassment allegations. Most Americans believed that he was an inveterate liar and would never leave their teenage daughters in the same room with such a creepy sexual predator. No matter — he was not removed from office even though he'd been impeached. His Republican accusers never quite understood that the American people preferred having an economy with a growth rate above 4.5 percent to removing a sleazy Lothario from office.

George W. Bush got reelected in 2004 despite massive opposition to the ongoing Iraq War because the economy was growing at nearly 4

percent in 2004. He left unpopular in 2009, not only owing to Iraq (evidence was already in by January 2009 that his bold surge had worked) but also because the economy had imploded in September 2008.

One reason that a personally popular, landmark Barack Obama failed as president — aside from doubling the debt, institutionalizing zero interest rates, leaving a mess in the Middle East, and using his un-Midas touch to undermine nearly everything he tapped, from health care to immigration law to race relations — was that he was the first modern president under whose tenure the economy never reached a modest 3 percent economic-growth rate. Had Obama just achieved 4 percent economic growth, Hillary Clinton would be president.

In other words, economic growth and perceived prosperity cut a lot of political ties.

Reagan lacked the legislative apparatus to become a true revolutionary; Trump's windfall

Republican majorities almost force him into that insurrectionary role.

The election of Donald Trump has turned everything in the political world, from the trivial to the existential, upside down. He is the first non-politician without military experience to become president. The polls and press caricatured him for nearly two years as a classic loser. He won despite being outspent and out-organized, and without real support from his own party or the mainstream conservative press. The Left is rightly convinced that he is a danger to the postmodern redistributive state. The Never Trump Right is still invested in his eventual implosion, issuing "I warned you about him" messages in a nonstop effort of self-justification.

Trump's demeanor, language, and comportment remain antithetical to what we are accustomed to in a sober and judicious president. Cat-like Barack Obama gracefully tiptoed down the steps of Air Force One almost like a prissy

metrosexual; a grimacing Trump stalks about as if he were on a work site inspecting the cement on a newly laid foundation. Obama, with his Mussolini-like strutting jaw, conveyed collective revolutionary confidence to the Left; to Left and Right alike, the scowl from a slouching Trump suggests unrepentant payback to come.

The nation's stunning new First Lady is foreign-born and speaks heavily accented English. Trump is the first thrice-married president and the first billionaire to assume office. All that is just the personal disconnect from norms of the past.

On policy, Trump promises to outdo the reset of Ronald Reagan, who lacked Trump's Republican-controlled Congress, vast majorities in the state legislatures and governorships, and the blank-check authority bequeathed by Harry Reid and Barack Obama, whose ends-justify-any-means-necessary changes in legislative and executive protocols have fortified the presidency with enormous new avenues of power. Reagan lacked the legislative apparatus to become a true revolutionary; Trump's windfall Republican majorities almost force him into that insurrectionary role.

So Trump is intent on overturning Obama's therapeutic foreign policy, slashing federal spending, rebuilding the military, exporting fossil fuels, waging a cultural war against political correctness and the liberal media, and enforcing immigration law. In other words, from his person to his policies, Donald Trump is a revolutionary, with a huge target on his back that the foundations, universities, networks, major newspapers, Hollywood, and the coastal-strip elite will always have in their scope.

Indeed, in that regard, the Trump revolution's mantra of "drain the swamp" is a sort of political Roundup™ strategy: The root causes of progressive hysteria must be addressed by fundamentally recalibrating approaches to the media, the universities, and immigration. It seems that Trump means to challenge the tactics that to date have fueled left-wing agendas that otherwise would not gain support from a majority of the public.

Political observers, left and right, assume that Trump's mouth and personal recklessness will derail his agendas. Heraclitus's "a man's character is his destiny" (an obscure fragment [ἦθος ἀνθρώπῳ δαίμων] that could be translated in a variety

of quite different ways) is quoted ad nauseam to suggest that Trump's intrinsic and immutable flaws will inevitably lead to overweening arrogance and thus catastrophe, as nemesis catches up with him at precisely the most opportune — and embarrassing — moment.

Perhaps.

But it's far more likely that Trump's fate will hinge on his economic reforms. Achieve 4 percent-plus GDP growth rate and then Black Lives Matter, the residuals of Occupy Wall Street, the hysterical House Democrats, and the assorted unhinged fringe of Michael Moore, Lena Dunham, and Madonna will recede into the woodwork.

Economic growth cuts through political orthodoxy; economic stagnation intensifies it.

In truth, we are on the cusp of a great experiment. For decades, conservatives, both traditional and pro-growth supply-siders, have preached that deregulation, reasonable and predictable Federal Reserve interest rates, reduced government, a radically simplified and pruned-back tax code, new incentives for investment, an open energy market, and a can-do

psychological landscape that encourages entrepreneurship will make the economy soar at rates of 4 percent GDP and more.

We shall soon see. If Trump unleashes American know-how and strengthens the economy, then his cultural and domestic agendas, as well as his personal demeanor and language, however radical and jarring, will probably be accepted. In contrast, if he blows up the deficit and sees interest rates spike at Carter levels and the cost of debt service soar, if he allows unemployment to grow — while never exceeding Obama's dismal economic growth rates — then the Trump agenda will stall and the media will be liberated to obsess over the tweets, gaffes, and bombast of every nanosecond of his presidency.

Economic growth cuts through political orthodoxy; economic stagnation intensifies it. Regrettably or not, prosperity, not character per se, determines a president's political fate.

— NRO contributor Victor Davis Hanson is a classicist and historian at the Hoover Institution, Stanford University, and the author, most recently, of *The Savior Generals*.

The New York Times

Mike Pompeo Is Confirmed to Lead C.I.A., as Rex Tillerson Advances

Matt Fliegenheimer

Several hours later, by a party-line vote of 11-10, Mr. Tillerson won the committee's recommendation. As Mr. Rubio explained his vote to reporters after the hearing, a heckler sidled up beside him with a teasing prop: a model of a spine.

Mr. Tillerson must still clear a full Senate vote in order to join the administration. Mr. Trump's aides and Senate allies had hoped to win approval on several nominees on Inauguration Day, but only two national security posts — the defense secretary, James N. Mattis, and the homeland security secretary, John F. Kelly — were filled.

On Monday, Mr. Pompeo joined them, with the Senate convening to approve his selection, 66 to 32, after a debate that stretched into the evening.

In their bid to confirm cabinet picks quickly, Republicans have been hamstrung at times by lax preparation from Mr. Trump's team and the sprawling financial holdings of many of his nominees, which have produced reams of ethics paperwork.

Still, Democrats are powerless to stop any nominees on their own. They have sought to use the confirmation process as a showcase for what they call the extreme positions of the prospective Trump cabinet and the ethical lapses that have dogged some of his selections.

"I know why our Republican colleagues want to rush these nominees through," said Senator Chuck Schumer of New York, the minority leader, who has taken to calling Mr. Trump's team a "swamp cabinet."

"We're not stalling nominations," he added. "This isn't sport. This is serious stuff."

Senator Mitch McConnell of Kentucky, the majority leader, urged Democrats to stand down. "Let's join hands and move forward," he said.

Earlier, a group of Democratic senators formally requested a second hearing for Betsy DeVos, the nominee for education secretary, after an initial review of her ethics papers. They cited potential conflicts of interest and efforts by Republicans to limit questions at her hearing last week.

Ms. DeVos struggled through the hearing before the Senate Committee on Health, Education, Labor and Pensions, appearing uncertain on some basics of federal education policy.

In response to the Democrats' letter, the office of Senator Lamar Alexander, Republican of Tennessee and the committee's chairman, said there would be no second hearing, adding that Ms. DeVos had already spent more time and answered more questions than former President Barack Obama's nominees for education secretary had.

Ms. DeVos is scheduled for a committee vote next week. Several other nominees are expected to be considered by other Senate committees this week, clearing the path for their confirmations. They include Senator Jeff Sessions of Alabama, Mr. Trump's choice for attorney general; Ben Carson, his pick to lead the Department of Housing and Urban Development; Wilbur L. Ross, the nominee for commerce secretary; and Elaine Chao, the nominee for transportation secretary.

Hearings are scheduled on Tuesday for Representative Tom Price of

Georgia, Mr. Trump's nominee for secretary of health and human services; Representative Mick Mulvaney of South Carolina, his choice for White House budget director; and Linda McMahon, Mr. Trump's pick to lead the Small Business Administration.

On Monday, the chamber's focus was on Mr. Pompeo. Though Republicans had hoped to hold the vote just after the inauguration, some Democrats objected to what they viewed as an effort to curb debate on intelligence issues.

"We ought to have a debate in broad daylight, not when senators are trying to figure out if their tux is going to fit," Senator Ron Wyden of Oregon said at the time.

Mr. Wyden continued his push on Monday, suggesting Mr. Pompeo's record conveyed "enthusiasm for sweeping new surveillance programs targeting Americans," among other concerns.

But Mr. Pompeo did earn the support of some Democrats, limiting drama on the floor.

The most highly anticipated vote of the day had been Mr. Rubio's, on another Trump selection. With his explosive questioning of Mr.

Tillerson at the hearing two weeks ago, the former 2016 presidential hopeful had once again seized an outsize spotlight.

But Mr. Rubio also seemed to feed critics' perception of him as squishy on matters of conviction, reinforcing his history of public vacillating and

backtracking.

He worked on immigration reform in 2013, before distancing himself from the legislation during last year's Republican primaries. He sold "#NeverTrump" bumper stickers on his campaign website, before announcing his support for Mr. Trump once he dropped out. He

said he would not run for re-election to the Senate, weeks before revealing a change of heart.

"The only thing you can consistently count on when it comes to Marco Rubio is his capacity to cave," said Ben Domenech, publisher of The Federalist, a conservative online publication.

In his statement on Facebook, Mr. Rubio concluded with a warning: "Upcoming appointments to critical posts in the Department of State are not entitled to, and will not receive from me, the same level of deference I have given this nomination."

The New York Times Trump Repeats Lie About Popular Vote in Meeting With Lawmakers (UNE)

Michael D. Shear and Emmarie Huettelman

Moving into the White House appears not to have tempered that anxiety. Several people familiar with the closed-door meeting Monday night, who asked to remain anonymous in discussing a private conversation, said Mr. Trump used the opportunity to brag about his victory.

As part of that conversation, Mr. Trump asserted that between three million and five million unauthorized immigrants voted for Mrs. Clinton. That is similar to a Twitter message he posted in late November that said he would have won the popular vote "if you deduct the millions of people who voted illegally."

Voting officials across the country have said there is virtually no evidence of people voting illegally, and certainly not millions of them. White House officials did not respond to requests for a comment on Mr. Trump's discussion of the issue.

Representative Steny H. Hoyer, Democrat of Maryland, who attended the meeting, said that Mr. Trump also talked about the size of the crowd for his Inaugural Address.

"It was a huge crowd, a magnificent crowd. I haven't seen such a crowd as big as this," Mr. Hoyer told CNN, quoting Mr. Trump. He added that Mr. Trump did not "spend a lot of time on that, but it was clear that it

was still on his mind."

The president's comments about the election results and his inauguration came as he gathered the bipartisan leadership of Congress for a White House reception. He also sought to build support for an ambitious legislative agenda, despite days earlier castigating the very institution he needs to approve it.

Mr. Trump has said he intends to press Congress to move quickly to repeal and replace Mr. Obama's health care law, pass a large investment in the nation's infrastructure, make changes to the country's immigration laws and overhaul the tax system.

Senator John Cornyn, Republican of Texas, called the meeting a "good sort of get-to-know-you session" and noted that "relationships count for a lot in this business."

Mr. Cornyn said he thought such sessions would be more frequent while Mr. Trump is in office than they were during Mr. Obama's tenure. Mr. Obama famously disliked socializing with members of Congress.

Referring to Democrats, Mr. Cornyn said, "They said they'd never been over to the White House for anything like this before."

Representative Nancy Pelosi of California, the Democratic leader, said it was an "interesting" meeting.

Along with health care and infrastructure, she said they discussed China and currency manipulation, as well as issues involving intellectual property rights, which she said were a point of agreement.

"We talked about the Affordable Care Act and said what the Affordable Care Act has been successful in doing is improving quality, expanding access and lowering costs," she told reporters. "And any proposal that they might have that does that, we'd be interested in hearing about."

Even with Republicans in control of Congress, Mr. Trump will have to build relationships in a city that he spent more time mocking than praising during his campaign.

In his Inaugural Address, the president criticized the political establishment, saying the people assembled behind him — including the leaders he met with on Monday — had "reaped the rewards of government while the people have borne the cost."

White House officials said the meeting was designed to press the lawmakers on the need to move quickly.

The reception included, among others, House Speaker Paul D. Ryan of Wisconsin and Senator Mitch McConnell of Kentucky, the majority leader, as well as Ms.

Pelosi and Senator Chuck Schumer of New York.

"The American people are frustrated with the lack of progress here in Washington, and the president wants no delay in addressing our most pressing issues," said Sean Spicer, the White House press secretary. "He's taking every opportunity to forge strong bonds with congressional leaders on both sides of the aisle."

As the group sat around a dining room table for photographs, Mr. Trump described his interactions with lawmakers.

A "beautiful, beautiful relationship," Mr. Trump told reporters.

That has not always been the case. Before Mr. Trump secured the Republican nomination, Mr. Ryan pointedly declined to endorse him. At one point, Mr. Ryan said he was "not ready" to back Mr. Trump after his remarks about women and Hispanics and because of his divergence from Republican orthodoxy.

That relationship slowly improved after Mr. Trump became the party's nominee and later won the election to become the 45th president. Monday's reception, officials said, was another step in that process.

THE WALL STREET JOURNAL

Goodman : Congress Has Already Started to Repeal ObamaCare

John C. Goodman

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The provision was buried deep in a 1,000-page bill that Congress passed in December by large bipartisan majorities. Most lawmakers probably didn't know it was there. Yet it is the start of an answer to the biggest question on Washington's mind: What to do about ObamaCare?

The 21st Century Cures Act, which President Obama signed Dec. 13, focuses mainly on helping patients

obtain breakthrough drugs and medical devices. But it also includes provisions that will give small employers—those with fewer than 50 workers—more flexibility in the insurance marketplace. As Republicans debate how to replace ObamaCare, giving that same flexibility to all employers would be a perfect place to start.

One reason that most Americans get health insurance through work is that there are tax advantages for doing so: Employers can pay for the insurance with pretax dollars. If companies wanted to simply give

their workers cash, and let the employees choose their own insurance, that money would be taxed by Uncle Sam.

The problem is that this system ties the worker's insurance to his job. If he quits, he loses coverage. Polls have consistently shown that what employees most want in health insurance is portability. They want to own their policy and take it from job to job.

Many companies would like to accommodate this by giving employees a "defined

contribution"—a fixed amount of money—and letting them choose their own health insurance. Thanks to the 21st Century Cures Act, small employers now can do this. They can put pretax dollars into accounts called Health Reimbursement Arrangements, or HRAs. Workers can then use that money to buy their own health coverage.

This represents an abrupt reversal of policy. Since 2015 the Obama administration has been threatening to punish any employer who used HRA accounts in this way with a

fine as high as \$100 per employee per day.

Small companies were already exempt from ObamaCare's employer mandate, but this has taken on increased importance. They are now the only employers that can choose how health insurance will be subsidized by the federal government. They can (1) use pretax dollars to provide health insurance directly; (2) pay higher taxable wages and allow the employees to buy their own insurance, benefiting from the ObamaCare tax credits if they qualify; or (3) put pretax dollars into an HRA. Extending this freedom to all employers would be a remarkably effective solution to ObamaCare's many problems.

One reason so little progress has been made in increasing employer-based coverage is that larger companies are meeting the law's minimum requirements by offering low-wage workers bronze ObamaCare plans. But these plans

might have deductibles of \$6,000 or more and premiums equal to 9.5% of the employee's wage. Workers routinely reject this kind of coverage.

What if these firms were given the same choice that small businesses have? What if they could put money into an HRA for each employee, which the worker could then use to purchase coverage on his own, with the help of tax credits?

Economists like tax credits because of their incentive effects. They subsidize the first dollars of coverage (basic insurance we want everyone to have) instead of the last dollars (extensive policies with bells and whistles). Such credits also allow employees to forgo unneeded coverage and increase their take-home pay, without tax penalty.

The tax credits offered in the ObamaCare exchanges favor low-wage workers, since the subsidies start high and phase out as income

rises. On the other hand, the ability to buy insurance with pretax dollars favors high-wage workers, since the value of that option depends on the employee's tax bracket. But a universal tax credit, which is what some Republicans are proposing, would offer the same amount for everyone, regardless of income.

These changes wouldn't solve every problem with ObamaCare. Lawmakers would still need to stop the race to the bottom in which insurers try to attract healthy people and scare off sick ones with narrow networks and sky-high deductibles. One method: Impose financial penalties on insurers who drive enrollees to other plans. Another issue is how to prevent people from gaming the system by remaining uninsured until they get sick. Medicare has managed to do that by charging seniors higher premiums if they don't sign up when they are eligible.

Fortunately, there is legislation to accomplish all this and more. Rep.

Pete Sessions (R., Texas) and Sen. Bill Cassidy (R., La.) have offered a bill to create a universal tax credit worth \$2,500 for an adult and \$8,000 for a family of four. That's generous enough to allow everyone access to Medicaid-like coverage. The bill would remove federal impediments to portable insurance, offer large employers a choice of tax regimes (tax credits or the current system), and give every American access to a Health Savings Account.

We have already done much of this for small businesses without any partisan bickering at all. It should be a no-brainer to give big companies the same flexibility.

Mr. Goodman is president of the Goodman Institute for Public Policy Research and the author of "Priceless: Solving America's Healthcare Crisis" (Independent Institute, 2012).

POLITICO **GOP split over Medicaid imperils Obamacare plans**

By Joel Wit and
Richard Sokolsky

Republicans want to cut costs, return control to states and keep people covered — a near impossibility.

Top GOP lawmakers and President Donald Trump are coalescing around a plan to turn Medicaid over to the states as part of their Obamacare replacement. But the push is already driving a wedge between congressional Republicans and could gum up the repeal process altogether.

Conservatives have long called for block-granting Medicaid, which would cap spending and give states direct control over the program that provides health care coverage for low-income Americans. That goal is finally within reach now that Republicans control both chambers of Congress and the White House.

Story Continued Below

But divisions over how to do it are already causing tension. At the crux of the matter is an impossible task set forth by Trump: In recent interviews he has said he wants to block-grant Medicaid funding to the states but also ensure the roughly 11 million people who received coverage under the Affordable Care Act's Medicaid expansion do not lose it.

Those two things are fundamentally at odds with each other because block grants are widely viewed as likely to result in sweeping cuts in government-subsidized health

insurance for the poor. The mixed signals to the Hill are making it hard for lawmakers to get on the same page and coalesce around a plan.

Some, like Sen. Steve Daines (R-Mont.), whose state expanded Medicaid under Obamacare to cover 60,000 Montanans, say it's important that low-income individuals not lose the help they currently receive.

"I'm not seeing any proposal or discussion around a replacement that doesn't address the fact that we've got to take care of these folks that have expanded Medicaid," Daines said.

Contrast that with House Budget Vice Chairman Todd Rokita, a strong advocate of block granting.

"Medicaid is among the top three drivers of our debt," the Indiana Republican said. "It's unfair for the citizens of tomorrow to bear the burden through our debt load for the health care of today's poor, and it's especially not fair for them to pay for [able-bodied adults] who otherwise should be making their own way."

How to handle Medicaid is one of the most pressing issues on the Hill: Republicans can't repeal Obamacare until they figure out what to do with Medicaid, given that GOP lawmakers from expansion states are worried about what's going to happen to their constituents.

Trump's ambiguous signals about how he wants to proceed will likely

come up at the GOP retreat in Philadelphia this week. In the meantime, White House officials and Hill leaders are looking into whether they can tuck Medicaid reforms into the fast-track Obamacare repeal bill set to pass both chambers in March or April.

If Republicans can figure out how to reform Medicaid using the so-called budget reconciliation procedure, they won't need Democratic help. If they can't, they will need the support of at least eight Democrats to get 60 votes in the Senate, a task that's likely to prove impossible.

But even if they can ignore Democrats, they will still need to reconcile the push for program cutbacks with Trump's promise to keep coverage for low-income Americans.

"We're going to continue with the Medicaid expansion but with a form hopefully that gives the states a lot more flexibility," said Sen. John Hoeven (R-N.D.), who hails from a state that expanded Medicaid.

More conservative Republicans prefer block granting Medicaid funding to the states at a fixed rate, which would save Uncle Sam money but would also mean steep cuts to the program aimed at the nation's poorest. In total, Medicaid covers roughly 70 million Americans, all of whom might be affected depending on how a plan is constructed.

Almost all of the House GOP budgets for the past few years have

included a block-granting proposal. Trump's pick to lead the Department of Health and Human Services, Rep. Tom Price, has also backed the idea. And conservatives say it will cut anywhere from \$1 trillion to \$2 trillion over a decade — savings they could use to pay for their own Obamacare alternative.

"My view is that was an inappropriate expansion of Medicaid. And it's part of what needs to be repealed," said Sen. Pat Toomey of Pennsylvania, who argued the expansion of Medicaid never should have happened.

Although nearly 700,000 of Toomey's constituents have benefited from the Medicaid expansion, Toomey said Republicans should "make health care more affordable so people can buy it, not to make them dependent on a government program that has a very mixed record."

Constituents rally supporting the Affordable Care Act in an event organized by MoveOn.org outside Sen. Pat Toomey's office on Dec. 20, 2016, in Philadelphia. | Getty

But most Senate Republicans, and more than a few House moderates, are leaning toward a plan that would base Medicaid funding on the number of people who qualify for it rather than on a fixed cap. Known as "per beneficiary" or "per capita" payments, the system allocates a set amount of money per enrollee,

which would be more generous in years when there's greater demand among low-income people for health insurance rather than a fixed annual number under strict block grants.

Supporters say this is a less extreme reform that's more likely to win bipartisan support. Straight block grants, said Sen. Bill Cassidy (R-La.), don't account for demographic or population changes or health costs that vary significantly from state to state.

"What I would like to do is take the revenue that a state or federal receiver would receive, give it to the state, free them from the encumbrances of Medicaid and allow them to come up with a plan to cover more people, per beneficiary," said Cassidy, whose home state has covered roughly 375,000 people under Obamacare's expansion of the program.

Conservatives, like Rokita, say

that's not what he called a "true" block grant and that it will be expensive. Plus, he argues, it means the federal government "still decides who is entitled to the benefit," he said.

"States should decide this based on local circumstance," he said. "One-size-fits-all type categories and formulas just cause inefficiency and bad allocation of resources. And limiting a resource, like block grants do, always increases innovation and efficiency."

Speaker Paul Ryan in his "Better Way" agenda tried to split the differences, proposing that states be allowed to choose which option they prefer.

Both plans could face an uphill battle. Critics, especially Democrats, say the basic goal of transforming Medicaid from an open-ended entitlement to one in which federal funds are limited, would put coverage for millions of

low-income people at risk. They're unlikely to support either plan.

"I can't conceive of any way in which a block grant would not put vulnerable people at risk," Sen. Ron Wyden (D-Ore.) said. Republicans want, he said, "an ideological trophy — the repeal of [Obamacare] — and then maybe down the road we'll talk about poor people."

Republican governors, meanwhile, have been pleading with Hill leaders to make sure Medicaid expansion states aren't given short shrift, as several met with GOP senators last week to discuss overhauling Obamacare and making broader changes to Medicaid.

"Everybody is very clear that the states that expanded and those that didn't, that there be some sort of way that we equitably treat both," Sen. John Thune (R-S.D.) said after meeting with state officials Thursday. "You can't punish people for expanding."

Even Trump's top advisers are starting from different places, given states' varying choices on whether to expand Medicaid as part of Obamacare. While Price's home state of Georgia did not expand Medicaid, Vice President Mike Pence took up that piece of Obamacare as Indiana governor. And many conservative states have not expanded the program, complicating efforts to treat each state equally because they receive vastly different amounts of federal funding.

"Many of the states that voted for President Trump hadn't expanded Medicaid," said a lawmaker close to both GOP leaders and the Trump administration. "It's hard to imagine that we'll come up with a solution that penalizes them for making that decision."



Garrett : Gag me: Trump's anti-abortion executive order

Laurie Garrett is a senior fellow for global health at the Council on Foreign Relations and a Pulitzer Prize-winning writer. The opinions expressed in this commentary are hers.

(CNN)Here we go again. The bad old days of United States foreign assistance are coming back, now that President Donald Trump signed an executive order reinstating the global gag rule on overseas discussion of abortion by individuals and organizations receiving federal funding. We have been here twice before -- under Presidents Ronald Reagan and George W. Bush -- and we know that this order often backfires, leading to increased abortion rates.

Since 1973, under the Helms Amendment, it has been illegal to use US government money to directly fund abortions overseas. The global gag rule, introduced by President Ronald Reagan in 1984 as part of his Mexico City Policy, made discussion of abortion by a group receiving federal support for any purpose illegal.

"The United States does not consider abortion an acceptable element of family planning programs and will no longer contribute to those of which it is a part," read the rule. "The United States will no longer contribute to separate nongovernmental organizations which perform or actively promote abortion as a method of family planning in other nations."

Implementation of the global gag rule went well beyond abortion to effectively limit all discussions of family planning, including condom use to prevent HIV infection and multiyear spacing of pregnancies to avoid maternal deaths. Organizations as diverse as the World Health Organization, the United Nations Population Fund and Family Health International lost millions of dollars in support from the US government during the years the gag rule was enforced.

In 1993, President Bill Clinton rescinded the global gag rule. However, in 2001, President George W. Bush not only reinstated it, but appointed Bill Steiger, head of the Office of Global Health Affairs in the Department of Health and Human Services, to act as its enforcer. Even as the historic President's Emergency Program for AIDS Relief, or PEPFAR, unfolded, Steiger's team made sure AIDS groups promoting condom and birth control strategies lost government funding. In the original 2003 language of PEPFAR, the Bush administration added still more teeth to the global gag rule, prohibiting funding of any group that "promotes or advocates" legalization and practice of prostitution and sex trafficking.

Women's health and HIV/AIDS organizations felt, justifiably, that the global gag rule made it impossible to engage in family planning and HIV prevention efforts, and many American groups that accepted US government funds after acceding to the rules were denied access to international

meetings, shunned by counterpart non-American groups.

In 2006, the Congressional General Accountability Office concluded that the global gag rule, coupled with abstinence promotion, was impeding the global fight against HIV. A series of legal challenges arguing the rule violated the First Amendment right to free speech made their way through federal courts.

Three days after his inauguration in 2009, President Barack Obama rescinded the global gag rule. And in 2011, researchers from Stanford University published striking evidence that the global gag rule had, perversely, increased abortion rates. In a survey of 20 poor countries receiving foreign assistance from the United States during the 1994 to 2008 time frame, the researchers, "found robust empirical patterns suggesting that the Mexico City Policy is associated with increases in abortion rates in sub-Saharan African countries."

Where the Mexico City Policy was "high exposure" and enforced by US agencies, and adopted by the local government and NGOs, birth control use was low, particularly compared to use rates in countries that hadn't been saturated with anti-abortion, pro-abstinence messaging.

And in those same "high exposure" countries saturated with abstinence messaging, and gagged under the Mexico City Policy, abortion rates soared.

Now President Trump wants to turn back the clock to the 1980s, when televangelist Billy Graham declared, "AIDS is a judgment of God."

White House press secretary Sean Spicer told reporters in a press conference on Monday that, "It's no secret," that Trump "is a pro-life president." Trump "wants to stand up for all Americans, including the unborn," Spicer continued.

But this isn't 1984, and Donald Trump is no Ronald Reagan. In the United States, abortion rates last year were the lowest seen since the CDC started tracking the numbers. The procedure is less frequently used today because women and teenagers have access to birth control, sex education and the right to make choices about reproduction.

Contraceptive technology has improved since the 1980s, more women are in the labor force trying to balance work and family care duties and the global health community has become accustomed to incorporating family planning into general health and medical programs.

The world begrudgingly worked around the gag rule in the 1980s, fought it and the abstinence prevention strategy during the George W. Bush years and will likely do battle with reinstated gags in 2017. Limiting family sizes to slow population expansion and prevent maternal mortality is a matter of policy throughout the United Nations and most of the 194 nations today.

All the failures, bureaucratic nightmares and -- yes -- increases in abortion rates will now follow the gag rule reinstatement. It is an

irrational 2017 policy that will produce a backlash. I cannot imagine what effect Trump imagines, but reinstating the gag

rule in 2017 will certainly fail to have the effect Reagan envisioned.

The New York Times Trump Revives Ban on Foreign Aid to Groups That Give Abortion Counseling

Somini Sengupta

Critics said the order reflected the new administration's disregard of women's reproductive health rights, whose advocates were an important force in the protest marches in Washington and other cities after Mr. Trump's inauguration.

It revives what is known as the Mexico City policy, so named because President Ronald Reagan announced it in 1984 during a United Nations population conference in Mexico City. Critics call it the global gag rule. Since Reagan, Democratic administrations have suspended the policy and Republicans have reimposed it.

Some women's health advocates interpreted Mr. Trump's order as a huge expansion of the policy. Adrienne Lee, a spokeswoman for PAI, a reproductive rights group in Washington, said the order would cut funding to "every program that falls under global health assistance."

Asked at his first official briefing on Monday what message the administration was sending by reinstating the policy as one of its first orders of business, Sean Spicer, the White House spokesman, told reporters that Mr. Trump had "made it very clear that he's a pro-life president."

"He wants to stand up for all Americans, including the unborn, and I think the reinstatement of this policy is not just something that echoes that value but respects taxpayer funding as well," Mr. Spicer said.

Health experts say the policy has not led to a decline in abortions in the affected countries. Some research suggests that it has had the opposite effect: increasing abortion rates by forcing health clinics to close or to restrict contraceptive supplies because of lack of funding. Others say the restriction only heightens the risk of illegal and often unsafe abortions.

The impact of Mr. Trump's order is likely to be felt beyond abortion services, which cannot be carried out with federal funding under a 1973 law known as the Helms Amendment, after former Senator Jesse Helms.

Critics said the order would hinder the ability of women in poor countries to obtain reproductive health services, including family planning, by severing American funding to health clinics that offer a variety of services, including abortion counseling.

The International Planned Parenthood Federation said its partners in Nepal, Kenya and Ethiopia had lost American funding the last time the policy was in effect, during the Bush administration. Because nongovernmental groups in those countries refused to accept the conditions of the policy, they were compelled to close clinics and offer fewer contraceptives, said Kelly Castagnaro, a Planned Parenthood spokeswoman.

A study of 20 sub-Saharan African countries by Stanford University researchers found that in countries that relied heavily on funding from the United States for reproductive health services, abortion rates rose when the Reagan-era policy was in place.

"When the policy comes on, fewer women get contraceptives in countries that depend on U.S. funding for family planning," Eran Bendavid, the lead author of the study, said on Monday.

Ms. Castagnaro said the revival of the Mexico City policy could cost Planned Parenthood about \$100 million in American funding over the next four years.

In recent decades, abortion rates have declined sharply in the richest countries, including the United States, where the rate has fallen to its lowest level since the Supreme Court legalized abortion in 1973, according to the Guttmacher Institute, a research group that supports abortion rights. Rates have remained steady in the developing world since the early 1990s.

The World Health Organization says 225 million women in developing nations would like to delay childbearing but are not using contraception for a variety of reasons, including a lack of access.

"President Trump's reinstatement of the global gag rule ignores decades of research, instead favoring ideological politics over women and families," Senator Jeanne Shaheen, Democrat of New Hampshire, said on Monday. "We know that when

family planning services and contraceptives are easily accessible, there are fewer unplanned pregnancies, maternal deaths and abortions."

Vicki Saporta, president and chief executive of the National Abortion Federation, a Washington-based advocacy group for abortion rights, said in a statement, "President Trump's decision to reinstate the global gag rule will endanger already vulnerable women by further curtailing their access to accurate information and safe reproductive health care services."

Mr. Trump's order repealed one made by President Obama when he took office in 2009, which had repealed the Bush version of the policy from 2001. In effect, Mr. Trump reinstated the Bush policy.

Democrats in Congress have tried, unsuccessfully, to pass legislation to scrap the policy. Ms. Shaheen said she would introduce similar legislation. But with Republicans controlling both houses of Congress, it is unlikely to pass.

Mr. Trump's pick for ambassador to the United Nations, Gov. Nikki R. Haley of South Carolina, made clear in her confirmation hearing last week that she opposed abortion, but said she supported funding for contraceptive services in foreign aid programs.