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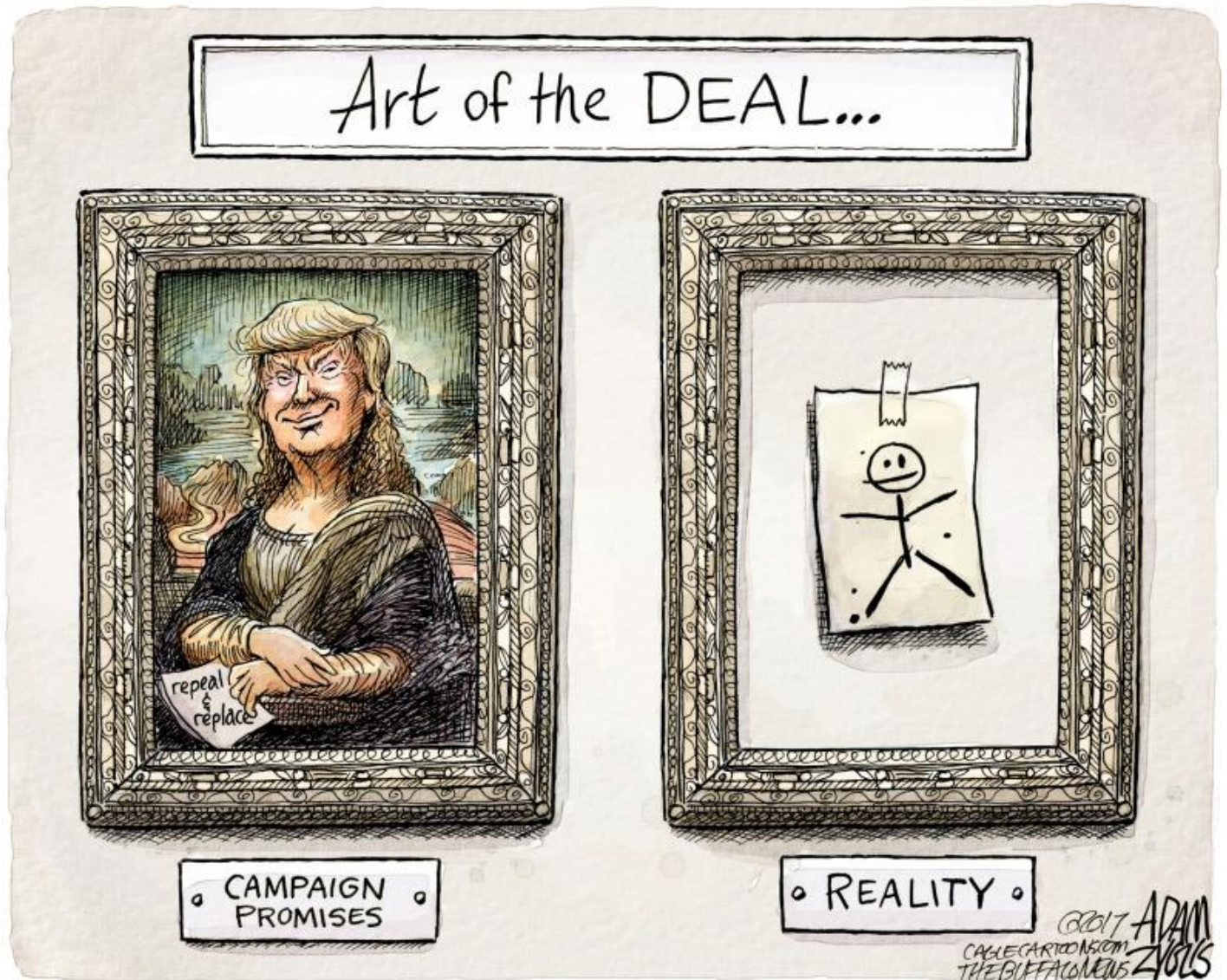
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RÉPUBLIQUE FRANÇAISE

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FRANCE – EUROPE

THE WALL
STREET
JOURNAL

The World's New Ideological Fault Line Runs Through France

Greg Ip
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29, 2017 1:20 p.m. ET

PARIS—In France as in most of the West, politics has long been dominated by a left wing and a right wing party. This year an earthquake is in the making: If current polls are borne out, neither the left-wing Socialists nor right-wing Republicans will make it past the first round of the presidential election in April.

Instead, two parties that have never held power will proceed to May's runoff. And both agree their contest isn't over traditional issues of right and left, such as taxes and spending. Marine Le Pen, leader of the National Front, says it's between "globalists and patriots" or, as supporters of Emmanuel Macron, leader of the upstart En Marche ("Forward") put it, "open and closed."

That makes the French election the starkest and most consequential contest yet in the world's ideological divide between nationalism and globalism.

The nationalists who led the British vote to leave the European Union and put Donald Trump in the White House operate within established conservative parties and thus co-exist uneasily with traditional free traders. The National Front arose outside the mainstream and espouses a more uncompromising, coherent rejection of economic, geopolitical and cultural integration. Ms. Le Pen wants to take France out of the EU and the euro, which could precipitate the collapse of both.

France makes a singularly appropriate battlefield over nationalism. The modern nation state can be traced to the Peace of Westphalia in 1648 when France, putting national interest ahead of religion, sided with Germany's protestant princes to contain the power of the Catholic Holy Roman Empire. Three centuries later it switched places, choosing, with Germany, to subordinate sovereignty to an ever closer European Union.

Jean-Marie Le Pen led the National Front from its creation in the 1970s as an authoritarian reaction to waning French colonial power, but his xenophobia and anti-Semitism repelled mainstream voters. His daughter Marine has sought to expunge those elements and now focuses on European integration as the source of France's ills.

French unemployment, at 10%, is more than double Germany's. The National Front zeroes in on the euro's role. Between the euro's creation in 1999 and 2011, French labor costs rose three times as quickly as Germany's thanks to the latter's labor market reforms and export-friendly tax changes. With an independent currency, France might devalue to eliminate its cost disadvantage. In the euro, it couldn't. This transformed a French trade surplus equal to 3% of GDP in 1998 to a deficit of 2% in 2016.

"The euro has not only killed one of the engines of the French economy...it caused our economy to bleed one million industrial jobs," says Mikael Sala, an economic adviser to Ms. Le Pen. The euro, he says, is a "political experiment" that forces the wages, corporate taxes

and welfare policies of member states to converge. "Our welfare state may be costly but it's part of our identity."

The National Front yearns for a return to the state-directed capitalism, or dirigisme, of the 1960s. It would require life insurers to devote 2% of their assets to French venture capital, let the French central bank print money to finance government deficits, favor French firms in government purchasing, require "Made in France" labels and impose "smart protectionism" against cheap imports. All of that is illegal within the EU.

Analysts predict a Le Pen victory would tank stocks and cause interest rates to rise as investors, fearing redenomination, flee. Mr. Sala disagrees, and predicts a 5% to 10% depreciation by a free-floating franc is "reasonable." Still, he doesn't rule out capital controls to deter capital flight.

History and theory suggest that this won't restore France's industrial glory. Like Mr. Trump's, Ms. Le Pen's plan to bring back factory jobs is fighting the march of automation and shifting consumption. The competitive benefit of devaluation is eventually neutralized by inflation.

"Suppose France gets out of the euro," says Philippe Martin, an economist at Sciences Po university advising Mr. Macron. "Do you think for one second Italy and Spain will remain? Of course not. So we devalue by 20% and they will devalue by 30% or 40%. In the end it won't have any effect on long-term growth or productivity and will deter investment. France's structural

problems—education, training, rigidities of the labor market—have nothing to do with the euro."

And then there are the transition risks. "After the financial crisis of 2009 and the eurozone crisis of 2010, a third financial crisis of our own (French) making would be a disaster," says Mr. Martin.

With support for the conservative candidate François Fillon, a former prime minister, undermined by scandal, establishment hopes are riding on Mr. Macron, a former economy minister who quit the socialist government last year. He would seek to deepen eurozone integration and press Germany to adopt fiscal policies that reduce its trade surplus, while liberalizing French labor markets to bolster competitiveness.

It won't be easy. Germany has rebuffed calls to bend its fiscal policies to its neighbors' needs, and French legislators watered down labor market revisions once championed by Mr. Macron.

Polls suggest Ms. Le Pen will lose—but with the biggest vote share since the party's founding. If the globalist Mr. Macron fails to revive France, the nationalists will be ready to pounce again.

Write to Greg Ip at greg.ip@wsj.com

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The
New York
Times

Sayare : Whatever Happened to France's Famed 'Liberté'? (online)

Scott Sayare

In about a month, France will elect a new president, who will inherit the powers of the emergency state. The prospect that Marine Le Pen, the vituperative populist, might soon be wielding them against whom she pleases — "globalist" elites, say, or devout Muslims, or immigrants, or

the various other groups she has identified as threatening the nation's integrity — does not seem to worry anyone.

Perhaps this is to do with a certain disaffection within the electorate. But her opponents have not sought to make the state of emergency a campaign issue, either. Only one of

her principal rivals, Jean-Luc Mélenchon of the far left, has called plainly in his platform for its end. A recent television debate by the top candidates, despite running more than three hours, included not a single mention of it.

One merit of the state of emergency, then, has been to demonstrate once

again the power of normalization, the inertial drift by which democratic principles and protections are abandoned, and to confirm that electoral politics cannot be relied upon to check it.

The ease with which the normalization has proceeded in France surely has much to do with

the comforts of modern, democratic life, and the tendency to retreat into them. One has little need of rights in one's cocoon. Comforts aside, the French mood is one of grievance. Justifiably, many French feel themselves the victims of economic stagnation, of cultural decline, of a blinkered and self-satisfied ruling class. It is perhaps naïve to hope that those invested in their own sense of hardship might summon the moral energy to consider, let alone protest, the woes of others.

French political culture, run through with a deep messianic strain, also abets this normalization. In France's mythology, the "République" — a word the French use to signify not so much their form of government as a vague but sacred revolutionary ideal — does not know error. Sometimes the République stands

for "liberté," sometimes "égalité," sometimes "fraternité," sometimes none of these at all; it is always right, though, and it is unfailingly invoked to justify whatever the values or policies of the moment happen to be. The state of emergency can only be just, by this patriotic illogic: The République decreed it.

That its excesses seem to land overwhelmingly upon a mistrusted Muslim minority has also surely helped. The state of emergency has served to affirm the notion that this minority indeed deserves suspicion, and has additionally suggested that suspicion is the functional equivalent of guilt. These are dangerous insinuations, particularly in France, where the populace has long looked to its powerful state not only as legal authority, the mediator of relations

between individuals, but as moral guide and provider. Liberal democrats will hope the French, in their present discontent, are ignoring the lessons the République is dispensing. (Others are evidently listening. Upon declaring its own state of emergency in July, Turkey's deputy prime minister said his country was merely doing "just like France has done.")

Among French Muslims, the state of emergency is widely understood as further evidence of their country's hostility toward them and their faith; many claim it will drive more of their community into the arms of extremists. That seems a bit pat, but certainly the state of emergency isn't winning them over to the country's secular, patriotic creed.

Many French people will be untroubled by this. They will rightly

remark that the men and women affected by the state of emergency are, in some proportion, unsavory, disreputable, discomfiting: drug dealers and petty crooks; men with heavy beards and bearings of menace; their wives swathed in black.

The emergency of this confused moment is to recall that this observation ought to be entirely irrelevant; that the République the French profess to defend would afford these citizens, however distressing or strange, precisely the same protections as the rest; and that this fair-minded liberality has long been the better part of their country's grandeur.

Scott Sayare (@scottsayare), a former reporter with The Times' Paris bureau, is a journalist covering politics and terrorism.



Penelope Fillon, Wife of Beleaguered French Presidential Candidate, Charged for Embezzlement of Funds

With less than a month to go before the first round of the French presidential elections, Penelope Fillon, wife of center-right candidate François Fillon, has been put under formal investigation — the French version of being charged — over embezzlement, aggravated fraud, and misappropriation of public funds. Her husband was charged earlier this month.

Penelope Fillon was charged over the same scandal that has haunted her husband's presidential run: In January, French publication *Le Canard Enchaîné* reported that Fillon had had his wife and two of their five children paid nearly one million euros to work as parliamentary aides. These are widely suspected to be fake jobs, but, even if they were not, their salaries were well over what other,

non-Fillon parliamentary aides receive.

Fillon also allegedly received 40,000 euros to arrange a meeting between Russian President Vladimir Putin and a Lebanese billionaire.

Both Fillons have denied any wrongdoing. Fillon (candidate edition) once said he would drop out of the race if formally charged, but has since refused to do that.

Instead, he insists that he is the victim of a "political assassination."

He was once considered to be the favorite to win the French presidency, but is now polling third, behind Marine Le Pen, leader of the far right National Front, and Emmanuel Macron, the independent centrist candidate. The first round of voting will take place on Apr. 23.

Business Insider : France's Macron plans no early tax blitz but big bang of structural reforms

Emmanuel Macron, head of the political movement En Marche !, or Onwards !, and candidate for the 2017 French presidential election, attends a news conference at his campaign headquarters in Paris Thomson Reuters

By Michel Rose

PARIS (Reuters) - Emmanuel Macron would resist swift, hefty tax cuts to revive France's sluggish economy if he wins the presidential election and instead embark on a big bang of structural reforms to strengthen long-term growth, his economics advisers said.

Macron, a pro-EU centrist, is favorite to win the vote, with polls showing him facing off against far-right leader Marine Le Pen in a May 7 second round runoff and winning comfortably.

A former investment banker who served as outgoing Socialist President François Hollande's economy minister for two years, Macron wants to drive growth through a more skilled workforce

and says cutting the euro zone's second-largest budget deficit is key to regaining credibility with EU paymaster Germany.

Jean Pisani-Ferry, who heads Macron's economics team and once led the Hollande government's in-house think-tank France-Strategie, said the independent challenger would bolster French competitiveness by focusing on quality and not just cost.

That would mark a shift from Hollande's push to reduce labor costs through a 40 billion euro (\$43.14 billion) tax credit on wages - a policy introduced when Hollande adopted a more pro-business stance midway through his term to spur growth.

"In 2012, there was an urgent need for a cost competitiveness shock. That's no longer today's priority," Pisani-Ferry told Reuters and a group of European journalists in an interview.

"Today's priority is to scale up the skill-set of the French economy," he

said, referring to what economists call non-cost competitiveness, or an economy's ability to increase exports by improving the quality of products rather than cutting prices.

France has lost competitiveness against better-quality German products and also against cheaper products from countries with lower labor costs like Spain, according to economists.

Macron wants to compete on quality, rather than depress wages, his team said.

To help French companies, he would turn Hollande's temporary tax credit into a permanent tax cut, though not by the 25 billion euros promised by his conservative rival François Fillon.

However, he would also invest 15 billion euros to train one million unskilled youths and another million long-term unemployed workers for jobs in the growing digital, technology and energy sectors.

His team forecasts the investment in skills alone would add 0.4 of a percentage point to annual economic growth by the end of the next presidential term in 2022.

BUDGET DISCIPLINE

To attract foreign investors, Macron would cut corporate tax to 25 percent from 33.33 percent, but do so gradually to ensure that France, a long-time flouter of EU deficit rules, gets and keeps its budget shortfall below 3 percent of national income.

The last time the center-right won power in 2007, former president Nicolas Sarkozy flew to Brussels to negotiate more leeway on the budget deficit so he could cut taxes.

"We refuse to do what was done by our predecessors," economic advisor David Amiel said. "We make no apology for our budget discipline."

Macron, who as economy minister lobbied for last year's labor law reforms to be more ambitious in the

face of stiff union resistance, promises a further easing of labor regulations in his first year.

He says he would make it easier for firms to sack workers by capping severance packages and would allow companies to strike in-house deals over pay, working hours and conditions. He would also focus financing for vocational training and

apprenticeships on the unemployed and less-well educated members of the workforce.

In his second year, policy priorities would include unifying France's 37 different pension systems into one, modeling it on Sweden's point-based system, as well as an overhaul of the unemployment insurance system to take its

management away from unions and bosses.

Macron's target is to cut France's unemployment rate to 7 percent by 2022 from 10 percent currently.

"The French have been disheartened by years of unkept promises, so we are modest in our forecasts," Pisani-Ferry said.

(Reporting by Michel Rose; editing by Richard Lough)

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Forbes : How The French Dordogne Includes More Than Castles And Cuisine

Tom Mullen

Les Eyzies-de-Tayac, Dordogne, France (Credit: Shutterstock)

The Dordogne *département* of southwest France is internationally renowned for more than medieval castles and foie gras cuisine.

It is also laden with a generous smattering of pre-historic sites that provide insight into the evolution of early humans.

The Dordogne (which is the name of a geographical region as well as a river) is sliced east to west, as well as northeast to southwest, by parallel river valleys—the Dronne, Auvézère, Vézère, Dordogne and Dropt. Many of these valleys are riddled with limestone cliffs and caves. This happy confluence of fresh water, natural shelter, decent temperature, fresh fish and woodlands for hunting wild food provided an ideal settling ground for pre-historic (pre-literate) humans. The earliest modern humans arrived in Europe about 40,000 years ago and these Cro-Magnon later settled

in the Dordogne river valleys—the first traces of *homo sapiens* to arrive in this part of what is now France. The estimated date of their arrival is frequently revised based on fresh discoveries and analyses.

The Cro-Magnon legacy of carvings and paintings exists in dozens of rock shelters and caves. The mother lode of prehistoric art is the relatively recently opened \$62 million Lascaux International Center for Cave Art, including a duplication of cave walls covered with paintings from perhaps 20,000 years ago. The real cave was closed in 1963 to protect these images from further deterioration, which had been exacerbated by excessive visits and poor management (including a somewhat crude installation of air conditioning). This modern site is set on 16-acres and includes mesmerizing replicas of paintings and engravings.

Beside Lascaux, there are multiple other pre-historic sites. A map in the Museum of Périgord Art and Archaeology in the city of Périgueux identifies clusters of prehistoric

dwellings located within an approximate triangle bounded by the Dordogne cities of Nontron to the north, Sarlat to the east and Bergerac to the west (with Périgueux in the center).

The Vézère River valley is particularly rich with this heritage of ancient dwellings and cave art. Between Montignac and Les Eyzies-de-Tayac, where the waterway snakes, there are more than a dozen caves of interest—a reason why the valley was conferred UNESCO World Heritage status almost 40 years ago.

The French word *abri* means shelter. Along the Vézère River valley is Abri Blanchard (excavated in the early 1900's). In January, news emerged from New York University that art from here—showing ancient cattle—is likely 38,000 years old. Downstream is Abri de la Madeleine, a cliff with images carved by hunter gatherers some 20,000 years ago. It was here in 1864 that an engraving of a mammoth was found, revealing the

first conclusive evidence that early humans once lived at the same time as this hefty mammal. Two river bends further downstream is the ancient habitat of Laugerie-Basse and soon after this is the Abri Cro-Magnon site, where prehistoric remains were discovered when a railway line was being laid in 1868. Today this site includes interactive exhibits and holographic projections portraying the time when first humans roamed this forested valley.

Les Eyzies-de-Tayac is almost as renowned as Lascaux, and includes the *Musée National de Préhistoire*—the National Prehistoric Museum, dedicated to almost half a million years of history. Open all year, the museum includes more than 10,000 artifacts such as ancient jewelry, sharpened cutting stones and ivory art. It also has a 120-seat auditorium. Visitors besotted by history can also choose to sleep in the appropriately named Cro-Magnon Hotel nearby.

Time : French Artist Trying to Hatch Eggs Will Likely Kill Them All, Expert Says

Melissa Chan

A French artist who is trying to hatch a dozen eggs with his own body heat as part of his latest art installation will likely fail and kill the unborn chickens in the process, experts said.

Abraham Poincheval on Wednesday launched his newest performance piece in Paris called "Egg," which requires him to sit inside a glass enclosure atop a nest of 12 eggs nearly nonstop for the next month.

The 44-year-old artist said by showing a male figure nurturing embryos to life, he "raises the question of metamorphosis and gender," according to a translation of his biography and work by the Palais de Tokyo museum, which is exhibiting "Egg."

But scientists say the stunt will likely doom the dozen embryos, preventing them from developing into healthy and full-grown chicks. Human beings have lower body

temperatures than chickens, and eggs that are incubated under low temperatures typically grow abnormally or die sooner, according to R. Michael Hulet, an associate professor of animal science at Penn State University.

"We've had people try incubating at very low temperatures, and we had very, very low incubation rates. And then we usually have some abnormal developments," Hulet told TIME. "It's a welfare situation. You want to have ideal conditions so that those birds that hatch have the best chance at life. This seems like it's putting them in an abnormal situation." Thierry Orban—Getty Images

Hulet said humans have a normal body temperature of 98.6 degrees Fahrenheit, while a chicken's body temperature is usually 104 to 105 degrees Fahrenheit. Chickens also have what's known as a "brood patch" on their underside while

nesting that helps them transfer body heat to their young.

An egg should ideally be kept at 100 degrees Fahrenheit for normal incubation, which is not a task easily done by a human. Researchers have previously found that embryo development is most stunted when eggs are incubated at around 98 degrees Fahrenheit compared with about 100 degrees Fahrenheit during the first week of incubation, according to a 2005 study published by the U.S. National Library of Medicine.

It usually takes a chicken 21 days to hatch an egg. Poincheval's performance is expected to last three to four weeks, according to the AFP. The artist, who is known for his art antics, is giving himself one 30-minute break a day to get off the eggs. He is also covering his body with a thick cape-like blanket as he sits on a "laying table" that has a dug-out section to prevent him from squashing the eggs.

It's unclear if Poincheval has any aides to help him heat the eggs. He could not be immediately reached for comment. Reuters reported that he would tweak his diet to include foods that raise his body temperature. The blanket he's wrapped in is also supposed to make his body hotter.

The artist spoke to AFP in Paris about the visibility aspect of his latest piece. "I have never been so directly exposed to the public before. Usually I am inside something. But every performance is a first," he said. Last month, the artist lived inside a block of limestone for a week in the name of art.

Hulet was baffled when he learned about the risky egg experiment. "I've never heard of such a thing," he said. "I think that life is more important than some of those things that are called art."

In historic break, Britain plunges into Brexit with hard negotiations still to come

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

LONDON — The end came not with a bang but a letter.

Over six crisp and unsentimental pages, Britain said goodbye to the European Union on Wednesday, spelling out its hopes, wishes, threats and demands for divorce talks that will strain alliances, roll - economies and consume attention across the continent over the next two years.

Coming a little over nine months after British voters stunned the world by choosing to withdraw from the E.U., the hand-delivery of the letter in Brussels officially triggered Article 50, the bloc's never-before-used escape hatch.

It also erased any lingering doubts that Britain is ending a partnership that has bound the country to the continent for nearly half a century.

"This is a historic moment from which there can be no turning back," Prime Minister Theresa May confidently announced to a momentarily hushed House of Commons before debate turned rowdy.

(Reuters)

British Prime Minister Theresa May spoke in the House of Commons, March 29, formally filing Brexit papers. She said it's "a day of celebration for some and disappointment for others." British Prime Minister Theresa May speaks in the House of Commons, March 29, formally filing Brexit papers. (Reuters)

In Brussels, a visibly upset European Council President Donald Tusk said there was "no reason to pretend that this is a happy day."

"After all," Tusk said, "most Europeans, including nearly half the British voters, wish that we would stay together, not drift apart."

[Europe looks at its own challenges with Brexit talks ahead]

The move instantly plunged Britain and the 27 other E.U. nations into what will almost certainly be messy and acrimonious negotiations.

The talks will encompass a dizzying array of subjects, including trade terms, immigration rules, financial regulations and, of course, money. Britain joined the group that became the European Union in 1973, so decades of ties, pacts and arrangements are part of the complex unraveling.

For both sides, the stakes are enormous.

Britain could be forced to reorient its economy — the world's fifth largest — if it loses favorable terms with its biggest trade partner. It also may not survive the departure in one piece, with Scotland threatening to bolt.

[Scotland looks toward independence vote, round two]

The European Union, which for decades has only expanded its integrative reach, faces perhaps an even greater existential threat. If Britain is able to secure an attractive deal, other countries contemplating their own departures could speed toward the exits.

The formal declaration of Britain's intention came in the form of a letter from May to Tusk. The letter, which opened with the handwritten salutation "Dear President Tusk" and ended with a scrawled prime-ministerial signature, was delivered by Britain's ambassador to the E.U., Tim Barrow.

Tusk later tweeted a photo of the moment he received the letter as the men stood in front of E.U. flags and Union Jacks. Barrow appeared to be grinning; Tusk was grimacing.

From both sides of the English Channel on Wednesday, there were attempts to take the heat out of what had become a grievance-filled split even before it officially got underway.

The top diplomat for the European Union's most powerful member, Germany, said he wished Britain well.

"The stale-sounding sentence used in private life after a divorce, 'Let's remain friends,' is right in this case," said German Foreign Minister Sigmar Gabriel.

May's letter, meanwhile, ratcheted down earlier threats to walk away from talks and leave with no deal — an option popularly known as "dirty Brexit" — if the E.U. offers are not to her liking.

The letter urged the European Union to let Britain go "in a fair and orderly manner, and with as little disruption as possible on each side."

May has said Britain will prioritize regaining control over immigration and exempting itself from the jurisdiction of the European Court of Justice. She has also acknowledged that Britain will be leaving Europe's common market

and its customs union. Instead, she has sought a new trade deal that reflects, as the letter described it, Britain's "deep and special partnership" with the European Union.

May's largely conciliatory tone appeared to soften European concerns that British demands were destined for a head-on collision with their own.

Nonetheless, the letter also unleashed some implicit threats. It raised, for instance, the specter that Britain could reduce its contributions to European intelligence and security if London does not get what it wants in a trade deal.

"In security terms a failure to reach agreement would mean our cooperation in the fight against crime and terrorism would be weakened," she wrote in a passage that drew scorn from European officials who accused her of using security as a bargaining chip.

[The full text of Britain's "Article 50" letter]

The British public defied predictions in June by opting to leave, voting 52 percent to 48 percent in a referendum. Polls show that voters who backed "leave" were driven by concerns that immigration was out of control under the E.U.'s free-movement laws and that Britain needed to exit the bloc to restore its sovereignty.

Advocates for "remain" have forecast grievous economic harm and a weaker British role in global affairs.

As Britain prepares to exit, it continues to be deeply divided. Opinion polls show the country is split almost as evenly today as it was in June.

The still-raw divisions were on vivid display Wednesday when May made her case to members of Parliament. She was cheered by Brexit backers and jeered by its opponents as she announced that Britons "are going to make our own decisions and our own laws. We are going to take control of the things that matter most to us."

After May ticked off the potential benefits of Brexit, the opposition leader, Labour Party head Jeremy Corbyn, enumerated the possible pitfalls, calling the prime minister's Brexit strategy "reckless and damaging."

Although some legal experts say that an Article 50 declaration is

technically reversible, British and E.U. officials have both said they believe it is not. The delivery of the letter was a victory for May, who stepped into the vacuum left in July when her predecessor, David Cameron, abruptly resigned after the public disregarded his call to stay in the E.U.

Although May was herself quietly in favor of "remain" during the campaign, she pivoted quickly in the aftermath of the vote and adamantly maintained that she would make good on the public will. "Brexit means Brexit," she repeatedly declared.

It was not until January, however, that May gave true shape to what Brexit might mean. In a speech at London's Lancaster House, May made the case for a clean break from the European Union, saying she did not want a deal that would leave Britain "half-in, half-out."

But May's pitch has done little to bring the country together.

[Trump and May: a geopolitical odd couple]

Of the four nations that make up the United Kingdom, only two — England and Wales — voted for Brexit. The other two, Scotland and Northern Ireland, came down against it.

Scotland's semiautonomous Parliament voted Tuesday to seek another independence referendum. Advocates argue that an E.U. departure against the will of Scottish voters has sufficiently changed the calculus since the last independence vote, in 2014, that a new one is justified.

Irish nationalists in Northern Ireland have also used Brexit to renew their decades-long efforts to break away from Britain.

Amid British divisions, Europe has taken an unusually united stand in asserting that Britain will not get a better deal than the one it has today. If it does, German Chancellor Angela Merkel and other stalwart defenders of the E.U. fear that Britain's departure could be just the start of a broader splintering.

Tusk, a former Polish prime minister, said his side would hold firm in negotiations over the coming two years and that the interests of the bloc's remaining 440 million citizens would take priority over concessions to Britain. A first statement of the E.U.'s bargaining positions is expected Friday.

"Our goal is clear," Tusk said. "To minimize the costs for the E.U. citizens, businesses and member states."

Because of French elections this spring and then German elections in the fall, Britain's E.U. divorce talks are likely to get off to a slow start. Once the negotiations begin in earnest, there will be little time to finish. The talks are capped at two

years, meaning they must be completed by March 2019. The real deadline is likely to be sooner, given that all E.U. parliaments will have to approve any new trade agreement.

Despite the risks, Britain's impending exit was celebrated Wednesday by the country's staunchly pro-Brexit tabloids.

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"Freedom!" exulted the front page of the Daily Mail.

The mood was far more somber among E.U. advocates. Before walking away from the podium

Wednesday, Tusk had a poignant final message for Britain:

"We already miss you."

Birnbaum reported from Brussels. Karla Adam in London and Brian Murphy in Washington contributed to this report.

The New York Times

Pillars of the West Shaken by 'Brexit,' but They're Not Crumbling Yet

Steven Erlanger

LONDON — On a

day that blended dull ritual with undeniable historical import, Britain formally began its departure from the European Union with the delivery of a letter to Brussels, followed by lofty words from Prime Minister Theresa May in Parliament.

Two years of grinding divorce negotiations now begin, with the outcome unclear, except that the talks are certain to be contentious and spiteful — and that the only sure winners will be lawyers and trade negotiators.

For the first time, the European bloc is losing a member, not to mention its second-largest economy. The multilateral architecture that has shaped the Western world since the aftermath of World War II has taken a severe blow, and as the letter was delivered on Wednesday, questions abounded about whether this pivot toward nationalism and self-interest represented the beginning of a more volatile global era.

When Britons voted last June to leave the European Union, the champions of "Brexit" argued that the country, with its exit, was at the front edge of a larger populist wave. Months later, the election of Donald J. Trump as president of the United States only deepened the feeling that an anti-establishment political contagion was sweeping across Western democracies, upending the established order. Britain, the argument went, would be a winner in this new era.

Few people predicted the British exit, and fewer still predicted Mr. Trump's victory. But few predicted where things stand now, either: The European Union, if still ailing and dysfunctional, is far from dead. Populist parties are sinking in the polls in Germany and underperformed in the Dutch elections this month. Opinion polls in many countries show continued public unhappiness with the bloc but little desire to see it fall apart.

"No one is following Britain out of the E.U.," Pierpaolo Barbieri wrote recently for Foreign Affairs, a magazine published by the Council

on Foreign Relations, a nonpartisan research group.

The question now is whether some Europeans, having watched the first aftereffects of the vote to withdraw and the American presidential vote — political division in Britain and the fall of the pound, and political missteps in the Trump White House — are sobered by the chaos of the right. That thesis is speculative, too, and will be tested next month in France, where the traditional parties have imploded and the far-right nationalist Marine Le Pen, if victorious, has promised to take France out of the European Union. But for now, Emmanuel Macron, who is pro-Europe, is leading the polls.

Prime Minister Theresa May of Britain outside 10 Downing Street in London on Wednesday. Dan Kitwood/Getty Images

Picking winners at such a volatile moment is perilous, but many analysts agree that the British withdrawal, and the uncertainty it produced, has been good news for Russia, and possibly for China, as two large powers that can exercise greater leverage in negotiations with individual European capitals than with a tightly unified European bloc that, taken together, is a geopolitical powerhouse.

" 'Brexit' surely strengthens the disintegrative processes already underway in the E.U., and therefore is a boon" to Russia, said James Nixey, head of the Russia and Eurasia program at the London-based think tank Chatham House. "The E.U. is more powerful than any single actor, even Germany, so anything that diminishes a rival in the zero-sum terms in which Russia thinks strengthens the Russian voice in Europe."

Britain's absence at the European table could also help the Russian president, Vladimir V. Putin. Partly pressed by Britain, the United States' main ally, the European Union has been tough on Russia over its annexation of Crimea, and the bloc has moved to cut Europe's dependence on Russian natural gas. Anything that shifts power in

Brussels away from that Anglo-Saxon view is considered a plus for Moscow.

The coming exit from the European Union has already turned Britain inward, with the government and the country's powerful tabloid news media fixated on the particulars of its withdrawal: the uncertainties of whether the country will maintain access to the bloc's single market; demands that the country take control of its borders to stunt immigration; and an insistence on "reclaiming sovereignty" by returning lawmaking powers to London.

Those themes of national sovereignty and curbing immigration resonate across the Continent, which is why some saw the British exit as a political precursor and the European Union as an endangered species.

In December, however, Austrians narrowly elected a pro-European president, Alexander Van der Bellen, over Norbert Hofer of the far-right Freedom Party. In Spain, the populist Podemos party underperformed polling expectations last year and the conservative prime minister, Mariano Rajoy, stayed in office.

This month, the Dutch gave the far-right anti-European politician Geert Wilders fewer votes than expected in a northern European country similar in its political outlook to Britain. In Germany, Chancellor Angela Merkel remains popular in the polls, although weakened by her long service in the job and by severe criticism of her 2015 "open-door" immigration policy. The anti-euro, anti-immigration Alternative for Deutschland is slipping, however, and Ms. Merkel's main challenger is the pro-European Martin Schulz of the Social Democrats, the former head of the European Parliament.

Even Bulgaria, the European Union country considered most influenced by Russia, saw voters endorse the pro-Europe, center-right party in elections last weekend.

The Road to a Post-'Brexit' Deal

The British government invoked Article 50, the provision that starts

negotiations on the country's exit from the European Union.

By CAMILLA SCHICK, STEPHEN CASTLE and A.J. CHAVAR on March 14, 2017. Photo by Justin Tallis/Agence France-Presse — Getty Images. Watch in Times Video »

As European voters seem to be tentatively endorsing unity, Britain is confronted with widening divisions. On Tuesday, less than 24 hours before the exit letter was delivered to Brussels, the Scottish Parliament voted to demand a new referendum on independence from the United Kingdom. Such a referendum is unlikely to happen anytime soon — it requires the approval of the British government in Westminster — but the rising nationalism in Scotland is a reminder that London could get a taste of its own medicine.

With her government desperate to maintain Britain's standing in the world, Mrs. May has turned to President Trump. He and his chief political adviser, Stephen K. Bannon, are deeply skeptical of multilateralism, free trade and "entangling alliances." While NATO may pass muster as a security shield (provided everyone pays up), the European Union, like the United Nations, seems an example of the world that Mr. Trump and Mr. Bannon want to dismantle or, at the very least, weaken.

Yet Mrs. May has also tried to present Britain as committed to globalization and to global trade — as, effectively, still open for business. It is a tricky circle to square, demonstrating how difficult it is to predict Britain's future. Some envision the country's fate as being a European equivalent of Singapore, sovereign and respected, a partner eagerly sought by the rest of the world. Others warn that Britain could be left much more isolated than it is now, especially since European leaders feel they must strike a hard bargain.

"There is a political imperative that 'Brexit' not be seen as a success," said Mark Leonard, director of the European Council on Foreign Relations, "because every

government in Europe is challenged to some degree by resurgent nationalists who would be encouraged and inspired by a 'Brexit' success."

Donald Tusk, the president of the European Council, in Brussels on Wednesday with the letter stating

Britain's intention to leave the European Union. Yves Herman/Reuters

For those British lawmakers in favor of the withdrawal, like Jacob Rees-Mogg, a Conservative legislator, the exit "is a wonderful liberation for my country."

The single market, he told Prospect magazine, "is a bureaucratic, highly regulated means of making British business more inefficient — it's about having a closed, inward-looking Fortress Europe approach, rather than engaging with the world."

There is "no political event in my lifetime that has been better or more exciting for the nation," he added.

But Mr. Leonard has his doubts.

"Britain may be sailing off to sea," he said, "but the welcoming arms won't be that numerous."

THE WALL STREET JOURNAL

Britain Sets Historic Brexit Process in Motion

Jenny Gross and Jason Douglas in London and Laurence Norman in Brussels

Updated March 29, 2017 11:35 a.m. ET

British Prime Minister Theresa May on Wednesday began the U.K.'s path out of the European Union, highlighting her country's security expertise as she started the clock on negotiations that will challenge ties between Britain and some of its closest allies.

Nine months after Britain voted to leave, Tim Barrow, Britain's ambassador to the EU, hand-delivered a letter to European Council President Donald Tusk formally notifying the bloc that the U.K. will be the first member state ever to leave it.

"This is an historic moment from which there can be no turning back," Mrs. May said in Parliament, at times interrupted by hoots and heckling from opposition lawmakers. "Britain is leaving the European Union."

In her letter, couched in a diplomatic tone, Mrs. May said she wanted an orderly and fair process that made sure Europe "remains strong and prosperous." But she also offered what some read as a veiled warning, highlighting how the U.K. sees its military and security contributions as a vital card it can play in the coming talks to win better EU market access.

"In security terms, a failure to reach an agreement would mean our cooperation in the fight against crime and terrorism would be weakened," she wrote. "In this kind of scenario, both the United Kingdom and the European Union would of course cope with the change, but it is not the outcome that either side should seek."

Britain, a permanent member of the United Nations Security Council and strong component of the North Atlantic Treaty Organization, is the continent's foremost military power, alongside France. It is also a big player in intelligence gathering and counterterrorism.

That status gave Mrs. May's reference to those issues particular

resonance. Irish Prime Minister Enda Kenny, speaking on the sidelines of a gathering of Europe's center-right politicians in Malta, said everybody there was talking about the link she had apparently laid out between security and future trade ties.

"The government will say it's not a threat, but they've made a point," Mr. Kenny said.

Mrs. May said she would seek a broad trade and economic deal with the EU "of greater scope and ambition than any such agreement before it," one that she said for the first time should include crucial sectors such as financial services and telecommunications.

The U.K. government is expected to publish details on Thursday of its plans to convert EU laws and regulations into U.K. law, a move officials say will pave the way for a smooth transition. Once the laws are transposed, politicians will decide how they want to adjust them.

"Converting EU law into U.K. law, and ending the supremacy of lawmakers in Brussels, is an important step in giving businesses, workers and consumers the certainty they need," said David Davis, Brexit secretary.

The EU's trade deal with the U.S. and its recently sealed accord with Canada address some financial service issues, but Mrs. May's comments suggest the U.K. government is looking for a much more sweeping arrangement that could allow U.K.-based financial firms to continue to provide services to European customers.

European capitals are hoping to persuade U.K.-based financial service firms to shift jobs to the continent, even as officials acknowledge that EU businesses will continue to rely on financing from the City of London.

The triggering of Article 50 of the Lisbon Treaty, which governs EU law, opens a two-year window for Britain to negotiate the terms of its exit from the bloc, unraveling 44 years of ties.

Managing Britain's exit will be a major measure of the Mrs. May's leadership and diplomatic skills, as

she has only a slim majority in Parliament. The negotiations will also test the unity of the remaining 27 nations of the EU, which have so far largely held together by sticking to their promise not to strike separate deals with London before talks begin.

Mr. Tusk, in Brussels, expressed regret about Britain's decision to leave, saying of the coming talks that "in essence, this is about damage control."

"There is no reason to pretend that this is a happy day, neither in Brussels nor in London," he said. "We already miss you."

The negotiations are expected to be tough. Early indications are that Britain and the EU are far apart. Mrs. May has said Britain would pursue a clean break from the EU, regaining control over immigration, leaving the jurisdiction of the bloc's courts and exiting its common market.

British officials said they want to negotiate the best deal they can for trade with the EU. European leaders have said they don't want to punish the U.K. for leaving, but won't grant Britain a better deal outside the club than it had in it.

Mrs. May said she accepted warnings that Britain can't choose what it would like to keep from the EU while dropping obligations it doesn't want.

"We understand that there will be consequences for the U.K. of leaving the EU," she said. "We know that U.K. companies that trade with the EU will have to align with rules agreed by institutions of which we are no longer a part, just as we do in other overseas markets. We accept that."

One of the first—and likely most contentious—issues in the negotiations is set to be how much the U.K. will have to pay to exit from the bloc.

Some U.K. officials have said the country shouldn't have to pay anything after a referendum campaign in which the British contribution to the bloc was a significant pro-Brexit argument. EU officials say the bill, which would include payments for programs the

U.K. committed to before it voted to leave, could be as high as €55 billion (\$54 billion) to €60 billion.

In her letter Wednesday, Mrs. May hinted that the U.K. would be willing to make some payments. The two sides, she wrote, "will need to discuss how we determine a fair settlement of the U.K.'s rights and obligations as a departing member state, in accordance with the law and in the spirit of the United Kingdom's continuing partnership with the EU."

Mrs. May told Mr. Tusk the U.K. wants talks on the future relationship to take place alongside negotiations over the terms of its exit. She said she hoped to complete them within two years, while acknowledging that was a challenging timetable.

German Chancellor Angela Merkel said divorce negotiations have to be concluded before talks about future relations can begin. "During the negotiations, we first have to clarify how to untie these links in an orderly way," she said on Wednesday. "Only then—but hopefully soon—can we address questions about our future relations."

Mrs. May also said one of her priorities is to strike an early agreement on the rights of EU citizens living in Britain and U.K. citizens living in other parts of Europe. The EU has said talks on that issue alone would likely take at least several months.

A country like Spain, which hosts a large community of elderly British expatriates, might look to limit the scope of future rights and benefits since it could end up resulting in a net cost for the government. By contrast, countries like Poland that have large numbers of citizens living in Britain would want a more expansive deal.

Opposition leaders accused Mrs. May of laying out plans that would damage the British economy, and what they said was inappropriately using security as a bargaining chip.

Labour lawmaker Yvette Cooper said on Twitter that it was "completely irresponsible to threaten, gamble or bargain on national security. This isn't a threat

to EU, it's a dangerous act of self-harm."

Downing Street officials said Mrs. May's statement about security wasn't a threat to the EU.

Any Brexit deal will need the

**THE WALL
STREET
JOURNAL.**

U.K. Faces Brexit Split Between Joy and Resignation

Wiktor Szary

March 29, 2017

3:19 p.m. ET

LONDON—James Wade voted for Britain to remain in the European Union, but after nine long months of lawsuits, parliamentary wrangling and wall-to-wall news coverage, he has grown resigned to a clean break with the bloc.

"I don't see what good protesting would do," said Mr. Wade, a 30-year-old university administrator from London's leafy Greenwich district, which strongly favored the EU in last year's Brexit referendum. "It just feels like you'd be swimming against the tide."

As Prime Minister Theresa May on Wednesday triggered historic divorce negotiations with the EU, the mood among many backers of Brexit was confident, even jubilant. The Daily Mail trumpeted "Freedom!" across its front page. Douglas Carswell, an independent lawmaker and prominent campaigner to leave the EU, tweeted a picture of himself jumping in the air with his thumb up.

Pro-EU activists, meanwhile, were grasping for a new strategy. Many of their voters feel helpless to sway the Conservative government's plans for a tough course in exit negotiations. Mrs. May has

approval of a majority in the European Parliament. Top EU lawmakers laid out their red lines Wednesday, including a demand that Britain refrain from starting trade talks and that any transition

said the country will leave the EU and the single market by early 2019 and negotiate the best new deal it can.

Britain remains split after the referendum, in which 52% of voters chose to leave the EU. Recent survey data from Ipsos MORI showed the vast majority of voters would make the same decision they did in June. Only 4% of total voters said they have since changed their minds, in a proportion that wouldn't have significantly altered the outcome.

In her speech to Parliament, Mrs. May acknowledged the referendum was "divisive at times."

"I know that this is a day of celebration for some and disappointment for others," she said. "When I sit around the negotiating table in the months ahead, I will represent every person in the United Kingdom."

A rally on Saturday drew thousands of people to central London under the banner "Unite for Europe." But there isn't strong opposition to Brexit in Parliament, and 45% of voters say they would back the Conservatives if a general election were held tomorrow, compared with only 26% behind the beleaguered Labour party, according to an ICM poll conducted in mid-March.

deal after 2019 be limited to three years.

—Stephen Fidler and Valentina Pop contributed to this article.

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Appeared in the Mar. 30, 2017, print edition as 'U.K. Sets Historic Brexit Process in Motion.'

The poll showed that Remain voters described themselves as worried, resigned, confused or terrified. Leavers, meanwhile, chose words like pleased, relieved, happy and excited.

The U.K.'s stronger-than-expected economic performance in the months since the referendum has been a boost for Brexit backers and taken wind out of the sails of pro-EU campaigners, many of whom predicted an immediate Brexit-related hit to the economy.

Economists caution that Britain has yet to feel the full impact of last year's vote, which caused the pound to fall steeply against the U.S. dollar, noting that accelerating inflation could cause Britons to rein in their spending. But proponents of Brexit say the pound's weakening is likely to boost the U.K.'s exports and revive the country's manufacturing, offsetting the fall in domestic consumption.

Joe Carberry, who co-heads the pro-EU group Open Britain, said a moment of economic reckoning has yet to come. "At some point the [Brexit] rhetoric is going to hit the wall of reality," he said. "People will then say, 'hold on, this isn't what you sold us.'"

For now, however, he acknowledged funding had dried up

for the organization, the heir to Stronger In, the main pro-EU campaign group. Staff has shrunk from 150 to fewer than eight, now squeezed into the spare office space of a friendly business in central London.

Even if the economy crashed, no swing in public mood is likely to happen within the two-year Brexit negotiation window, said Anand Menon, professor of European politics and foreign affairs at King's College London, offering little hope for those who wish to reverse course.

Walking her dog on a Monday morning, June Morris, a 70-year-old former science teacher in the Richmond area of London, said she was largely happy with how things have moved since the vote, though she wishes the government would go faster.

She isn't concerned that Brexit could be diluted, let alone derailed. "Too many people are behind Brexit now," she said.

Write to Wiktor Szary at Wiktor.Szary@wsj.com

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**THE WALL
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EU Calls Trump's Coal Move a 'Global Disaster' as Nations Renew Climate Vows

Brian Spegele and Te-Ping Chen

Updated March 29, 2017 10:39 p.m. ET

European officials issued rebukes and officials around Asia said they would continue their drive toward cleaner fuels after President Donald Trump laid the groundwork to reverse his predecessor's climate-change policies.

Mr. Trump, citing the need to revive the U.S. coal industry and ease the regulatory burden, began on Tuesday to repeal the Obama administration's Clean Power Plan of stricter carbon-dioxide limits on utilities.

The change leaves an opening for China and other countries to seize leadership in the global effort to curb

the rise in temperatures, as set out in the 2015 Paris Agreement, which went into force in November.

The U.S. move raised questions about what steps, if any, the Trump administration would take to comply with the Paris commitments.

"I think it's a disaster, not only for the U.S., but a global disaster," Jean-Claude Juncker, the head of the European Union's executive branch, which helped broker the Paris agreement, said on Wednesday of Mr. Trump's move. He said the EU "has to advocate the need to stick to the agreement reached in Paris. I insist on talking to our American partners."

China, the biggest emitter of climate-changing gases, won't

change its climate-change policies, a spokesman said on Wednesday.

"We still advocate that all sides should move with the times, grasp opportunities, fulfill their promises and earnestly take positive action to jointly promote implementation of (the Paris) agreement," Chinese Foreign Ministry spokesman Lu Kang said.

Australia's conservative government said it had no plans to abandon its Paris accord target. "Australia takes its international commitments very seriously," said Environment and Energy Minister Josh Frydenberg.

In India, Piyush Goyal, the minister for power and coal, said a day before Mr. Trump's announcement that the country is "pursuing religiously" its goal of developing

225 gigawatts of renewable and clean energy sources by 2022. On Wednesday a senior official reiterated the commitment to the Paris accord.

"It's not subject to some other country's decision," he said.

Indonesia, whose forest-clearing fires are a source of greenhouse gases, also recommitted to the Paris Agreement on Wednesday.

Even if the U.S. curtails aid to Indonesia for climate programs, "we will not stop or withdraw," said Nur Masripatin, the director-general of climate change at the Ministry of Environment and Forestry, adding that she believes the U.S. people still support the fight against climate change.

Brazil's government didn't respond to multiple requests for comment on the Trump administration's executive order, but the country has generally supported global efforts to fight climate change.

"We understand that we have a responsibility," said Luiz Felipe de Seixas Corrêa, a former deputy foreign minister and longtime diplomat, adding that Brazil doesn't see its economic prospects hindered by climate-change regulations. "If the United States backs away from this agreement, it's going to harm the United States, it's going to harm the solidity of the agreement and it's going to harm the whole world. Without the biggest global power [the agreement] isn't really global."

In the U.S., Democrats announced swift opposition to Mr. Trump's action, which is all but certain to trigger legal and political pushback that could take years to resolve. The rollback will likely take "some time," the White House said.

While Mr. Trump tries to revive America's struggling coal industry, China—the

world's biggest coal producer and consumer—aims to cut production further. It views its coal demand as entering a long-term decline due to economic shifts that have reduced the growth in demand for power and steel. By gradually reducing coal capacity today, the government figures it can forestall the financial damage that a glut would create over time.

Their different starting points help to explain why China and the U.S. now appear to be headed in opposite directions after years of climate-change cooperation. While China's commitment under the Paris accords generally aligns with its broader aim to restructure the economy, the Trump administration sees curbs on coal as a growth impediment.

Beijing sees employment as a tenet of social stability, and is aiming to find work for the more than a million coal workers it says could be laid off as part of the coal cuts. But overriding those concerns is a desire to ease overcapacity, said Rosealea Yao, an analyst at

research house Gavekal Dragonomics.

"It's very important to systemic financial stability," she said. "I don't really think maintaining employment is their top priority."

And Beijing says it believes wind and solar power can drive job growth. China's National Energy Administration says it wants to create 13 million jobs by 2020 from renewable-energy investment.

In its latest annual work report, the Chinese government said it would reduce coal-production capacity by 150 million metric tons this year, after a 290 million ton cut in 2016.

China is seizing an opportunity to position itself as the more responsible global power. At the World Economic Forum in Davos in January, President Xi Jinping endorsed the Paris agreement, calling on countries to "stick to it instead of walking away from it."

That same month, state media cited special climate envoy Xie Zhenhua as saying that Beijing is capable of

taking a "leadership role" on the issue.

"The Chinese commitment is quite clear," said Li Shuo, climate policy adviser with Greenpeace East Asia. "I am not seeing business as usual and China playing a 'wait and see' game. I'm seeing them take actions."

Still, Mr. Li says China—and other nations—are likely to refrain from directly provoking the U.S. administration. He said that the July G-20 assembly in Hamburg will be a good moment for raising the issue. At last year's gathering in Hangzhou, leaders affirmed their governments' commitment to the Paris Agreement.

"If it's difficult to confront the U.S. in this field, there could be safety in numbers," he said.

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Lomborg : Trump cuts show Paris treaty is a paper tiger

Bjorn Lomborg
2:50 p.m. ET March 29, 2017

President Trump on March 28, 2017. (Photo: Pablo Martinez Monsivais, AP)

President Trump's executive order eliminating President Obama's standards for power plants guts the main U.S. measure to reduce harmful carbon emissions, and in doing so reveals the emptiness of the Paris climate treaty.

The science is clear-cut: Climate change is real and mostly caused by humanity. Obama committed America to major carbon cuts.

According to the International Energy Agency, the U.S. promised to cut more energy-related CO2 emissions than any country in the world from 2013 to 2025, under the Paris climate treaty.

The problem is that this promise never had much ground in reality.

The primary measure America offered to achieve the promised cuts was the Clean Power Plan, which required the U.S. power sector to reduce CO2 emissions.

Yet this plan, even if fully enacted, would have achieved just a third of the U.S. promises under the Paris Agreement. If it had remained in effect for the entire century, my peer-reviewed research using United Nations climate change models found that it would have reduced temperature rises by an

absolutely trivial 0.023 Fahrenheit at the end of this century.

Without the Clean Power Plan, U.S. emissions will likely *increase* slightly.

Yet, despite eliminating the actual policy that it relied on to achieve its promises, America will remain party to the Paris treaty, which has been sold to the world as the ultimate deal to fix climate change.

This absurd situation shows that the treaty is nothing but a paper tiger: Its only legal underpinning is that all nations submitted promises — but those promises do not need to be kept.

In truth, Trump's action just exposes what we have known for a while: The Paris Agreement is not the way to solve global warming.

Even if every nation fulfilled everything promised — including Obama's undertakings — it would get us nowhere near achieving the treaty's much-hyped, unrealistic promise to keep temperature rises under 1.5 degrees Celsius.

The U.N. itself has estimated that even if every country lived up to every single promised carbon cut between 2016 and 2030, emissions would be cut by just one-hundredth of what is needed to keep temperature rises below 2 C.

My analysis, similar to findings by scientists at MIT, shows that even if these promises were extended for

70 more years, then they'd only reduce temperature rises about 0.3 degrees F by 2100.

Moreover, many poor nations signed up to the treaty largely because of a promise of \$100 billion a year of "climate aid" from rich nations, starting from 2020. Over the past five years, rich countries have managed to come up with only a 10th of one year's promise.

It is only a matter of time before taxpayers from wealthy nations balk at the bill waiting for them. That will make many developing countries back out of the whole process.

This climate approach rehashes a failed policy that wasted decades: From 1998, the Kyoto Protocol was sold as the solution to climate change, although every honest analysis already showed that its impact would be trivial. Yet it kept governments, non-profit organizations and pressure groups focused on living up to the protocol rather than finding effective solutions to climate change.

Unless we change tack, the preoccupation with a similarly toothless Paris treaty will waste decades more.

The underlying problem with the treaty is that today's green solar and wind technology is still very inefficient, requiring hundreds of billions in annual subsidies for trivial carbon cuts. Therefore, trying to cut emissions significantly requires not

just buying off poor nations, but also very high costs.

Calculations using the best peer-reviewed economic models show the global price tag of all the Paris promises — through slower gross domestic product growth from higher energy costs — would reach \$1 trillion to \$2 trillion every year from 2030.

And if America had managed to pass carbon-cutting policies to live up to its big promises, analysis shows that it would have reduced U.S. GDP by more than \$150 billion each and every year throughout the century.

POLICING THE USA: A look at race, justice, media

We need to focus instead on innovating the price of green energy down below fossil fuels. This would be a much more effective response to climate change, and speed up temperature cuts.

A panel of Nobel laureates for the project Copenhagen Consensus on Climate found that the best long-term policy should focus on dramatic increases in global energy research and development. Fortunately, a group led by Bill Gates has already stepped up to promise a doubling to \$30 billion. Yet, our researchers showed that we should be even more ambitious and increase this sixfold, to reach at least \$100 billion a year.

Trump campaigned on massive increases in infrastructure spending. Especially given he has proposed budget cuts to clean energy agencies, it is to be hoped that more money is allocated to energy R&D.

Climate science cannot be ignored: Global warming is a challenge that deserves a response. Even

so, chasing a treaty of empty promises is no response at all.

Bjorn Lomborg is director of the Copenhagen Consensus Center, author of The Skeptical Environmentalist, Cool It, and The Nobel Laureates' Guide to the Smartest Targets for the World

2016-2030, and a visiting professor at Copenhagen Business School.

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INTERNATIONAL

Editorial : Ignoring Diplomacy's Past and Its Future Promise

The Editorial Board
Delcan & Company
One of America's greatest contributions to international peace resulted from a historic investment in foreign aid. After defeating Fascism in World War II, Washington channeled billions of dollars into the war-torn nations of Europe and Japan, helping transform them into economic success stories and vital democratic allies.

That's a lesson worth remembering as President Trump tries to slash the State Department and its foreign aid programs by about 30 percent in the proposed budget for the next fiscal year, while raising Pentagon spending by 10 percent. The cruelest cuts may be a reported \$1 billion reduction for the United Nations' peacekeeping operations and programs that care for needy children.

Mr. Trump seems to assume that national greatness comes from the barrel of a gun — he wants to expand the fleet of Navy ships and the nuclear arsenal — rather than from a combination of military might and “soft power” tools. One such tool is the example America sets by adhering to

constitutional principles, the rule of law and human rights. Others involve pursuing smart diplomatic engagement and initiatives, including nuclear agreements and disaster assistance for some of the poorest countries.

The State Department and foreign aid have long been targets for budget cutters because many Americans don't understand what these programs do. Polls show that Americans overestimate how much federal spending goes to these programs. The actual number for foreign aid is about 1 percent of the budget, or \$36.6 billion in 2017. And some of that money is spent in the United States.

Diplomacy doesn't always prevent war, Syria being one example, but war becomes far more likely if there are not enough diplomats to work with other countries to resolve disagreements. Compelling examples of diplomacy working include the 2015 deal that is preventing Iran from developing a nuclear weapon; the 1995 Dayton Accords, which ended the Bosnia War; and the 1979 Israel-Egypt peace treaty. Other examples include several treaties that committed America and Russia to reduce their nuclear arsenals significantly. American diplomats have strengthened alliances, built

new partnerships with countries like Cuba and Myanmar, promoted democracy so that countries are less likely to go to war with one another and created jobs by helping to open overseas markets to American business.

American interests are also advanced by helping other countries become more stable. A health program begun by President George W. Bush helped check the spread of AIDS in sub-Saharan Africa and then was used to stop an Ebola epidemic in West Africa during the Obama administration. Other programs aid refugees; finance improvements in sanitation and water, primary education, energy and counterterrorism; and underwrite exchanges between foreign students and professionals and their American counterparts.

None of this is to say the State Department cannot be made more efficient. Tax dollars should be spent wisely. But rather than slashing the department's budget, which pales before a \$600 billion Pentagon budget (which alone exceeds the military spending of the next seven countries combined), Mr. Trump should be urging Congress to increase it.

Secretary of State Rex Tillerson, a former Exxon Mobil chief executive, has been shockingly complicit in Mr.

Trump's miserly approach. In Tokyo this month, he called the department's current spending “not sustainable” and said that “as time goes by, there will be fewer military conflicts that the U.S. will be directly engaged in.” If that statement were true, it would be an argument against increasing Pentagon spending, not for cutting money for diplomacy.

Fortunately, Congress, which holds the purse strings, is pushing back. Prominent among the critics is the Senate majority leader, Mitch McConnell, who said he did not view the State Department cuts as appropriate because “many times diplomacy is a lot more effective — and certainly cheaper — than military engagement.” Last month, more than 100 retired generals and admirals, in a letter to congressional leaders, argued that the State Department and the United States Agency for International Development are “critical to preventing conflict and reducing the need to put” American troops in harm's way.

The question is whether Mr. Trump and Mr. Tillerson, businessmen unfamiliar with the ethos of public service, will listen to more experienced voices.

The New York Times
Ben Hubbard
and Michael R. Gordon

BEIRUT, Lebanon — The United States launched more airstrikes in Yemen this month than during all of last year. In Syria, it has airlifted local forces to front-line positions and has been accused of killing civilians in airstrikes. In Iraq, American troops and aircraft are central in supporting an urban offensive in Mosul, where airstrikes killed scores of people on March 17.

Two months after the inauguration of President Trump, indications are mounting that the United States

U.S. War Footprint Grows in Middle East, With No Endgame in Sight

military is deepening its involvement in a string of complex wars in the Middle East that lack clear endgames.

Rather than representing any formal new Trump doctrine on military action, however, American officials say that what is happening is a shift in military decision-making that began under President Barack Obama. On display are some of the first indications of how complicated military operations are continuing under a president who has vowed to make the military “fight to win.”

In an interview on Wednesday, Gen. Joseph L. Votel, the commander of United States Central Command, said the new procedures made it easier for commanders in the field to call in airstrikes without waiting for permission from more senior officers.

“We recognized the nature of the fight was going to change and that we had to ensure that authorities were down to the right level and that we empowered the on-scene commander,” General Votel said. He was speaking specifically about

discussions that he said began in November about how the fights in Syria and Iraq against the Islamic State were reaching critical phases in Mosul and Raqqa.

Concerns about the recent accusations of civilian casualties are bringing some of these details to light. But some of the shifts have also involved small increases in the deployment and use of American forces or, in Yemen, resuming aid to allies that had previously been suspended.

And they coincide with the settling in of a president who has vowed to

intensify the fight against extremists abroad, and whose budgetary and rhetorical priorities have indicated a military-first approach even as he has proposed cuts in diplomatic spending.

To some critics, that suggests that much more change is to come, in difficult situations in a roiled Middle East that have never had clear solutions.

Robert Malley, a former senior official in the Obama administration and now vice president for policy at the International Crisis Group, said the uptick in military involvement since Mr. Trump took office did not appear to have been accompanied by increased planning for the day after potential military victories.

"The military will be the first to tell you that a military operation is only as good as the diplomatic and political plan that comes with it," Mr. Malley said.

The lack of diplomacy and planning for the future in places like Yemen and Syria could render victories there by the United States and its allies unsustainable.

"From harsh experience, we know that either U.S. forces will have to be involved for the long term or victory will dissipate soon after they leave," he said.

Others fear that greater military involvement could drag the United States into murky wars and that increased civilian deaths could feed anti-Americanism and jihadist propaganda.

Volunteers moved rubble after an airstrike this month on a mosque complex in Al Jinah, Syria. Omar Haj Kadour/Agence France-Presse — Getty Images

Some insist that this has already happened.

"Daesh is happy about the American attacks against civilians to prove its slogans that the Americans want to kill Muslims everywhere and not only the Islamic State's gunmen," a resident of the Syrian city of Raqqa wrote via WhatsApp, using the Arabic acronym for the Islamic State, also known as ISIS or ISIL. He gave only his first name, Abdul-Rahman, for fear of the jihadists.

The shift toward greater military involvement extends into one of Mr. Obama's central legacies: the prolonged American presence in Afghanistan, where more than 8,400 American soldiers and 5,924 troops from NATO and other allies remain, and where the Taliban have been resurgent.

Plans have been announced to send 300 United States Marines to

Helmand Province, their first deployment there since 2014. And the American commander, Gen. John W. Nicholson Jr., told Congress in February that he would like another "few thousand" American and coalition troops.

But the changes have also been notable in Yemen, Syria and Iraq, all home to overlapping conflicts in failed states where jihadist groups like Al Qaeda and the Islamic State have taken advantage of the chaos to step up operations.

Even while being drawn more deeply into those conflicts, the Obama administration sought to limit American engagement while pushing — mostly in vain — for diplomatic solutions. It also launched frequent airstrikes to kill individual jihadists or to destroy their facilities and sent thousands of American troops back to Iraq to train and advise Iraqi forces, and also provide firepower, so they could "degrade and ultimately destroy" the Islamic State.

But under Mr. Obama, the White House often spent weeks or even months deliberating certain raids and airstrikes out of concern for American service members and civilians — and often to the frustration of commanders and American allies.

Mr. Trump's tough statements before coming into office, and the rise in civilian deaths in recent American strikes, have raised questions about whether the new president has removed constraints from the Pentagon on how it wages war.

But administration officials say that has not yet happened. And military officials insist that the streamlined process for airstrikes does not exempt commanders from strict protocols meant to avoid civilian casualties.

Speaking before the House Armed Services Committee on Wednesday, General Votel said the Pentagon had not relaxed its rules of engagement. He called the mounting toll of civilian deaths in Iraq and Syria "absolutely tragic and heartbreaking" and said Central Command was investigating their cause.

The complexity of these wars and the American role in them is clear in Yemen, where the United States has two distinct roles, both of which have increased under Mr. Trump.

The country, the Arab world's poorest, has been split in half since militants known as the Houthis allied with parts of the military and seized the capital, pushing the internationally recognized government into exile.

Two years ago, a military coalition led by Saudi Arabia began bombing the rebels, hoping to weaken them militarily and restore the government. They have made little progress, while more than 10,000 people have been killed and large parts of the country are on the verge of famine, according to the United Nations.

Under Mr. Obama, the United States provided military support to the Saudi-led coalition, but halted the sale of precision-guided munitions over concerns that airstrikes by Saudi Arabia and its allies were killing too many civilians.

But since Mr. Trump took office, his administration has advanced some arms deals for coalition countries, while approving the resumption of sales of precision-guided munitions to Saudi Arabia, according to an American official familiar with Yemen policy.

Mr. Trump's more muscular approach has been hailed by Gulf leaders, who felt betrayed by Mr. Obama's outreach to Iran and who hope that they now have an ally in the White House to help them push back against their regional foe.

"It understands that it is uniquely positioned to play a unique role in bringing some stability to the region, and I think there is a meeting of the minds between the Saudi leadership and the Trump administration," said Fahad Nazer, a political consultant to the Saudi Embassy in Washington who said he was speaking on his own behalf.

At the same time, since Mr. Trump's inauguration, the United States has stepped up its long-running drone campaign against the Yemeni branch of Al Qaeda, believed to be the organization's most dangerous.

Mr. Trump granted a Pentagon request to declare parts of three provinces in Yemen as an "area of active hostilities," giving commanders greater flexibility to strike. Later, a Special Operations raid in late January led to the death of many civilians and an American commando.

So far this month, the United States has also launched more than 49 strikes across Yemen, most of them during one five-day period, according to data gathered by the Critical Threats Project at the American Enterprise Institute, a conservative think tank. That is more strikes than the United States had carried out during any other full year on record.

Some analysts note that this military surge has not brought with it a clear strategy to end Yemen's war or uproot Al Qaeda.

"As the military line has surged, there has not been a surge in diplomacy," said Katherine Zimmerman, a research fellow at the American Enterprise Institute.

The United States faces a similarly complex set of overlapping conflicts in Syria, where a brutal civil war opened up opportunities for Al Qaeda to infiltrate the rebels seeking to topple the government while the Islamic State seized an area of territory that extended over the border into Iraq.

While intervening covertly to support the rebels, the United States has ordered airstrikes on the jihadists — alone in the case of Al Qaeda and as part of a coalition against the Islamic State. It has also built ties with the Iraqi security forces, and with Kurdish and Arab fighters in Syria to battle the jihadists on the ground.

But recently, a string of airstrikes have exposed the United States to allegations of killing large numbers of civilians. More than 60 people were killed in a strike on a mosque complex where local residents said a religious gathering was taking place. The United States said it was targeting Qaeda leaders. The military has been accused of killing about 30 Syrians in an airstrike on a school, but has insisted that the early indications show it hit Islamic State fighters. A strike in Mosul killed scores of civilians, although the military is investigating whether militants herded the people into the building or possibly rigged it with bombs.

The rise in reports of civilian deaths linked to the United States and its allies has been so significant that Airwars, a group that tracks airstrikes, said last week that it was suspending its investigations into Russian airstrikes to avoid falling behind on those by the United States.

American officials have attributed the rising number of strikes and the danger to civilians to the urban battlefields in Mosul and Raqqa and the high concentration of civilians in areas held by the jihadists. They say they try to avoid civilian casualties while the Islamic State deliberately kills anybody who stands in its way.

This month, American officials also said they would send an additional 400 troops to Syria to help prepare for the assault on Raqqa, the Islamic State's self-proclaimed capital, nearly doubling the total there.

In Iraq, General Votel said that in just the past 37 days, as the fight moved into the denser western side of Mosul, 284 of the Iraqi forces had

been killed and 1,600 more wounded, underlining the ferocity of the battles.



U.S. Generals Warn of More Civilian Casualties, As ISIS Wages Desperate Fight in Mosul

The close-quarter fighting between Iraqi forces and militants using human shields and booby-trapped houses to slow their advance is making it harder to avoid endangering more civilians, a top U.S. military commander said Wednesday.

"I believe that as we move into these urban environments, it is going to become more and more difficult to apply an extraordinarily high standard" for preventing civilian casualties, "but we will try," head of the U.S. Central Command, Gen. Joseph Votel, told members of the U.S. House Armed Services Committee.

But Votel stressed that the basic rules of engagement for U.S. airstrikes has not changed in recent weeks, and American forces always try and avoid civilian casualties.

U.S.-trained Iraqi forces — often in touch with American advisors nearby — are calling for air support every day inside Mosul, and American and coalition aircraft are hitting dozens of targets a day. Given relatively new rules that allow U.S. commanders to approve strikes more quickly than they had in the past, the numbers of bombs falling are hitting record highs for the 31-month U.S.-led air campaign. But it is risky.

Investigators are trying to piece together what happened on March 17, when during heavy fighting in the al-Jadida neighborhood in western Mosul one building came down, burying over 200 civilians who had been huddled inside.

Two U.S. generals said this week that they believe their aircraft likely were involved in some way in the incident, which

would stand as the largest U.S.-caused civilian casualty event since the American invasion of Iraq in 2003.

On Tuesday, Lt. Gen. Stephen Townsend, the top U.S. commander in Iraq and Syria, told reporters there was "a fair chance" a U.S. airstrike played a role in the the Mosul strike. He said that ISIS had been using the building as a fighting position, and that "the enemy had a hand in this," suggesting Islamic State used civilians as human shields or potentially rigged the building with explosives.

Rescue workers on the ground are still finding bodies in the rubble, and some local officials said Wednesday that 250 corpses have been pulled from the site over the past 12 days. On Tuesday, a team of American military personnel, including explosive experts and engineers, made their way to the site to examine the ruins and collect samples to determine what kind of explosives brought the structure down, one Defense official told FP.

Putting civilians at risk is the nature of war in a dense urban environment against an enemy who doesn't recognize the laws of war, both Townsend and Votel said. "The best way to liberate Mosul is to fight the Islamic State inside the city," one military officer said. "But how do you save these people without endangering them?"

The level of violence of late has been staggering. Recent Air Force statistics show that U.S. and allied planes dropped more than 7,000 bombs on ISIS targets in Iraq and Syria over the first two months of this year, by far the most of any two-month stretch since the ISIS

war began more than two and a half years ago.

Late last year, some changes to how airstrikes were approved in Iraq and Syria began to take effect, speeding up the process for greenlighting strikes. During much of the campaign that kicked off in August 2014, strikes were approved at high levels of command — often at the White House — frustrating commanders on the ground who saw some opportunities hit hit the enemy slip away. Now, Iraqi or U.S. troops on the ground can request a strike and it will go to a U.S. officer at a command center, who approves the strike.

But given the fluid fight in Mosul, where U.S. and coalition aircraft, Apache helicopters, Paladin howitzers, and HIMARS precision rockets stationed outside the city are firing 24 hours a day at an enemy on the move, those calls are being made quickly. There are about 450 American advisors embedded within Iraqi infantry and special forces units in and around Mosul, U.S. officials say, assisting with tactical issues and helping to call in airstrikes.

The strikes in a populated city have drawn the concern of human rights groups.

"Evidence gathered on the ground in East Mosul points to an alarming pattern of US-led coalition airstrikes which have destroyed whole houses with entire families inside," said Donatella Rovera at Amnesty International. "The high civilian toll suggests that coalition forces leading the offensive in Mosul have failed to take adequate precautions to prevent civilian deaths, in flagrant

violation of international humanitarian law."

In a statement on Wednesday, Human Rights Watch also expressed serious concerns. "The high number of civilian deaths in recent fighting, as well as recent announcements about changed procedures for vetting airstrikes, raise concerns about the way the battle for west Mosul is being fought," said Lama Fakih, the organization's deputy Middle East director.

Interviews with survivors of the March 17 attack conducted by the group indicate that dozens of families had taken refuge inside the building in the days before the strike, driven from other areas of the city by the fighting. Witnesses describe a large airstrike in the area at about 8:30 am that shook the entire neighborhood.

There have been many reports of ISIS fighters forcing groups of families into buildings in Western Mosul to act as shields against U.S. airstrikes and ground assaults by Iraqi forces, and a U.S. military official told FP that there is surveillance footage of the militants moving groups of civilians with them through the city, and herding them into booby-trapped buildings they use as fighting positions. The United Nations human rights chief backed up those claims on Wednesday, calling ISIS "an enemy that ruthlessly exploits civilians to serve its own ends, and clearly has not even the faintest qualm about deliberately placing them in danger." At least 307 civilians had been killed and 273 wounded in western Mosul since Feb. 17, the U.N. estimates.



In a message to Trump, Arab leaders renew calls for a Palestinian state

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SWEIMEH, Jordan — Arab leaders reaffirmed their support for a two-state solution to the Israeli-Palestinian conflict on Wednesday at their annual meeting, a move seen as a unified message to President Trump ahead of visits by three Arab leaders to Washington next month.

In a communique, the Arab League called for a fresh series of peace talks and renewed an offer of "reconciliation" with the Jewish

state, if Israel returns Arab lands it has occupied. That would pave the way for the creation of a sovereign Palestinian state alongside Israel.

The agreement comes weeks after Trump tossed a diplomatic wrench into the Middle East peace process by seemingly stepping back from a decades-long U.S. commitment to eventual Palestinian statehood.

By focusing on the Palestinian plight, Arab leaders are hoping to bring renewed attention to a conflict that has been overshadowed by the 2011 Arab Spring uprisings and the wars that have followed in Syria, Iraq, Libya and Yemen. A central

cause of the Arab world, the Israeli-Palestinian conflict also offered an opportunity for Arab governments to show unity at a time when they are deeply divided over how to solve the region's multiple crises.

"There can be no peace nor stability in the region without a just and comprehensive solution to the Palestinian cause, the core issue of the Middle East, based on the two-state solution," said the summit's host, King Abdullah of Jordan.

While none of the Arab leaders specifically mentioned Trump in their addresses, it was clear they intended to inform the White House

in coming days that they are willing to restart the peace process if the Trump administration wants to broker a wider Middle East peace.

Abdullah and Palestinian leader Mahmoud Abbas will "convey a unified message to the White House," said Ahmed Aboul Gheit, the Arab League's secretary general.

Wednesday's communique reaffirmed a 15-year-old Saudi-led peace plan, known as the Arab Peace Initiative, that calls for Israel to pull out of lands captured in 1967 in exchange for full relations with moderate Arab and Muslim

countries. That would allow the creation of a Palestinian state encompassing the West Bank, the Gaza Strip and East Jerusalem.

Israel's intelligence minister, Israel Katz, said that although the Palestinian issue cannot be ignored, it is important to address the region's many other challenges, including the Islamic State, the increasing threat posed by Iran through its proxies, and the ongoing conflicts in Syria, Iraq, Yemen and Libya.

"A positive regional climate change could lead in the future to peace," Katz said.

His comments echoed recent suggestions by Israeli Prime Minister Benjamin Netanyahu that arriving at peace with the Palestinian first needs a regional initiative. But Abbas expressed concern at the summit that more negotiations could weaken the Palestinian position.

"The Israeli government has since 2009 worked on wrecking the two-state solution by accelerating the

tempo of settlements and the confiscation of land," said Abbas, who met with Trump's Middle East envoy, Jason Greenblatt, this week.

In speech after speech, nearly all of 21 Arab leaders in attendance expressed support for an independent Palestinian state.

Trump's campaign promise to relocate the U.S. Embassy from Tel Aviv to Jerusalem is widely opposed by Arabs. Many fear that such a move could ignite violence in the region. Abdullah, whose family has long held custodianship over Muslim holy sites in Jerusalem, warned that any move by Israel to alter the religious character of the city could have dire consequences and anger Muslims everywhere.

European leaders at the summit also expressed support for an independent Palestinian state. U.N. Secretary General António Guterres said a two-state solution was the "only path to ensure that Palestinians and Israelis can realize their national aspirations and live in peace, security and dignity."

Guterres also denounced the rise of "populist political leaders" in the West who "for shortsighted and cynical reasons distort Islam to spread anti-Muslim hatred, playing into the hands of terrorist and extremist groups." He also spoke against the growing Western attitude against refugees, particularly Muslims.

"It breaks my heart to see developed countries closing their borders to refugees fleeing this region, and worse, sometimes invoking religion as a reason to keep them out," he said.

The Arab leaders pledged to address the conflicts in Syria, Libya and Yemen but did not offer specific plans on how they would move forward. All three conflicts have fractured Arab governments and deepened tensions among them.

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Syrian President Bashar al-Assad has not been invited to the summit since Syria was suspended from the Arab League during the 2011 populist revolts and the government crackdown that plunged the country into civil war. But Sudan's President Omar Hassan al-Bashir did attend and addressed the gathering, despite his indictment by the International Criminal Court. Human rights groups had urged Jordanian authorities to arrest Bashir, who is wanted on charges of genocide, war crimes and crimes against humanity.

There were also indications that recent tensions between Egypt and Saudi Arabia were easing. Egyptian President Abdel Fatah al-Sissi and Saudi Arabia's King Salman appeared together and met face to face. The two nations are divided over solutions to the Syrian conflict, as well as Egypt's role in the Saudi-led coalition's military campaign in Yemen.

Ruth Fglash in Jerusalem and Heba Mahfouz in Cairo contributed to this report.



Shapiro : All Signals Point Once Again to War in Gaza

Daniel Shapiro

The next war in Gaza is coming.

In over five years as U.S. Ambassador to Israel, I found no issue more impervious to solutions than Gaza. We were constantly preventing, managing or responding to crises -- trying to head off terror attacks by Hamas and others, supporting Israel's right to defend itself, negotiating ceasefires and working to alleviate human suffering.

I also learned that Gaza wars follow a kind of routine. Hamas upgrades its attack capabilities, and tensions build. Both sides prefer to avoid an escalation, but some incident, perhaps unintended, leads Hamas to increase the rate of rockets fired into Israel. Eventually, Israel deems the provocations intolerable, and launches a heavier response, such as when it conducted a targeted strike on Hamas military wing chief Ahmed Jabari at the start of Operation Pillar of Defense in 2012. A full-on conflict ensues, with ceasefire negotiations competing with Hamas rocket and tunnel attacks, Israeli airstrikes and calls from the Israeli public for a ground invasion to "finish the job."

Unhappily, there are growing signs that this cycle is about to start anew. Rockets are fired by Salafist groups (hardliners such as those affiliated with Islamic State) into Israel, actions that Hamas either permits or fails to prevent, and

Israel responds with carefully placed airstrikes. Few casualties have resulted on either side so far, but the frequency of the exchanges are now coming every few days. Hamas itself sends test launches of upgraded rockets out to sea. In plain site from the Israeli side of the border, Hamas brazenly digs new tunnels. At least 15 of them, according to Israeli estimates, now extend under Israeli territory. Israeli patrols periodically encounter explosives placed along the border fence.

The new leader of Hamas in Gaza, Yahyah Sanwar, is considered to be harder-line and closer to the Izzeddine Al-Qassem military wing of the movement than his predecessor, Ismail Haniyeh. If the moment comes to demonstrate that Hamas can stand up to pressure from Israel, the leadership will likely be influenced by the movement's extreme factions.

Despite a significant broadening of the goods permitted by Israel to cross into Gaza -- some 700 to 800 trucks per day -- economic conditions remain difficult. Unemployment, according to the World Bank, continues to exceed 40 percent, as programs to increase exports have failed to get off the ground. Unsteady revenue streams for the Hamas authorities mean salaries go unpaid. Israel has also significantly reduced the number of entry permits it provides to Gazans, citing intelligence that Hamas has tried to take advantage of such

permit-holders to plan or facilitate terrorist attacks in the West Bank or Israel. The Trump administration's surprising enthusiasm for promoting regional peace talks could easily create an incentive for Hamas, fearful of being left behind if Israelis and Arabs start to negotiate, to demonstrate its relevance and its ability to impose a veto on regional peace processes.

There is no indication that Israel seeks another round of conflict, but neither would it shy away from one provoked by Hamas. The State Comptroller Report on the 2014 conflict, which criticized ministers in the security cabinet for insufficient attention to the threat of tunnels, hangs heavily in the air. A new tunnel-detection technology program, jointly funded by the United States, is promising but incomplete. A planned underground barrier will take many months to complete. Should a Hamas attack seem imminent, or should one occur, the cabinet will be under enormous pressure -- much of it self-generated -- to demonstrate that it will not allow Israeli civilians to be threatened. The now-palpable scent of early elections will only heighten these sensitivities.

This might seem a bad time for Hamas to escalate. The organization is trying to distinguish itself from the Muslim Brotherhood (hated by Egyptian President Abdel Fattah al-Sisi) in order to improve its own standing with Cairo. Egypt controls the Rafah crossing at

Gaza's southern end, often the only passage through which citizens and Hamas leaders can leave. So Hamas is debating changes to its infamous charter calling for Israel's destruction that, if passed, could justify recognition of a Palestinian state on the 1967 borders (although without recognizing Israel or relinquishing claims to its territory). Smuggling weapons into Gaza through tunnels from Sinai is far more difficult than it was during previous conflicts, thanks to more sustained Egyptian enforcement.

But nothing about Hamas' ideology of armed struggle to destroy Israel has fundamentally changed. Nor has its need to compete with Palestinian Authority President Mahmoud Abbas' Fatah party for the loyalty of Palestinians. And Hamas has stepped up its domestic weapons production capabilities, manufacturing rockets and investing in attack tunnels, to be ready for the next round.

A war could be sparked by a range of incidents -- a border fence event with casualties; a "lucky" rocket strike by a Salafist group on a civilian target, slipping past Israel's Iron Dome missile defense system and drawing an Israeli response and Hamas counter-response; or a terrorist attack in the West Bank, followed by an Israeli operation there (as with the kidnapping and murder of three Israeli teens in 2014), that spurs Hamas leaders in Gaza to feel the need to get involved.

During the Obama years, we faced a Gaza crisis roughly every two years. It doesn't take a genius to predict another round -- one can feel it coming, like the change of seasons. Each conflict saw Israeli civilians under fire and left Gaza

civilians in agony, and the next one will as well.

Unlike the seasons though, there are ways to respond to and mitigate the inevitable conflict, which I will spell out in my next column.

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

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**The
New York
Times**

Kingsley

Secretary of State Rex W. Tillerson in Washington last week. He will meet with President Recep Tayyip Erdogan on Thursday in Ankara. Joshua Roberts/Reuters

ANKARA, Turkey — He has already met the Mexican and Chinese presidents and hosted a conclave of 68 nations fighting the Islamic State, but no meeting in Rex W. Tillerson's brief tenure as secretary of state will be as delicate as the one in Ankara on Thursday with Turkey's president, Recep Tayyip Erdogan.

Mr. Erdogan is the leader of an important NATO ally and is crucial in the fight against the Islamic State, but he is also a prickly strongman whose campaign to change Turkey's Constitution in a referendum has many worried that the country is on the precipice of authoritarianism.

The referendum has resulted in the worst divide between Europe and Turkey in decades, with Mr. Erdogan accusing European leaders of Nazi-like tendencies after they refused to allow officials of his government to address pro-referendum rallies.

Mr. Erdogan also has serious reservations about the American

Meeting in Turkey With Erdogan May Be Tillerson's Toughest

Gardiner Harris
and Patrick
Patrick

plan to attack the Syrian city of Raqqa, the declared capital of the Islamic State, and has demanded that the United States extradite a Pennsylvania cleric who the government says was the mastermind behind a failed coup attempt last July.

Navigating these difficulties would test the most seasoned of diplomats. Mr. Tillerson, though, has had a rocky start. On a recent trip to Asia, he stumbled repeatedly — disputing a South Korean explanation for his dinner plans and allowing China to crow over his use of language that American diplomats had long eschewed.

Mr. Tillerson's aides insist that he is still finding his footing in a complicated job. But experts in the region say there is no room for mistakes in his discussions Thursday evening with Mr. Erdogan. "It's hard to think of a more important or more challenging relationship," said Antony J. Blinken, a former deputy secretary of state who visited Turkey three times last year to keep the relationship from foundering.

Turkish officials, who have been waging a campaign against Kurdish militants inside Turkey, have repeatedly said they would not accept American plans to use a force that combines both Arab and Kurdish forces to attack Raqqa,

since they view the Kurdish units as terrorists. United States officials have repeatedly responded that the combined force is the only viable option.

Overcoming this disagreement is essential since Turkey could derail the fight against the Islamic State in profound ways. Much of the air campaign is being conducted out of Turkey's Incirlik Air Base, and closing the base to coalition bombers, as some Turkish officials have threatened, would be a huge blow. Turkey has also threatened to send its military against Kurdish forces, a move that would lead to a severe breakdown in the coalition and stall the Raqqa campaign.

Just as important was a series of disasters visited upon Turkey over the past year. The attempted coup on July 15 killed 290 people and traumatized Turkish politics. Mr. Erdogan responded with mass arrests, purges of civil servants and the referendum, planned for April 16, that, if passed, would give him nearly dictatorial powers. The country also experienced terrorist attacks that cost hundreds of lives and crippled its tourism industry. The economy, after growing smartly for much of the past decade, has been hobbled.

Hammering out a workable agreement with the Turks under such difficult conditions would

require intense work and close planning across several United States government agencies, said Ryan C. Crocker, a former ambassador to six Muslim-dominated countries. "And if that's happening on our side, I haven't seen any signs of it," he said.

Turkish officials initially welcomed the election of President Trump, despite his repeated vilification of Muslims, in hopes he would reset relations. Michael T. Flynn, Mr. Trump's first national security adviser, was paid more than \$500,000 last year by a firm whose Turkish-American owner has links to the leadership in Ankara. But Mr. Flynn was fired, and the Trump administration so far has not moved to extradite the cleric, Fethullah Gulen, an ally of Mr. Erdogan's before the two had a falling out.

Nothing is likely to be decided about the Raqqa campaign until after the referendum. By then, Mr. Erdogan may be loath to alienate the Americans "now that the relationship with Europe is at an all-time low and there are increasing signs that the relationship with Russia is becoming counterproductive," said Sinan Ulgen, a former Turkish diplomat and a visiting scholar at Carnegie Europe.



US-Turkey deal on ISIS assault? Why that's a tough sell for Tillerson.

The Christian
Science Monitor

March 29, 2017 Istanbul—On paper, the United States and Turkey are on the same side in the fight against the Islamic State jihadists.

But on the battlefield, as a key offensive nears to force ISIS out of its Syrian capital of Raqqa, the two NATO allies could not be further apart in their choice of the means to do the job — an issue that will dominate Secretary of State Rex Tillerson's meeting with Turkey's President Recep Tayyip Erdoğan Thursday in Ankara.

Frustration is mounting on both sides, with the US and Turkey backing competing Syrian proxies as the primary attacking force in the Raqqa offensive.

Tensions between the US and Turkey, however, go far deeper than the disagreement over Syria, analysts say, and are fed by diminishing hopes in Ankara that Donald Trump's succession of Barack Obama would bring a fresh perspective that would lead to a fundamental improvement in bilateral relations.

Mr. Erdoğan and his ruling Justice and Development Party (AKP) expected a more sympathetic hearing from the Trump administration, after years of increasing friction with President Obama over Erdoğan's authoritarian slide, human rights issues, and the US alliance with Kurdish fighters in Syria.

"The US is pursuing a policy that Turkey hates, no matter who delivers the message," says Aaron

Stein, a senior fellow at the Atlantic Council in Washington. "I don't really see any overlapping interests. We have drifted very far apart."

Washington's choice to lead the Raqqa offensive is the Syrian Democratic Forces (SDF), an umbrella group led by the Kurdish People's Protection Units (YPG) militia.

But Turkey insists that its own non-Kurdish Syrian proxy force tackle Raqqa, and accuses both the US and Russia of backing a "terrorist" group that is determined to create a Kurdish mini-state, allied with Turkey's own ethnic Kurdish separatists.

Turkey is demanding the US cut ties with the SDF-YPG and is threatening not to take part in the Raqqa offensive, which is expected

to start soon after Turkey votes in an April 16 referendum on the expansion of Erdoğan's presidential powers.

"It's going to be Raqqa, Raqqa, and Raqqa," Mr. Stein, author of "Turkey's New Foreign Policy," says of Mr. Tillerson's meeting with Erdoğan. Expectations on the US side are that it will not go well, he says.

"I don't think there is any real room for maneuver until after Raqqa falls, and the pace of the battle slows down," says Stein. "Then maybe you can put it back together again, on the broader geo-strategic level and say, 'OK, the tactical relationship [with Syrian Kurds] is over, let's work together to combat broader threats.'"

Syria may be the biggest bone of contention, but it is only part of a list of Turkish grievances that has caused the escalation of US-Turkey tensions in recent years. They include the arrest Monday at JFK airport of a top executive of one of Turkey's biggest state-owned banks, accused of facilitating the evasion of US sanctions against Iran.

Turkey is angry, too, that Washington has not deported the Pennsylvania-based cleric Fethullah Gülen, whom Turkey accuses of orchestrating a failed coup attempt last July.

Expectation of common ground

Some in Turkey had speculated that President Trump's tough and uncompromising talk, his stated commitment to battling ISIS in Syria and Iraq, and his pro-business outlook would prove a close match for Erdoğan that might yield more common ground.

So far, that has not happened. US efforts to improve ties include half a dozen high-level meetings with Turkish officials so far, including visits by CIA director Mike Pompeo and the chairman of the US Joint Chiefs of Staff, Joseph Dunford.

The top American general was quietly taken in mid-February to the base where Turkey is training its own Syrian Arab forces, in a bid by Turkey to convince the US to employ them in the Raqqa battle, instead of the Kurdish fighters, says the Ankara-based analyst Metehan Demir.

"He was to some extent convinced, and he was expected to give an answer to the Turkish side," says Mr. Demir. "The [US] answer was to

help SDF. Therefore there was huge disappointment on the Turkish side.

"One way or another, the US eventually will include Turkey in this game, because without Turkey it's not that easy to carry out this operation, either with the SDF or any other force," says Demir. "The problem is ... Turkey says it is impossible for its involvement, as long as Kurdish forces will be included."

Sensitive to Turkey's domestic politics, the US appears to be holding off starting the Raqqa offensive until after the mid-April referendum. As a sweetener, Tillerson may offer assistance to help rebuild parts of northern Syria occupied by Turkey's cross-border Operation Euphrates Shield.

A State Department official this week said Washington was "very mindful of Turkey's concerns," and that Tillerson would discuss "interim deescalation zones based on cease-fires or other means," as well as Turkey's joint peace efforts with Russia and Iran in Astana, Kazakhstan.

Visit is political, not military

Yet there is little sign the Pentagon will turn its back on the Kurdish militia, which has proven the most effective anti-ISIS force fighting in Syria.

On Monday, Erdoğan again scolded the US. "We don't consider your business with a terrorist organization appropriate taking into account our strategic partnership and alliance in NATO," he said.

"I think the military front of the Turkish-American relationship is blocked, and does not seem like it

will be unblocked," retired Turkish Brig. Gen. Haldun Solmaztürk told Voice of America Turkish.

Tillerson's visit "is to keep political relations under control, not to make progress on the military front," said General Solmaztürk. "It's obvious that Turkish national interests and American national interests are clashing when it comes to Syria and the Middle East in general.... I am seriously worried about the future of Turkish-American relations."

Turkey could respond by limiting US or NATO access to its eastern airbase at Incirlik, which has been instrumental in conducting US-led, anti-ISIS air operations.

But analysts say that, even though Turkey has warmed to Russia in recent months – Turkey's foreign minister is visiting Moscow Wednesday – there is a limit to those ties. Turkey has been surprised to see Russian forces with Kurdish flags in northern Syria, reportedly side-by-side with the Americans in supporting the SDF-YPG. There appears little danger of the US-Turkey feud causing Ankara to turn away from the Western alliance.

In the Raqqa offensive "we see the dark intentions of the militant Kurds" to capture an Arab city and create a "Kurdish federation," says İlnur Çevik, an aide to Erdoğan writing in the pro-government Daily Sabah newspaper.

"The Americans are thus playing into the hands of the Kurdish militants willingly or unwillingly as they continue to embolden [their] dreams of a mini-state in Syria" that would stretch from Iraq to the Mediterranean, wrote Mr. Çevik.

Did Turkey misread US stance?

The US commander in charge of the anti-ISIS coalition notes that Kurds make up less than 10 percent of the population of northern Syria, and can't impose their own rule by force.

"I don't expect any Kurdish units to remain in Raqqa," said Lt. Gen. Stephen Townsend, in a conference call with reporters from Baghdad Tuesday. The SDF are expanding their Arab elements in preparation for the Raqqa offensive.

"What we have seen as Syrian Democratic Forces have liberated a good 20 percent or more of northern Syria, is they have recruited fighters from the local area. They have led the assault to liberate their own towns and villages," said Townsend. "Once those have been liberated, they believe the local fighters, Arabs, Kurds, Turkmen alike ... they leave them to govern it and they move on."

Turkey's leaders "profoundly misread the new [Trump] administration, and the forces they were inheriting, who have a battle plan that's been on the books for over a year now," says analyst Stein.

"The Syria stuff just seems set in stone. The Turks are pushing against forces that are bigger than them within the US government. They must be furious," he says.

"From the proponents of the YPG strategy, the line is very much, 'We gave this [Turkey-backed units] a shot many, many times. You didn't produce forces, and so we just had to keep going.' The frustration is felt on both sides."

THE WALL STREET JOURNAL

Trump's Rapid Rapprochement Plans With Russia Fade

Carol E. Lee and Paul Sonne in Washington and Thomas Grove in Moscow

Updated March 29, 2017 8:43 p.m. ET

Expectations that President Donald Trump's election would lead to a rapid U.S. rapprochement with Russia are fading, as the White House pushes off the Kremlin's proposals for a meeting with President Vladimir Putin and takes an increasingly skeptical view of reaching a grand bargain with Moscow.

At a White House meeting this week, high-level national-security officials discussed possible approaches to Russia, looking to nail down elements of administration policy before

Secretary of State Rex Tillerson's first official trip to Russia in mid-April, administration officials said.

While still focusing on specific areas of possible cooperation, top administration officials now see major impediments to a broad deal on an array of policies, given Russia's continued provocations in terms of weapons deployments, overtures to Iran, cyberintrusions and intervention in Ukraine.

The burgeoning U.S. investigations into Russia's alleged interference in last year's U.S. presidential election—including an inquiry into whether associates of Mr. Trump collaborated with the Russian government to help the president's campaign—have further constrained prospects because

relations with Russia are under intense scrutiny.

The Republican and Democratic U.S. senators leading an investigation into the alleged election interference plan to hold a hearing on Thursday, and both vowed at a news conference Wednesday to "go wherever the intelligence leads us." A House probe into the same allegations has bogged down amid partisan acrimony after the panel's chairman, Rep. Devin Nunes of California, held a meeting on White House grounds and then briefed Mr. Trump, a fellow Republican, on wiretapping without consulting committee members.

A senior administration official said Mr. Trump is "looking for and at potential areas of cooperation" with

Russia but is increasingly mindful of the country's actions that are contrary to U.S. interests. "We don't want to be in a position where we do a lot of giving and don't get a lot in return," the official said.

That contrasts markedly with Mr. Trump's sunny predictions that he could craft a new U.S. relationship with Russia and Mr. Putin. U.S.-Russia relations have significantly soured in the last four years.

"I don't know Putin, but if we can get along with Russia, that's a great thing," said Mr. Trump, referring to the Russian president, on Fox News shortly after his inauguration. "It's good for Russia, it's good for us."

In Moscow, expectations for a sea change in U.S. relations have begun to dissolve after a wave of

euphoria that accompanied Mr. Trump's victory.

Russian officials pushed for an early one-on-one meeting between Messrs. Trump and Putin, suggesting the two leaders meet in May when Mr. Trump is in Europe for a North Atlantic Treaty Organization summit, but the White House declined, causing friction. Administration officials now say the meeting is unlikely to take place before a summit of the Group of 20 leading nations in Germany in July.

The meeting of senior policy and national security officials at the White House on Monday involved top deputies to Mr. Trump's national security cabinet members. The officials discussed areas of potential cooperation with Russia, such as counterterrorism, and points of disagreement, such as Ukraine and Iran, according to administration officials.

Separately, administration officials have discussed easing the sanctions and other measures imposed by former President Barack Obama, a Democrat, on Russia's intelligence services in late December over the alleged election interference, if Moscow reciprocated with "some gesture that you can take seriously" on a policy concern, the senior administration official said.

The White House is hoping to work with Russia on Syria. Administration officials say they accept that Moscow's entrenched military presence in the country, among other dynamics in the conflict, likely rules out the permanent removal of Kremlin-backed leader Bashar al-Assad.

Mr. Trump will make some final decisions on Russia in the coming days at a so-called principals' committee meeting, which is to include Mr. Tillerson and Secretary of Defense Jim Mattis, the official said.

A grand bargain between the U.S. and Russia on an array of issues, including Syria and Ukraine, isn't completely off the table, but now is

unlikely to become Mr. Trump's policy goal, the official said.

Top administration officials—including Mr. Mattis and United Nations Ambassador Nikki Haley—have advocated a tougher stance toward Russia. And Mr. Trump turned to an official who is more hard-line on Russia as the White House national security adviser, Lt. Gen. H.R. McMaster, after firing Mike Flynn for misrepresenting his contacts with the Russian ambassador.

The policy-making process at the White House comes as hopes for a rapid improvement in U.S.-Russian relations begin to recede in both Washington and Moscow.

In Washington, probes by the Federal Bureau of Investigation and Congress into possible connections between Mr. Trump's associates and Russia have restricted the new administration's ability to cut deals seen as conciliatory to the Kremlin in the near term without provoking an outcry from both Democrats and Republicans on Capitol Hill. Meanwhile, Mr. Trump's hopes for better relations have been dimmed by recent moves by Moscow that his administration has viewed as provocative.

Mr. Trump was particularly exasperated by news last month of a Russian missile deployment that the U.S. said violated the Intermediate-range Nuclear Forces Treaty. At the end of an Oval Office meeting with his national security adviser, Mr. Trump threw up his hands and lamented that achieving a deal with Russia keeps getting harder, according to a White House official briefed on the meeting.

Allegations of continued deployment of Russian cyber capabilities against the U.S. and Mr. Putin's untempered pursuit of closer ties with Iran have also dismayed the administration. The senior administration official described Mr. Putin's meeting this week in Russia with Iranian President Hassan Rouhani as "troubling."

Millian told an associate, and those officials were now feeding Trump damaging information about his Democratic opponent, Hillary Clinton. Millian said that the information provided to Trump had been "very helpful."

Unbeknownst to Millian, however, his conversation was not confidential. His associate passed

White House officials have said they would maintain sanctions against Russia over its intervention in Ukraine, including the annexation of Crimea in 2014, until Moscow abides by a peace agreement the two sides reached. The administration has also bucked Russia in the Balkans by backing NATO membership for Montenegro, which the Senate ratified this week.

"When you meet Putin, you have to meet with him from a position of strength," said James Carafano, a foreign and defense policy analyst at the right-leaning Heritage Foundation, who served on Mr. Trump's transition team. "Solidifying that you are the leader of NATO, making clear there is no easy win in Ukraine, stabilizing your policy in the Middle East, making clear that you are making some moves in the Balkans—all these I think are kind of precursors before you meet Putin."

The White House has yet to appoint top Russia policy makers at the Pentagon and State Department, and hasn't formally nominated Mr. Trump's expected choice for ambassador to Russia, Jon Huntsman. Fiona Hill, Mr. Trump's choice for top White House adviser on Russia who has been hawkish on Mr. Putin, is slated to start next week.

Russia's interaction with the new administration has been limited, particularly since the White House fired Mr. Flynn for misrepresenting his contacts with the Russian ambassador.

The drop in communication, a stark change from regular calls and meetings between Russian Foreign Minister Sergei Lavrov and former U.S. Secretary of State John Kerry, has frustrated some Russian officials, unaccustomed to such a long period of uncertainty from a new administration.

"We don't see any positive moves in any direction," said Fyodor Lukyanov, chairman of a prominent council of experts that advises the Russian government on foreign policy. "It's still a chaotic tasting of

different positions all the time, and I don't think there are any expectations in Russia anymore regarding any kind of deal."

Mr. Trump didn't have kind words for many world leaders or countries during his presidential campaign, but his repeated praise of Mr. Putin raised expectations in some quarters that a mending of deeply strained relations would follow his election fairly quickly.

Instead, Mr. Trump has tried to forge relationships with many of the leaders he criticized—including Chancellor Angela Merkel of Germany and President Xi Jinping of China. By the time Mr. Trump is expected to meet with Mr. Putin, Mr. Trump will have met with nearly two dozen other world leaders.

One person who recently met top Russian officials said they particularly expressed dismay with Mr. Trump's decision to welcome Mr. Xi to Mar-a-Lago, his Florida estate, while delaying a meeting with Mr. Putin.

Andrei Kortunov, head of the Russian Council on Foreign Relations, a Moscow-based think tank close to the Foreign Ministry, said the perception in Moscow is that the Pentagon so far has gained an upper hand over the State Department in foreign policy-making.

He said Russia remains hesitant to put forward any initiatives that could further inflame U.S. politics and complicate the situation for Mr. Trump, particularly ahead of Mr. Tillerson's visit to Moscow.

"There's not much they can discuss right now, that's the problem," he said. "Until there is political will at the top level, nothing will happen, because the relationships are saturated by problems."

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Who is 'Source D'? The man said to be behind the Trump-Russia dossier's most salacious claim.

<https://www.facebook.com/tom.hamburger>

In June, a Belarusian American businessman who goes by the name Sergei Millian shared some tantalizing claims about Donald Trump.

Trump had a long-standing relationship with Russian officials,

on what he had heard to a former British intelligence officer who had been hired by Trump's political opponents to gather information about the Republican's ties to Russia.

The allegations by Millian — whose role was first reported by the Wall Street Journal and has been confirmed by The Washington Post

— were central to the dossier compiled by the former spy, Christopher Steele. While the dossier has not been verified and its claims have been denied by Trump, Steele's document said that Millian's assertions had been corroborated by other sources, including in the Russian government and former intelligence sources.

The most explosive allegation that the dossier says originally came from Millian is the claim that Trump had hired prostitutes at the Moscow Ritz-Carlton and that the Kremlin has kept evidence of the encounter.

By his own evolving statements, Sergei Millian is either a shrewd businessman with high-level access to both Trump's inner circle and the Kremlin, or a bystander unwittingly caught up in a global controversy.

An examination of Millian's career shows he is a little of both. His case lays bare the challenge facing the FBI as it investigates Russia's alleged attempts to manipulate the American political system and whether Trump associates participated.

It also illustrates why the Trump administration remains unable to shake the Russia story. While some of the unproven claims attributed in the dossier to Millian are bizarre and outlandish, there are also indications that he had contacts with Trump's circle.

Millian told several people that during the campaign and presidential transition he was in touch with George Papadopoulos, a campaign foreign policy adviser, according to a person familiar with the matter. Millian is among Papadopoulos's nearly 240 Facebook friends.

Trump aides vehemently reject Millian's claims to have had close contact with Trump or high-level access to the president's company.

Millian did not answer a list of detailed questions about his interactions with Trump and his role in the Steele dossier, instead responding by email with lengthy general defenses of Trump's election as "God's will" and complaining that inquiries about his role are evidence of a "witch hunt" and "McCarthyism."

"Any falsifications, deceit and baseless allegations directed against any US President is damaging to the national security interests of the United States," he wrote in one email. "Publishing slanderous stories about the President's decency and offensive material about the first family is malicious propaganda and a threat to the national security in order to destabilize the integrity of the United States of America and stir civil disorder aiming at reducing its political influence in the world."

(Jason Aldag, Sarah Parnass/The Washington Post)

Washington Post reporters Tom Hamburger and Rosalind S. Helderman explain the latest development in the story behind a

controversial dossier on President Trump. The FBI's arrangement with Christopher Steele shows that investigators considered him credible and found his line of inquiry to be worthy of pursuit. (Video: Jason Aldag, Sarah Parnass/Photo: Matt McClain/The Washington Post)

In late January, Millian appeared on Russian television, where he denied knowing information that could be damaging to Trump. "I want to say that I don't have any compromising information, neither in Russia nor in the United States, nor could I have," he said, speaking in Russian. "Without a doubt it is a blatant lie and an effort of some people — it's definitely a group of people — to portray our president in a bad light using my name."

The dossier, decried by Trump as "phony stuff" and "fake news" and derided by Russian President Vladimir Putin as "rubbish," consists of a series of reports compiled by Steele over the course of several months before the election.

Millian, identified in different portions of the dossier as "Source D" and "Source E," is described as a "close associate of Trump."

In addition to the salacious allegations that gained widespread attention, the dossier attributed other claims to Millian. For instance, Steele wrote that Millian asserted that there was a "well developed conspiracy of cooperation between [Trump] and Russian leadership," claiming the relationship was managed for Trump by former campaign chairman Paul Manafort. A Manafort spokesman said "every word in the dossier about Paul Manafort is a lie."

Some of those who know Millian described him as more of a big-talking schmoozer than a globe-trotting interlocutor. They say he's a self-promoter with a knack for getting himself on television — like the time he appeared on a 2013 episode of the Bravo reality show "Million Dollar Listing," where he attempted to broker a sale with a Russian-speaking client who agreed to pay \$7 million in cash for a luxury New York unit.

"He's an opportunist. If he sees an opportunity, he would go after it," said Tatiana Osipova, who was a neighbor of Millian's when he lived in Atlanta and who in 2006 helped him found a trade group, the Russian American Chamber of Commerce in the USA. Osipova now lives in St. Petersburg but has remained in touch with Millian. "He's a fun guy, a smart guy. But always talking. He talks so much s----."

Millian's original name was Siarhei Kukuts, but those who know him

say he changed it because he wanted something that sounded more elegant. He told ABC News in July that he changed his name to honor his grandmother, whose last name he said was Millianovich. He has also at times gone by the name Sergio Millian.

"My general impression of him was that he just wanted to be important. Nobody really knew what he or the chamber were doing, but he presented himself with grandeur," said Nadia Diskavets, a New York photographer who was also a founding member of the Russian American Chamber of Commerce but has not been in touch with Millian recently. "So I always took everything he said with a grain of salt."

Another acquaintance referred to him in a similar way, saying he exaggerated his connections with Trump and with the Russians. "He's too small of a fish to deal with Russian people," she said. "They will smell his smallness from miles away."

Born in Belarus, Millian, 38, attended a university in Minsk. A Russian-language version of his biography that was posted on the Russian American Chamber of Commerce's website says he studied to be a military translator.

He arrived in the early 2000s as a young, single professional in Atlanta, which has a large Russian-speaking community. Friends there said he worked in real estate, and, according to one résumé posted online, he opened a translating business whose clients included the Russian Ministry of Foreign Affairs.

Friends said that Millian founded the Russian American Chamber of Commerce as a way to forge business ties between the United States and Russia and as a personal networking opportunity.

Millian's affiliation with the group also appears to have boosted his profile in Russia. He hosted events in the United States and abroad on the chamber's behalf and, after moving to New York, began being interviewed repeatedly by Russian-language news outlets as an expert on U.S.-Russia relations. He traveled to Moscow in 2011 courtesy of a Russian government cultural group later investigated by the FBI for allegedly recruiting spies, though there is no evidence that the inquiry involved Millian.

Millian's account of his relationship with Trump has shifted over time. As the Republican candidate was rising in the spring of 2016, a time before there was close scrutiny of Trump's ties to Russia, Millian used his media appearances to describe

deep connections with the New York real estate mogul.

He told the Russian state-operated news agency RIA Novosti last April, for instance, that he met Trump at a Miami horse-racing track after "mutual associates" had organized a trip for Trump to Moscow in 2007.

From there, Millian said, he entered into a business arrangement in which he says he helped market a Trump-branded condominium complex in Hollywood, Fla., to international investors, including Russians.

Millian's description of the Miami event appears to match up with a picture he posted on Facebook that appears to show him posing with Trump and the project's developer, Jorge Pérez — the only evidence that Millian ever met Trump.

A spokesman for Pérez said his company has no record of paying Millian in connection with the project, and Pérez declined to comment further.

A White House spokeswoman said, "Sergei Millian is one of hundreds of thousands of people the president has had his picture made with, but they do not know one another."

Millian, however, promoted ties he claimed to hold with Trump's company.

A 2009 newsletter posted to the website of the Russian American Chamber of Commerce reported that the group had "signed formal agreements" with the Trump Organization and Pérez's company "to jointly service the Russian clients' commercial, residential and industrial real estate needs."

In the interview with RIA Novosti, Millian boasted that when he was in New York, Trump introduced him to his "right-hand man," Michael Cohen, a longtime Trump adviser — a claim that Cohen has denied.

"He is the chief attorney of Trump, through whom all contracts have to go," Millian told the Russian news outlet, adding, "I was involved in the signing of a contract" to promote Trump's real estate projects in Russia.

"You can say that I was their exclusive broker," Millian continued in Russian. "Back then, in 2007-2008, Russians by the dozens were buying apartments in Trump's buildings in the U.S.A."

Asked in the April interview how often he spoke to Trump or his associates, Millian responded: "The last time was several days ago."

Millian told people last year that he was in touch with Papadopoulos, whom Trump had described in a

March 2016 Washington Post editorial board interview as a member of his foreign policy team and an “excellent guy.”

Papadopoulos received attention during the campaign largely because of reports that he had exaggerated his résumé and cited among his accomplishments that he had participated in a Model United Nations program for college and graduate students.

But, according to foreign news reports and officials, he conducted a number of high-level meetings last year and presented himself as a representative of the Trump campaign. He told a group of researchers in Israel that Trump saw Putin as “a responsible actor and potential partner,” according to a column in the Jerusalem Post, while later he met with a British Foreign Office representative in London, an embassy spokesman said. He also criticized U.S. sanctions on Russia in an interview with the Russian news outlet Interfax.

Papadopoulos did not respond to questions about contacts with Millian. But Papadopoulos said by email that his public comments during the campaign reflected his own opinions and that some of his energy policy views run counter to Russian interests. “No one from the campaign ever directed me to discuss ‘talking points,’” he said. In a separate email, he accused The Post of relying on “innuendo” and “unsubstantiated claims by irrelevant sources.”

Neither Millian nor a White House spokeswoman responded to questions about Papadopoulos. The person familiar with the contacts, who spoke on the condition of anonymity, did not provide details.

Over the summer, as Trump prepared to accept the Republican presidential nomination, Millian traveled to Russia. He posted pictures on his Facebook page

showing that he attended a Russian government-sponsored summit in St. Petersburg in June. One photograph shows him with Russia’s minister for energy. Another shows him chatting with Russian aluminum magnate Oleg Deripaska, who is close to Putin. A spokeswoman for Deripaska declined to comment. A spokesman for the Russian Embassy did not respond to questions about Millian.

Later in the summer, Millian continued boasting of his Trump connections.

He told ABC News that he had been the “official broker” for the Trump-branded condo building and described Trump’s affinity for working with Russians. He pointed to “hundreds of millions of dollars that [Trump] received from interactions with Russian businessmen.”

Millian added that Trump “likes Russia because he likes beautiful Russian ladies — talking to them, of course. And he likes to be able to make lots of money with Russians.”

Millian told ABC that he was “absolutely not” involved with Russian intelligence. But when asked whether he had heard rumors to that effect, Millian replied, “Yes, of course.”

Millian also said that, at times, he talked about U.S. politics with top Russian officials. “Usually if I meet top people in the Russian government, they invite me, say, to the Kremlin for the reception, of course I have a chance to talk to some presidential advisers and some top people,” Millian said.

While Cohen has said he has never met Millian, the two did interact last year over Twitter. Millian was, for a time, one of about 100 people that Cohen followed and they tweeted at each other on one occasion in August after Cohen appeared on television.

Cohen later unfollowed Millian, telling The Post that he had mistakenly thought Millian was related to a Trump Organization employee with a similar last name.

“He is a total phony,” Cohen said in an interview. “Anything coming out of this individual’s mouth is inaccurate and purely part of some deranged interest in having his name in the newspaper.”

Cohen said he did not believe Trump was in Russia in 2007, as Millian claimed in April.

Cohen said it was possible that, like other brokers in Florida, Millian might have attempted to sell units at Trump Hollywood. But, he said, Millian never held an exclusive deal at the project or any contract with the Trump Organization.

Speaking with The Post over the phone from his New York office in a January interview, Cohen also read aloud from a lengthy email he said Millian had sent him shortly before the election that contradicted his earlier public statements.

“I met Mr. Trump once, long time ago, in 2008, pretty much for a photo opportunity and a brief talk as part of my marketing work for Trump Hollywood, after my brokering service was signed. Now, to say that I have substantial ties is total nonsense,” Cohen said, reading from an email he said Millian wrote after media coverage that mentioned him.

In the email, Millian suggested holding a news conference to clear up the matter, Cohen said. Cohen said he rejected the idea, accusing Millian via email of “seeking media attention off of this false narrative of a Trump-Russia alliance” despite having met Trump only one time, “for a 10 second photo op.”

Cohen, who left his job at the Trump Organization in January to become Trump’s personal attorney, said this month that he could not release a

copy of Millian’s email because he no longer has access to the company’s email system.

In South Florida, where Millian claimed to have had a contract to sell units at Trump Hollywood, there is little evidence that he played a major role.

Daniel Lebensohn, whose company BH3 took over for the Related Group in 2010 after Pérez’s company struggled to complete the project, said his company’s records show no sign that Millian sold any units in the building.

Two Florida-based real estate brokers who specialize in the Russian market and have sold units in Trump Hollywood were equally mystified.

Today’s WorldView

What’s most important from where the world meets Washington

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“I’ve never heard of him,” said Olga Mirer, who has traveled back and forth to Russia over the past decade brokering deals at Trump Hollywood and other Florida buildings.

Despite the Trump team’s efforts to distance the president from Millian, the dossier source nevertheless attended Trump’s inauguration in January.

He posted photos of himself on Facebook attending VIP events for supporters, including one in which he posed in front of the podium at a reception for Trump chief of staff Reince Priebus at Trump’s Washington hotel. A White House official did not address a question about Millian’s attendance.

Alice Crites in Washington and David Filipov in Moscow contributed to this report.

THE WALL STREET JOURNAL

7:07 p.m. ET

The new administration may be sorely tempted to close a showy diplomatic “deal,” the origins of which are President Obama’s extraordinary policy failures in the Middle East. With American financing rather than resistance, Iran has thrown a military bridge from Afghanistan to the Mediterranean, a feat the U.S. could not equal at the height of its powers when it unsuccessfully tried to construct the Central Treaty

Helprin : The Deal Trump Shouldn’t Make With Russia

Mark Helprin

March 29, 2017

Organization in the 1950s. Worse still, Mr. Obama’s “executive agreement” with Tehran gives it a U.S.-guaranteed path to nuclear weapons.

As Mr. Obama denuded the Mediterranean of armed American naval vessels and backed off supposed red lines, Russia re-established itself in the Middle East after having been almost completely excluded during the previous nine presidential terms. The result of such astounding American incompetence has been genocidal wars and the metaphorical

transformation of the regional security situation from gunpowder into nitroglycerin.

It threatens to become even worse, in that with the presence of rival great powers, the processes at work may leap the bounds of their containment in the Middle East and unravel the long peace of Europe. Because of the March 7 meeting of the American, Russian, and Turkish military chiefs, and simultaneous Russian signals that it is ready, for a price, to abandon its support of Iran, Iran—as documented by the Middle East Media Research Institute—is

in a state of “shock.” It knows that it cannot stand against the might and favorable geographic position of a combination of these forces and the proximate Sunni states. President Hassan Rouhani recently rushed to Moscow, but his meetings there were conspicuously opaque about the future of Iran in Syria.

Excluding Iranian troops and arms from Syria and Lebanon would be a major achievement, which could have been a feature of the Obama foreign policy before Russia reinforced in Syria. American, Saudi, Turkish, and Jordanian air

power might easily have laid an air blockade across the 1,000 miles from Tehran to Damascus, and kept the few roads in wide-open country clear of overland supply. Needless to say, Iran would have found the sea route unavailing.

Even now, with a Russian air component in western Syria, it is unlikely that Moscow would risk breaking a blockade any more than it attempted to breach the 1962 quarantine of Cuba, for the reason that it could not then and cannot now project power into the area of contention with even a small fraction of the force that would resist it. As the Soviets did in the Cuban crisis, Russia might resort to nuclear bluffing, but it would be only that. Its interests in the Levant, which, given its lack of power projection and capable allies, it cannot exploit, would not be worth an empty threat that it would then have to withdraw.

Nonetheless, nuclear brinkmanship is hardly to be considered lightly. So, given that the U.S. failed to capitalize on its open opportunities before Russia came on the scene, should it not now take the opportunity to begin putting Iran back into its cage by striking a deal with Russia?

No, because this is not the only way to do so, and the price, if indeed Russia would fully cooperate, would be to bless the developing Russian alliance with a mischievous and eminently separable-from-NATO Turkey, and, much more consequently, the lifting of sanctions related to Crimea and Ukraine.

That Russia is shy of the madness of Iran and foresees such a trade as (from a column in *Kommersant*) opening a "window of opportunity for Donald Trump's diplomacy," has been suggested by various Kremlin ventriloquist dummies. According to a U.S. intelligence report, the ever injudicious Vladimir Zhirinovskiy proclaimed on the eve of the U.S. election that if Mr. Trump won, "Russia would 'drink Champagne' in anticipation of being able to advance its positions in Syria and Ukraine."

In a Syria-Ukraine trade-off, the Trump administration would not merely lend weight to the accusation that because of the president's mysterious admiration for Vladimir Putin it is unduly partial to Russia. It would also legitimize the breaking of treaties, the seizing of territories, and the instigation of war not in a subsidiary Third World

theater of maneuver but in Europe itself.

The United States should not go down this road. Europe in its current disarray is hardly bereft of Putin-friendly business interests, political factions, and *politiciens* from dinosaur communists to Marine Le Pen. Even the gentlest push may flip it on sanctions. This would be a cardinal error on the scale of Chamberlain's betrayal of the Czechs, Roosevelt's too-easy abandonment of Eastern Europe, Acheson's mistake in excluding Korea from the American defense perimeter, U Thant's 1967 withdrawal of the United Nations Emergency Force from the Sinai, and April Glaspie's confusing signals to Saddam Hussein. Each of these perhaps momentarily attractive concessions ended in war.

The trade would confirm to Mr. Putin that leveraging prior American fecklessness with only a low-cost and unsustainable intervention in the Middle East was able to change the international order in Europe to his advantage. Logically, he would look next to the Baltic states. Crimea and eastern Ukraine are different from the former Soviet republics on the Baltic, given the

NATO tripwire force in the latter. But it is only a token presence, and a Russian blitzkrieg from Kaliningrad and the east could conquer them in a day. Without the ability to bring strong conventional forces to bear quickly, would NATO go nuclear to reclaim them? It would not.

Harvesting Russian "concessions" in the Middle East in return for legitimizing its aggressions in Europe would teach Moscow that, given time, the West will accept its conquests. If history is a guide, Russia would then advance to the kind of tragic miscalculation that spurred Hitler to invade Poland. Just as tragic is the pattern that when seduced to concede, the West gives a false impression of its ultimate resolve, and eventually stumbles into war.

Mr. President, if such a trade is offered, do not take it. It would be a very bad deal.

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To Save Peacekeeping From Trump's Budget Ax, Will the U.N. Embrace Fighting Terrorism?

Paul McLeary | 1 hour ago

GAO, Mali — A few minutes before 9 a.m. on Jan. 18, a white Toyota Land Cruiser carrying 50-gallon drums crammed with metal and explosives turned up a wide sandy track toward a military compound guarded by U.N. peacekeepers. Inside the compound, behind a thin concrete wall topped with razor wire, was the ultimate symbol of the country's troubled peace process: a special unit of Malian forces and former rebels who were due to patrol together in a show of solidarity.

Emblazoned with the insignia of the special unit, known by its French acronym MOC, the Land Cruiser passed the U.N. peacekeepers and the first security perimeter without incident. When a security guard at the main gate asked the driver for identification, he rammed the vehicle through a metal barrier and made a hard left toward a group of soldiers who were assembled to drill. Then he detonated his payload.

"There was a blue light, a big noise, and smoke," said Lt. Col. Samballa Sidibé, the MOC's logistics chief. "When it cleared, there was a spectacular scene of desolation."

The bodies of at least 77 dead and more than 100 wounded lay twisted in the sand, arrayed about a giant, smoking crater. The attack, which was later claimed by an affiliate of al Qaeda in the Islamic Maghreb, incapacitated roughly one-third of the MOC's 600 U.N.-trained troops. It was the deadliest terrorist attack in Malian history.

Left: Members of the MOC in a Toyota Land Cruiser similar to the one that was used in the deadly car bombing on Jan. 18. Right: Members of the MOC at their base in Gao in February, less than a month after it was bombed. (Photo credit: ANTHONY FOUCHARD/Foreign Policy)

Since U.N. peacekeepers deployed to Mali in 2013, they have become enmeshed in an increasingly deadly campaign by jihadis who, with the help of Tuareg separatists, had briefly seized the northern half of the country in 2012. Mandated to stabilize the country and support implementation of a 2015 peace agreement, the peacekeepers have instead become piñatas for disgruntled jihadi groups that were excluded from the accord. At least 118 blue helmets have been killed in the past four years, more than in

any other active U.N. mission, prompting the Security Council to strengthen their mandate to take "proactive" steps against "asymmetric" terrorist threats.

The mission's counterterrorism focus has made it the U.N.'s most controversial. Many believe the world body should preserve its impartial status rather than become a party to conflicts. But as the U.N. Department of Peacekeeping Operations stares down potentially debilitating budget cuts proposed by U.S. President Donald Trump's administration, what made the Mali mission a lightning rod for criticism could be what ends up saving it — at least for now.

The White House has instructed State Department officials to find at least \$1 billion in cuts to U.S. funding for the U.N.'s 16 peacekeeping missions, but U.S. planners have so far left Mali off the chopping block. U.N.-based officials say it's too early to know whether the new administration will embrace the U.N. peacekeeping role in Mali or whether it just hasn't begun internal deliberations on the mission's fate. But an official familiar with U.S. thinking said the Trump administration is "most

forward-leaning" on the U.N.'s "role in counterterrorism environments."

"Mali is not in their sights right now," added a senior U.N.-based official.

Dutch U.N. peacekeepers patrol in Gao in February. (Photo credit: ANTHONY FOUCHARD/Foreign Policy)

The United Nations commands the second-largest expeditionary force in the world, with nearly 100,000 uniformed troops and police officers deployed in 16 missions at a cost of about \$8 billion a year. The United States is obliged to pay more than 28 percent of the cost, or some \$2 billion each year.

Both the administrations of former Presidents George W. Bush and Barack Obama viewed that outlay as a bargain, relieving the U.S. military and its allies of the pressure to send American soldiers into harm's way to monitor cease-fires or halt genocide and other mass atrocities.

But the Trump administration is skeptical about the wisdom of pouring billions of dollars into costly missions that never seem to end and sees a ripe target for securing savings.

On April 6, Nikki Haley, the U.S. ambassador to the United Nations, will host a special session of the U.N. Security Council to try to prod other key powers into cutting costs in U.N. peacekeeping missions including in the Democratic Republic of the Congo and South Sudan and to shutter other troubled missions that show little hope of achieving their goals.

"A significant number of [peacekeeping operations] have mandates conceived years — in some cases decades — ago that are no longer supported by a political environment conducive to achieving the Council's aims," Haley's staff wrote in a confidential "concept paper" distributed last week to prepare the council's 14 other members.

"[A]re the current missions still 'fit for purpose?'" the paper asked. "How do we guard against mission creep?"

The United States has developed a hit list of missions, including a trio of U.N. peacekeeping missions in Haiti, Liberia, and Ivory Coast, that were already being wound down before Trump won the presidency. The closure of those missions could "hand Haley some relatively easy victories," said Richard Gowan, a U.N. expert at the European Council on Foreign Relations, but they won't get the United States near the White House target of \$1 billion in cuts.

To get there, the U.N. would have to close or at least scale back some of the largest and most costly missions, like those in Congo, which is projected to cost U.S. taxpayers \$440 million in 2017; South Sudan (\$372 million); Darfur (\$324 million); the Central African Republic (\$285 million); and Mali (nearly \$298 million).

For the time being, the State Department has no immediate plans to close or cut back the U.N. mission in the Central African Republic, which was set up to halt mass atrocities, or in Mali, where jihadis threaten U.S. interests in the region. This could reflect the Trump administration's priorities, or it could reflect the fact that it has yet to hash out a peacekeeping doctrine and these missions won't come up for renewal for months.

"They are taking them one by one, more or less in chronological order," one council diplomat said. "For the moment, I see no big picture, no big plans coming from the administration."

A Dutch U.N. peacekeeper looks out over the city of Gao. (Photo credit: TY MCCORMICK/Foreign Policy)

Even if the Trump administration is "forward-leaning" on missions like Mali's, it seems unlikely to nudge the world body toward a broader embrace of counterterrorism. The U.N. has for years resisted taking over for African Union peacekeepers in Somalia, for instance, mainly because they are engaged in a bloody fight against al Qaeda-linked militants there. It's difficult to sustain political support for missions that take high numbers of casualties, which is part of the reason the AU doesn't say how many of its troops have been killed. By contrast, U.N. missions must account for every peacekeeper who comes home in a coffin.

The U.N. did adopt a counterterrorism strategy in 2006, but it is mainly focused on addressing the root causes of terrorism and strengthening national governments to combat it. According to a panel of experts convened by former U.N. Secretary-General Ban Ki-moon in 2015, blue helmets are "not suited to engage in military counter-terrorism operations" because they "lack the specific equipment, intelligence, logistics, capabilities and specialized military preparation required."

But France, which has a large financial and security stake in the mission's success, has defended it as a critical force for stability, and a possible model for future peacekeeping missions elsewhere.

"This is new for the U.N., and it's really a test for the organization to be able to operate in today's challenging security environment, which includes threats such as terrorism," France's U.N. ambassador, François Delattre, said. The U.N. mission in Mali, he added, is a "dam against the spread of terrorism in Mali and the whole region. To weaken it would risk making Mali and the region a new safe haven for terrorists across the globe."

But the Mali mission, which is the only one of 69 U.N. missions authorized since 1948 to deploy as part of a counterterrorism operation, has been hamstrung by many of the problems highlighted by the U.N. panel of experts. When the Security Council "clarified" the mission's mandate last year, authorizing it to take a "more proactive and robust posture" to "anticipate, deter and counter threats," many expected it to begin dismantling terrorist networks. There was even talk of forming an elite African unit within the mission modeled on the Force Intervention Brigade in Congo, the only U.N. mission to undertake sustained offensive operations.

It never happened. Peacekeepers in the Mali mission, known as MINUSMA, continued to be battered by bombs and improvised explosive devices, but they never took the fight directly to the jihadis.

"Most of the time, we know where they are and we know what they do, because we have all the modern techniques to find them," Col. Wilco Roepers, the commander of Dutch contingent in Mali, said of terrorist groups. "But we are not allowed to attack them. Like targeting, what we did in Afghanistan, we are not allowed to do here. Because we are here just to keep the peace, not to kill terrorists. That's not our job."

Dutch U.N. peacekeepers patrol in Gao. (Photo credit: ANTHONY FOUCHARD/Foreign Policy)

To make it their job, however, U.N. officials say they would need more manpower and equipment — precisely the kinds of costly expenditures the Trump administration is trying to rein in.

"This country is twice the size of France, and the number of uniformed people is less than the New York [City] Police Department," said Koen Davidse, the deputy special representative of the U.N. secretary-general in Mali. "We still have gaps in terms of the armored vehicles that we need, helicopter units, special forces units, reconnaissance units — those are all sorts of things that we need to implement the mandate."

MINUSMA was already the U.N.'s fourth-most expensive mission at \$933 million in 2016, and it has more highly trained European troops than any other mission in Africa. It also has a sophisticated intelligence arm, the first for a U.N. mission, that puts intel gathered on long-range patrols, by helicopters and C-130 transport planes, and by a fleet of Heron 1 surveillance drones at the fingertips of the force commander.

But U.N. missions are awkward coalitions of the willing, and even good intelligence can be difficult to act upon when troop contingents struggle to work effectively together.

Among MINUSMA's 13,000 military personnel are Dutch air assault troops that patrol in open-top Mercedes jeeps. But there are also Bangladeshi peacekeepers who lack armored vehicles. Some contingents have experience in NATO missions like Afghanistan; others are deploying overseas for the first time.

"There are still troops coming in with no guns and no tents. Some people are not trained. So we have partners in this mission who are not ready to go," Col. Roepers said. "In

the last few months of 2016, we did some integrated action with five or more countries, and sometimes it didn't go well because we were not able to work together."

Left: Dutch U.N. peacekeepers ready their Mercedes jeeps for a patrol in Gao. Right: Bangladeshi U.N. peacekeepers patrol in Gao. (Photo credit: ANTHONY FOUCHARD/Foreign Policy)

Peacekeeping in counterterrorism theaters also means the U.N. get less bang for its buck. Blue helmets must focus first and foremost on protecting themselves, which means that more time and energy is spent on things like securing bases and protecting convoys than in traditional peacekeeping operations.

"Of course, we're here to secure the population, but we can only do that if we take care of our own security, so it's a constant point of tension," Davidse said.

Meanwhile, the terrorist threat is spreading. While MINUSMA was focused on preventing al Qaeda and like-minded groups from re-establishing the caliphate they declared in the north of the country in 2012, Mali's volatile middle belt was quickly imploding. New groups have taken up arms against the government in recent months, and a staggering number of local authorities have been assassinated.

Marc Spurling, the acting head of MINUSMA in Gao, an ancient caravan city on the banks of the Niger River, says the mission's primary focus on stabilization complements more aggressive counterterrorism efforts being headed up by French "Barkhane" forces operating throughout the wider Sahel region. The U.N. shares intelligence with the French if it thinks lives can be saved as a result.

But others within the mission see its junior partner relationship to Barkhane as a dangerous half-measure. It marks MINUSMA as a clear party to the conflict but means the mission does not act to neutralize threats before it's too late. And because the French are better equipped and have a lighter footprint, MINUSMA is often the easiest target for the terrorists to hit.

And hit it they have. The MOC explosion may not even have been the biggest to wrack Gao in the last six months. In November, a truck bomb obliterated a bloc of U.N. offices next to the airport and nearly collapsed the terminal. A second truck that failed to detonate was carrying more than 1,000 pounds of explosives.

"MINUSMA is getting hit, the national armed forces are getting

hit, Barkhane is getting hit, and civilians are getting hit," Spurling

said. "And what we all have in common is that we're getting hit by

those who are quite clearly enemies of the peace."



Obama's Dream of a Nuclear-Free World Is Becoming a Nightmare

The last president wanted an end to nukes, but did nothing to achieve it. Trump won't even talk about nonproliferation. The result is chaos.

More than 100 countries are meeting at the United Nations this week to negotiate a global ban on nuclear weapons. That would normally be a big deal, but it's not this time. That's because more than 40 countries, including the United States and many of its closest allies, are skipping the negotiations, hoping in vain the ban will just go away.

In fact, not a single country that possesses nuclear weapons has sent a delegation to the negotiation in New York. The Russians are there in spirit, though — because in the absence of the United States and its allies, the negotiations are taking a decidedly anti-American tone, one that will bring a smile to Vladimir Putin's face while leaving a lot of us who support the elimination of nuclear weapons shaking our heads.

To be fair, it is far too early to know whether the resulting agreement will be helpful or harmful. There will be two negotiating sessions: the current one, which will last until March 31, and another that will run from June 15 to July 7. The major question is whether the new agreement will strengthen or undermine the existing Nuclear Nonproliferation Treaty (NPT). If the new agreement requires its signatories to be members of the NPT in good standing, as Adam Mount and Richard Nephew have suggested, it will likely be harmless. On the other hand, some may see the new agreement as an alternative to the NPT, one that would create an alternate international legal arrangement for nuclear weapons that imposes far weaker nonproliferation terms. And there may be other problems, nominally regarding the transit of nuclear weapons, that will impede the ability of the United States to provide security guarantees to its

allies. For many of us, the wisdom of a ban on nuclear weapons depends crucially on such details. The worry is that this "ban" on nuclear weapons will actually serve as a legal excuse for states to leave the NPT and start their own nuclear weapons programs.

Of course, a nuclear weapons ban would be less likely to have these problems if the *United States and its allies were frickin' participating*. Having raised international expectations for progress on disarmament with his soaring rhetoric in Prague in 2009, former U.S. President Barack Obama generally took a dim view of the international efforts he inspired. (I can't help but notice he kept the Nobel Peace Prize, though.) The Obama administration reacted with an incredible ferocity to the states that organized the so-called "humanitarian consequences" initiative, as though its suggestion that dropping a nuclear weapon on a city might have adverse humanitarian impacts posed a mortal challenge to American alliances. The United States largely skipped these meetings until it was too late and was forced to whip votes against the various General Assembly resolutions that followed, including the one that endorsed the idea of negotiating a new ban on nuclear weapons. St. Barry of Prague was not without sin.

The Obama administration opposed all these initiatives kicking and screaming, arguing that banning the bomb should be left to the nuclear weapons states, particularly the United States and Russia. Leaving it to the nuclear weapons states meant nothing happened on disarmament, particularly after U.S.-Russian relations went in the toilet and Moscow rejected Obama's offer to follow the New START treaty with an additional round of nuclear weapons reductions. Russia simply isn't interested in cutting the number of nuclear weapons. Rather, Moscow is in the midst of an ongoing nuclear modernization that includes a revival of Soviet-era plans for new heavy intercontinental

ballistic missiles and rail-launch missiles, new cruise missiles that violate the 1987 Intermediate-Range Nuclear Forces Treaty, and an underwater drone designed to drench coastal cities in radioactivity. So Moscow told Obama where to stick his offer of more cuts.

The United States might have usefully leveraged the world's enthusiasm for nuclear disarmament to publicly push back against Putin's enthusiasm for new nuclear weapons but chose not to. Instead, the United States has largely abandoned leadership to those states that are more interested in using disarmament issues to beat up the United States. As a result, it was pretty easy for people to look the other way with a lame reference to "both sides" opposing disarmament. If you wonder why it is difficult to persuade European governments to take seriously the new Russian nuclear weapons *pointing at them*, look no further than Obama's ability to raise hopes with soaring rhetoric, then dash them with timidity and caution.

The ultimate effect of that approach is on display in New York this week and can fairly be described as the worst possible arrangement imaginable. A bunch of states are now going to negotiate a ban on nuclear weapons that may seriously undermine both America's nonproliferation efforts and its security commitments around the world. And the United States will fecklessly oppose this effort in a way perfectly suited to excuse Russia's ongoing nuclear arms buildup.

Pretty much the only way this situation could be worse is if the president of the United States was a pro-Putin stooge who was actively sabotaging NATO and other U.S. alliances while openly musing about expanding U.S. nuclear forces on Twitter.

Oh, hell.

There was no reason for the Obama administration to oppose either the humanitarian consequences

initiative or negotiations on a nuclear weapons ban. It is nearly impossible to imagine a scenario in which it would be in the interest of the United States to initiate the use of a nuclear weapon. The debate among policy types has long been about whether to say that publicly or just keep thinking it silently to ourselves. Well, at least until now. After watching Ted Cruz and Donald Trump try to outdo each other in the Republican presidential primary debates by proposing various war crimes like torture, carpet-bombing civilians, and murdering terrorists' families, I am not so sure. But using a nuclear weapon would likely be far worse than even all that. And yet we can't find it in ourselves to make the same condemnation.

That's a mistake. After all, it is much easier to imagine Russia or North Korea using nuclear weapons first. And so, by keeping this option open for ourselves, we make it far easier for others to make the same threats. Our inability to admit that simple truth leaves open the possibility for other states to threaten the United States and its allies with nuclear weapons and then neatly deflect criticism by pointing out that the United States reserves the same right.

The Trump administration isn't going to participate in these negotiations, nor is it going to sign a ban. But that won't make it go away. The ban is very real and so are the political currents driving it forward. Ultimately, we will have to reckon with those consequences, sooner or later, in New York or abroad. The challenge of dealing with these headaches will fall first to the same U.S. diplomats sitting out the negotiations in New York. They will be tasked with shoring up U.S. alliances and the NPT, elements every bit as important to reducing nuclear dangers as the nuclear weapons ban. If we are lucky, that's the only fallout we will have to deal with.



China Poised to Take Lead on Climate After Trump's Move to Undo Policies

Edward Wong

For years, the Obama administration prodded, cajoled and beseeched China to make commitments to limit the use of

fossil fuels to try to slow the global effects of climate change.

President Obama and other American officials saw the pledges from both Beijing and Washington

as crucial: China is the largest emitter of greenhouse gases, followed by the United States.

In the coming years, the opposite dynamic is poised to play out.

President Trump's signing of an executive order on Tuesday aimed at undoing many of the Obama administration's climate change policies flips the roles of the two powers.

Now, it is far likelier that the world will see China pushing the United States to meet its commitments and try to live up to the letter and spirit of the 2015 Paris Agreement, even if Mr. Trump has signaled he has no intention of doing so.

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"They've set the direction they intend to go in the next five years," Barbara Finamore, a senior lawyer and Asia director at the Natural Resources Defense Council, based in New York, said of China. "It's clear they intend to double down on bringing down their reliance on coal and increasing their use of renewable energy."

"China wants to take over the role of the U.S. as a climate leader, and they've baked it into their five-year plans," she added, referring to the economic development blueprints drawn up by the Chinese government.

Even before the presidential campaign last year, Mr. Trump had made statements consistent with climate change denial, including calling climate change a hoax created by China. He has also threatened to formally withdraw the United States from the Paris Agreement. Since Mr. Trump's election in November, senior Chinese officials and leaders have been taking the high ground on the issue by urging all countries, including the United States, to abide by their climate commitments.

The biggest rhetorical turning point came in January, when Xi Jinping, China's president, said at the World Economic Forum in Davos, Switzerland, that the Paris Agreement was "hard won" and should remain in force.

"All signatories should stick to it instead of walking away from it, as this is a responsibility we must assume for future generations," he said.

Other Chinese officials at Davos repeated that message, including the energy minister, Nur Bekri, and top executives of state-owned enterprises.

In an interview before the recent climate conference in Marrakesh, Chai Qimin, a climate change researcher and policy adviser, said that policies adopted at a recent Communist Party meeting showed that China "has attached ever

greater importance to ecological civilization and green development."

"Everyone is taking this more and more seriously," he added.

On Wednesday, a Foreign Ministry spokesperson said at a regularly scheduled news conference in Beijing that all countries in the Paris Agreement should "fulfill their commitments" and that China would stick to its pledges "regardless of how other countries' climate policies change."

Global Times, a state-run nationalist newspaper, used harsher language in an editorial chastising the Trump administration for "brazenly shirking its responsibility on climate change."

"Washington is obliged to set an example for mankind's efforts against global warming, and now the Trump administration has become the first government of a major power to take opposite actions on the Paris Agreement," the newspaper said. "It is undermining the great cause of mankind trying to protect the earth, and the move is indeed irresponsible and very disappointing."

The editorial also questioned why China was making concessions on fossil-fuel use when the United States was scrapping its promises: "How can China, still underdeveloped, give away a chunk of room for development, just to nourish those Western countries that are already rich?"

Chinese participation is critical for global efforts on climate change. With its economic growth and rampant infrastructure construction, China consumes as much coal as the rest of the world combined. The burning of coal, which is at the core of the power, steel and cement industries in the country, generates enormous amounts of carbon dioxide, the main greenhouse gas. So environmental advocates and officials around the world constantly say China must break its coal addiction.

But unlike in the United States, Chinese leaders and senior officials have consistently said that climate change is a serious problem and acknowledged that changing the energy mix to move away from fossil-fuel sources is important.

And because of its air pollution crisis, China announced policies in

2013 to limit the use of coal in the country's three largest population centers. More recently, scientists have said that there is a dangerous cycle at work: Weather patterns from climate change are exacerbating the smog.

"China is cutting back on coal because of its lethal costs to human health as well as its high carbon emissions, and plans to transition to the energy sources of tomorrow, rather than yesterday," said Isabel Hilton, founder of Chinadialogue, a prominent website that reports on environmental issues and policy. "President Trump seems intent on reviving a 19th-century energy source rather than pursuing the promise of the 21st century."

Mr. Trump's pro-coal talk, and the unlikelihood that his administration will pressure China to cut back on fossil fuels, might mean that pro-coal interests in China, including among state-owned energy companies, will try harder to push back against officials putting limits on coal.

But in recent years, coal consumption in China has declined slightly, surprising many analysts and researchers. China's economic slowdown — from decades of double-digit annual growth to 6.7 percent last year — has been a major factor. Analysts say there appeared to be an increase in coal use during part of 2016 because of economic stimulus policies, but preliminary statistics released in February indicate that overall coal consumption declined last year compared with 2015.

Given such numbers, researchers say China may reach a carbon emissions peak in 2025 — five years ahead of its stated goal of 2030.

China has also made pledges on the percentage of total energy that will be generated by non-fossil-fuel sources, which include hydropower, nuclear power, wind and solar. Mr. Xi has said that by 2030, 20 percent of China's energy will come from such sources. Chinese officials are now grappling with the complex problem of getting energy generated by wind and solar sources onto the grid and properly used.

"Trump's rejection of regulatory action on climate change creates a vacuum in global climate leadership

that China can now seize," said Alex L. Wang, a law professor and China environmental expert at the University of California, Los Angeles. "In recent years, a variety of factors — crisis levels of pollution, economic opportunities from green development and concerns about the domestic risks of rising temperatures — have pushed China to action on climate change. Trump's actions don't affect these underlying drivers."

In addition, China has said that it will put in place by the end of this year a national market for greenhouse gas quotas, commonly known as a cap-and-trade program. It has experimented with seven such regional markets, and there have been problems with them, but the government is determined to set up a national program to put a price on carbon and impose a cost on companies that generate large amounts of carbon dioxide, Chinese policy advisers say.

China appears to be overperforming on other targets besides its carbon emissions peak date. It had stated that by 2020, 58 percent of its energy would come from coal consumption. Official statistics indicate China might meet that target early. Chinese officials now say they expect to get the number down to 60 percent this year.

A report released in January by the Institute for Energy Economics and Financial Analysis, based in Ohio, said China was the world leader in domestic investment in renewable energy and associated low-emissions-energy sectors, with \$103 billion invested in 2015. And China is going global with that strategy — last year, it invested \$32 billion in large overseas deals involving renewable energy.

"There are clear differences between the Chinese approach and the Trump administration on climate change," Ms. Hilton said. "While Trump's administration seems to believe that action on climate change is a waste of money and threatens jobs in the U.S., China sees investment in climate-related action as essential to secure a safe and prosperous future for Chinese citizens, as well as a strategic opportunity to develop and supply the technologies of the future."



Editorial : China betrays the promise of democracy in Hong Kong

March 29 at 7:26 PM

CHINA'S COMMUNIST leadership appears convinced it can handle opposition in Hong Kong by the

same means it has recently employed on the mainland: brute and uncompromising repression. For several years, unrest in the territory has been growing because

of Beijing's refusal to deliver on the promise it made when the former British colony reverted to Chinese rule, which was that its executive would be chosen by popular

suffrage. On Sunday came part of the regime's response: A Beijing-controlled Hong Kong assembly of just 1,200 delegates installed a hard-line bureaucrat as chief

executive, ignoring the fact that polls showed she was less popular than the other major candidate allowed on the ballot.

The next day, the Hong Kong proxies of Xi Jinping added injury to insult: Police informed nine activists who led mass protests in 2014 to demand a truly free election that they were being charged — after all this time — with crimes carrying multiple-year prison sentences. It was a naked crackdown on dissent in a city where freedom of speech and assembly is supposed to be guaranteed under the “one country, two systems” autonomy Hong Kong was promised — and a signal that the pro-democracy movement will no longer be tolerated.

There’s a good chance that the repression will backfire, as it has repeatedly before. The 2014 “umbrella” protests, which paralyzed the center of Hong Kong for 75 days, came in response to a plan for elections that failed to deliver on the promise of universal suffrage. The official who oversaw it, Carrie Lam, is the executive imposed by Beijing on Sunday.

Since the Umbrella Movement was suppressed, Beijing has refused to compromise with the moderate opposition while repeatedly violating the territory’s autonomy, including through the lawless abduction of book publishers and a businessman. As a result, sentiment has been growing for complete separation from China. Several

young activists with pro-independence leanings were among the six opposition candidates elected last fall to the local legislature. The regime responded by preventing two from taking their seats and is now moving against the other four.

Whether or not new mass protests erupt, the continuing hard line is likely to drive more support to the opposition, including those favoring independence. The prospect that China could persuade Taiwan to accept reunification under a “two systems” formula will become ever more remote. And investors will question whether Hong Kong can continue to offer the stability and rule of law that have been the foundations of its prosperity.

One price Mr. Xi probably won’t pay, however, is damage to relations with the United States. Defending democratic freedoms in Hong Kong has been a long-standing and natural part of U.S. foreign policy. But Beijing appears to be calculating that the Trump administration will shrug off the assault on the democrats. So far, that’s the case. The State Department offered no criticism of the arrests on Tuesday, saying only that it was “aware” of press reports about them. On Monday the U.S. consulate in Hong Kong actually congratulated Ms. Lam on her “victory in Sunday’s balloting.” The reality that her selection was a travesty that betrayed the promise of democracy was simply ignored.

The New York Times

Rex Tillerson to Lift Human Rights Conditions on Arms Sale to Bahrain

David E. Sanger and Eric Schmitt

review periods to examine the sale and raise any objections.

WASHINGTON — Secretary of State Rex W. Tillerson has decided to lift all human rights conditions on a major sale of F-16 fighter jets and other arms to Bahrain in an effort to end a rift between the United States and a critical Middle East ally, according to administration and congressional officials involved in the debate.

Mr. Tillerson’s decision comes as the Trump administration looks to bolster Sunni Arab states in the Middle East and find new ways to confront Iran in the Persian Gulf. Bahrain is a key player in that effort, and home to the United States Navy’s Fifth Fleet, which patrols the strategic waterway.

But the decision to drop the human rights assurances as a condition of the sale is bound to be read by Saudi Arabia and other states in the region as a sign that the new administration plans to ease its demands to protect and respect political dissidents and protesters. The conditions on the sale of 19 new American fighter jets, worth \$2.8 billion, had been imposed by the Obama administration amid continuing concerns about the tiny Sunni monarchy’s crackdown against majority Shiites.

The State Department declined to comment on queries about Mr. Tillerson’s decision, which has been discussed at length with some members of Congress but not yet publicly announced.

The State Department on Wednesday notified Congress of its intent to proceed with the sale without the conditions, according to Micah Johnson, a spokeswoman for the Senate Foreign Relations Committee. Congress now has two

Mr. Tillerson will attend his first meeting of NATO on Friday in Brussels, where he may run into resistance from European allies who are trying to build a new relationship with Tehran, and who have made human rights a more central feature of their foreign policy.

Human rights groups, informed by The New York Times of the decision, immediately assailed any effort by the administration to lift the conditions on the arms sales.

“If they lift the conditions, they’re saying we don’t think you need to reform, and the Bahrainis have a free pass to continue cracking down,” said Sarah Margon, the Washington director of Human Rights Watch, an advocacy group.

Mr. Tillerson’s decision is likely to be welcomed by the Republican majority on Capitol Hill. The chairman of the Senate Foreign Relations Committee, Bob Corker, a Tennessee Republican, said in an interview on Wednesday that he applauded the move to lift the human rights restrictions. He said arms sales should be decided by American strategic needs, and not be mixed with pressure on allies to change their domestic behavior.

“This type of conditionality would be unprecedented and counterproductive to maintaining security cooperation and ultimately addressing human rights issues,” Mr. Corker said. “There are more effective ways to seek changes in partner policies than publicly conditioning weapons transfers in this manner.”

Mr. Tillerson, the former chief executive of Exxon Mobil, has taken

on much of the diplomacy with the Gulf Arab states himself, often bypassing American ambassadors and other American officials in the region. A Trump administration official said Mr. Tillerson knew many of the regional players from his time at Exxon Mobil.

The decision on Bahrain also suggests that Mr. Tillerson is likely to deal similarly with Saudi Arabia, the largest and most powerful Sunni force in the region. The Obama administration deepened its rift with its Gulf allies in December over the conflict in Yemen when it blocked a transfer of precision munitions to Saudi Arabia because of concerns about civilian casualties that American officials attributed to poor targeting.

But Mr. Tillerson has signaled he favors reversing that decision, and allowing Raytheon to sell the Saudis about 16,000 guided munitions kits, which upgrade so-called dumb bombs to smart bombs that can more accurately hit targets. The kits, if purchased over the life of the proposed contract, are valued around \$350 million. Mr. Tillerson has argued that if civilian casualties are the concern, it makes no sense to deprive the Saudis of precision weaponry.

The new secretary of state was criticized this month for skipping the release of his department’s annual human rights report, an event his Democratic and Republican predecessors used as a moment to pressure allies and adversaries alike by highlighting abuses. During his confirmation hearing, Mr. Tillerson declined to criticize the state-ordered killings in the Philippines or repression in Saudi Arabia, saying he had to make his own assessment of the facts, and

could not trust what he read in news reports.

But the sale of F-16s to Bahrain was the first test of whether the Trump administration would reverse the efforts by former President Barack Obama to use America’s main leverage — military support — to force domestic political change in the tiny Gulf state. For weeks, Mr. Tillerson has been talking to members of Congress about easing the restrictions to allow the \$2.8 billion sale of fighter jets, and a separate \$1 billion deal to support the existing fleet of aircraft.

Obama aides had urged the Bahraini government to release political dissidents from jail and diversify its predominantly Sunni security forces. But on a trip to the country last April, Mr. Tillerson’s predecessor, John Kerry, was relatively muted in public about criticizing the country.

How the Trump administration handles the politically delicate issues could prove crucial to future relations with the strategically valuable Persian Gulf nation. The Navy’s Fifth Fleet is the key to ensuring flow of oil through the Strait of Hormuz and the Gulf, and safeguarding American interests in the highly volatile region.

Mr. Tillerson is no stranger to the politics of the region. Exxon Mobil has close connections with Qatar’s national oil company, and has joined with Doha to build a liquefied natural gas terminal on the Gulf of Mexico coast that is designed for importing gas and possibly for exporting it as well. As a result, the company had a strong interest in keeping the shipping lanes in the region open — for which cooperation with Bahrain is key.

At the core of the decision, however, is the Trump administration's growing

determination to find places to confront Iran for its activities in the region. In visits to Washington in the

past several weeks, Gulf officials have praised President Trump for promising to get tougher with

Tehran, which they regard as the great Shiite scourge of the Sunni Arab monarchies.

The New York Times

Somini Sengupta

Nikki Haley Calls United Nations Human Rights Council 'So Corrupt'

She briefly channeled her boss, President Trump, by describing the United Nations as "basically a club" that needed to be disrupted.

"The fact is, a wave is building throughout the world," Ms. Haley said. "It's a wave of populism that is challenging institutions like the United Nations, and shaking them to their foundations."

Exactly how Ms. Haley proposes to disrupt the world body is not clear, beyond slashing American financial support, as Mr. Trump signaled with his budget outline. She declined to say how deep those cuts would turn out to be, saying she was in discussions with members of Congress who ultimately control the purse strings.

"This is a time, in short, to show the people reasons to support the U.N.," she said.

Speaking to the council, Ms. Haley took a very different tone than she had with a different audience earlier in the week. On Monday night, at a policy conference held by the American Israel Public Affairs Committee, the pro-Israel lobbying group, Ms. Haley spoke of the utility of high-heeled shoes in diplomacy:

"If I see something wrong, we're going to kick them." The remark was met with huge applause.

In her remarks on Wednesday, Ms. Haley, a former governor of South Carolina, relied on familiar colloquial expressions and offered few specifics about the many foreign policy challenges facing the administration.

"We're not afraid to call out the governments that don't have our backs," she said in her opening remarks, without naming names.

"The beauty of this administration is, all bets are off," she said in response to a question. "We're not going to look at how things were done in the past."

Ms. Haley mentioned, as she has before, that the administration would closely scrutinize United Nations peacekeeping efforts, and said that the United States should bear no more than 25 percent of the total costs, a reduction from the current 28 percent.

She cited what she called a "ridiculously biased report attacking Israel," and criticized the Security Council for holding monthly meetings about the Israeli-Palestinian conflict. (The council

also discusses Yemen every month and Syria three times a month.)

Ms. Haley demurred when asked about proposals to expand the Security Council and about how to achieve peace in Syria, except to say that the country's president, Bashar al-Assad, was "a big hindrance."

She was not asked about two important challenges for the United Nations system, climate change and famine.

She used her address to deliver a pointed attack on the United Nations Human Rights Council, the main international body meant to promote and defend human rights.

"I mean, the Human Rights Council is so corrupt," she said, adding that it includes "bad actors" who use it to protect themselves.

Several countries with poor human rights records, including China and Saudi Arabia, have indeed won seats on the council. But the United States has itself used its seat to forcefully defend its allies, including Saudi Arabia, which has been accused of abuses in the war in Yemen.

Ms. Haley said she would attend the Human Rights Council's June

session, but declined to say whether she favored withdrawing from the body. The United States withdrew from its predecessor, the Commission on Human Rights.

Ms. Haley argued that the Security Council — where the United States has a veto — should be the United Nations body addressing human rights issues. She said she would organize a session on the topic in April when the United States takes its turn in the council's rotating presidency.

The Security Council has taken up human rights in the past, and sought to refer the situation in Syria to the International Criminal Court, but Russia and China blocked the move with their vetoes.

Perhaps the most uncomfortable moment of Ms. Haley's speech on Wednesday came when she tried to defend Mr. Trump's travel ban. She insisted that it was not meant to exclude Muslims, but to strengthen vetting procedures for asylum seekers. At one point, she cited this month's London terrorist attack as a justification for the travel ban. The audience murmured audibly; the London assailant was a native-born Briton.

The New York Times

The Editorial Board

Editorial : Crisis Upon Crisis in Venezuela

People in line to buy bread in Caracas, Venezuela. Will Riera/Bloomberg

Venezuela was once one of Latin America's economic powerhouses and a regional diplomatic heavyweight. To grasp how precipitously its global standing has eroded under President Nicolás Maduro, consider these two recent developments.

Last month, the United Nations announced that Venezuela had lost its right to vote in the General Assembly for a second year because it owes tens of millions of dollars in dues. And on Tuesday, against Venezuela's ardent protests, diplomats from across the hemisphere convened a rare meeting in Washington to discuss what it would take to restore democracy and a semblance of order in the autocratic,

impoverished and dysfunctional nation.

Tuesday's hearing at the Organization of American States did not result in a clear plan to address Venezuela's political and humanitarian crisis. But the fact it was held at all was deeply embarrassing to Venezuela, which just a decade ago aspired to become a counterbalance to United States power and policy in the region.

Venezuelan diplomats have sought to characterize growing regional opposition to Mr. Maduro's rule as part of an underhanded effort by the United States to justify military intervention. A coalition of O.A.S. members, currently led by Mexico, isn't buying that excuse and is trying to find and broker solutions to the crisis.

One proposal being floated is to expel Venezuela from the organization. While this would be

fully justified, given that the government's repression of the political opposition and its dismal human rights record violate the O.A.S. charter, it's hard to see what this would accomplish. Furthermore, it could prompt Mr. Maduro to act even more rashly.

A more fruitful step for the international community would be to find ways to help alleviate Venezuela's immediate problems. The most urgent issue is persuading the government to accept humanitarian aid by putting forward detailed offers of needed food and medicine. A growing number of Venezuelans are going hungry in a food shortage, and dying from treatable ailments in squalid, ill-equipped hospitals.

Another international priority should be to press the government to hold local elections, which were suspended last year, and to release political prisoners, some of whom

have been behind bars for years. Until political prisoners are released, the prospects for a restoration of democratic rule are very dim. Finally, the international community could propose specific macroeconomic reforms that could curb Venezuela's runaway inflation and stabilize its currency. Inflation has soared to an estimated 700 percent, while people in this oil-rich nation are left digging through piles of trash for scraps of food.

It's quite likely that Mr. Maduro's government will dismiss all overtures and cast them as meddling by its neighbors. Still, these proposals could become harder to reject if a large international coalition presents them to the Venezuelan people as assistance that should not be interpreted as an affront to their country's sovereignty.

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Trump Administration Signals It Would Seek Mostly Modest Changes to Nafta

Bob Davis and William Mauldin

Updated March 29, 2017 11:56 p.m. ET

WASHINGTON—The Trump administration is signaling to Congress it would seek mostly modest changes to the North American Free Trade Agreement in upcoming negotiations with Mexico and Canada, a deal President Donald Trump called a “disaster” during the campaign.

According to an administration draft proposal being circulated in Congress by the U.S. trade representative's office, the U.S. would keep some of Nafta's most controversial provisions, including an arbitration panel that lets investors in the three nations circumvent local courts to resolve civil claims. Critics of these panels say they impinge on national sovereignty.

The draft, reviewed by The Wall Street Journal, talks of seeking “to improve procedures to resolve disputes,” rather than eliminating the panels.

The U.S. also wouldn't use the Nafta negotiations to deal with disputes over foreign currency policies or to hit numerical targets for bilateral trade deficits, as some trade hawks have been urging.

However, in one far-reaching change, the draft proposal calls for allowing a Nafta nation to reinstate tariffs in case of a flood of imports that cause “serious injury or threat of serious injury” to domestic industries.

The document appears to be a compromise between the desires of

trade hawks to use Nafta renegotiations as a way to set a new trade agenda and moderates who back the U.S. traditional commitment to free trade. The Congress is split along those lines as well.

The draft could be revised. The administration must give Congress 90 days' notice under trade law before beginning formal Nafta renegotiations. It is far from clear that Canada and Mexico would agree to the changes the U.S. seeks.

In a meeting last month with Canadian Prime Minister Justin Trudeau, President Trump signaled that he wanted small changes in Nafta—at least as it pertains to Canada—but didn't offer any details.

The U.S. trade representative's office declined to comment.

Jeffrey Schott, a trade scholar at the Peterson Institute for International Economics, a free-trade think tank, said that the measure reimposing tariffs—called a “snapback” in trade lingo—was also sought by the Clinton administration 24 years ago when it negotiated side deals to Nafta. Mexico didn't agree to the changes.

The letter accompanying the Nafta draft, which was sent to members of the Senate Finance Committee, among others, said the U.S. trade deficit with Canada and Mexico “demands that this administration take swift action to revise the relationship.”

But the draft doesn't propose specific measures that would close

the deficit. So-called rules of origin—the percentage of a product that must be produced in Nafta countries—could be set in a way that “supports production and jobs in the United States,” the draft said. But the document doesn't provide any details of how that would be done or what level of domestic content the U.S. would seek.

Another substantial change could emerge in the government-procurement section of Nafta, which currently requires the U.S. government to consider bids from Mexican and Canadian companies on domestic infrastructure projects.

In the draft objectives, the Trump administration is seeking “to establish rules that require government procurement to be conducted in a manner that is consistent with U.S. law and the administration's policy on domestic procurement preferences,” which could open up the door for Mr. Trump's “Buy American” policies. Meanwhile, U.S. contractors could lose business in Mexico and Canada.

Mr. Schott noted that a number of the proposed negotiating objectives echo provisions in the Trans-Pacific Partnership, a 12-nation trade pact among Pacific Rim countries. Mr. Trump campaigned heavily against the TPP. The president pulled the U.S. from the deal on his first working day in office.

Among the TPP-style provisions the U.S. will seek, according to the draft, are protections of digital trade and commerce, tougher intellectual property enforcement and requirements that state-owned companies operate in a commercial

fashion. The Obama administration had hoped to use TPP to set standards for state-owned firms in the Pacific as a way to influence Chinese behavior.

The proposed labor and environmental provisions—particularly important to Democrats—also echo the TPP, said Mr. Schott. The U.S. would seek to include such provisions in the body of Nafta agreement—they are now in a side deal—and have them enforced in the same way that other Nafta requirements are enforced. Ultimately, that could mean imposing tariffs if the dispute isn't worked out among the parties.

Many supporters of Mr. Trump's approach to trade had hoped he would include binding currency rules in Nafta and use that as a template for deals with Asian countries.

Even if currency isn't included in the main Nafta negotiations, U.S. officials could still strike a side-deal on currency with counterparts in Mexico. The Obama administration won new currency guidelines in a deal meant to accompany the TPP, but critics across Congress complained that the currency deal wasn't binding, and lawmakers never brought the TPP to a vote.

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The
Washington
Post

agenda is now squarely in Mitch McConnell's, and the Senate's, hands

By Sean Sullivan

The daunting effort to salvage the Republican Party's governing agenda has fallen suddenly and squarely on the shoulders of one man: Mitch McConnell.

After the GOP's humiliating health-care defeat in the House last week, the Senate majority leader is under heavy pressure to put President Trump's to-do list back on track by confirming his Supreme Court nominee and averting a late-April

federal government shutdown — all in the face of intensifying Democratic resistance.

While House Speaker Paul D. Ryan (R-Wis.) struggled as the chief advocate for the health-care bill primarily because of Republican recalcitrance, McConnell's challenge is different yet no less difficult: persuading enough Democrats not to obstruct the plans of an increasingly unpopular president.

“We've got a lot of work to do,” Sen. John McCain (R-Ariz.) said. “And one of the things we need to do — and it's going to be harder now because we just failed — is there's got to be bipartisanship.”

Hunger for a victory and the belief that ambitious goals are still achievable are fueling McConnell (R-Ky.) and his team. But dim prospects for cooperation in the Senate, where Republicans hold 52 seats, have forced him to ponder extreme measures, including a rule change known by insiders as the

“nuclear option” that would allow Judge Neil Gorsuch to overcome a Democratic barricade and be seated on the Supreme Court with a simple majority vote.

(Peter Stevenson/The Washington Post)

Senate Majority Leader Mitch McConnell (R-Ky.) said he thinks Democrats will attempt to filibuster the Supreme Court nomination of Judge Neil Gorsuch, but that Gorsuch will be confirmed regardless, on March 28 at the

Capitol. McConnell says Democrats can't stop Gorsuch confirmation (Peter Stevenson/The Washington Post)

[Neil Gorsuch's Supreme Court nomination is on track to change the Senate — and further divide the country.]

Such a move is likely to enrage Democrats heading into a fight over funding the government, in which McConnell will once again need the support of his Democratic colleagues to avert a government shutdown that would begin April 29 if Congress fails to pass a stopgap bill. Democrats have already threatened to thwart the measure — again by requiring a 60-vote procedural hurdle to be cleared — if it includes any money for a U.S.-Mexico border wall.

"Do they really think history books or the American people will look kindly on them for filibustering this amazingly well-qualified and widely respected nominee?" McConnell asked in a floor speech Wednesday.

The minority party has considerably more leverage in the Senate than in the House, making McConnell's task as critical as it is challenging. It also creates a moment of reckoning for the six-term senator's leadership — and national profile.

McConnell, 75, has struck major agreements with Democrats in the past, notably in 2012 with Vice President Joe Biden, a longtime Senate colleague with whom he negotiated a deal to avert deep cuts and tax increases known as the "fiscal cliff."

But McConnell has also been blamed for leading Republican obstruction on many occasions, including last year, when he blocked hearings for Judge Merrick Garland, President Barack Obama's choice for the current Supreme Court vacancy.

Now, suddenly, McConnell's task is to bring the chamber together.

(Peter Stevenson/The Washington Post)

President Trump urged Senate Republicans to consider going "nuclear" and changing the Senate rules. But what does that actually mean, and how would it change the Senate? What is the 'nuclear option,' and how would it change the Senate? (Video: Peter Stevenson/Photo: Jabin Botsford/The Washington Post)

McConnell can often be spotted making the short walk from his office suite to the Senate chamber with the same calm demeanor he presents in all of his public

appearances. He is soft-spoken and studiously on message, parrying reporters' questions without ever appearing flummoxed.

During an interview with The Washington Post last month, McConnell addressed a question about border wall funding by turning to an aide to ask whether White House officials had sent over their spending proposal. They hadn't, the aide responded. The following day during a news conference, McConnell addressed a similar question precisely the same way — asking a different aide and receiving the same response.

Aides and allies say McConnell does not like to expend energy on matters beyond his control — or use more words than necessary to make his point. He is known as a blunt negotiator who is inclined to court Democrats over brief chats rather than long, drawn-out conversations.

"He's very direct, to the point," said Josh Holmes, his former chief of staff. "He doesn't try to, shall we say, underestimate the intelligence of his opposition."

In McConnell's inner circle, there is a sense that Senate Democrats are largely operating as a coherent unit, even as some red-state moderates facing reelection may stray on some votes, including the one on Gorsuch. But these Republicans believe that such moments will be anticipated by Democrats and factored into a larger strategy to oppose Trump and Republicans while also protecting their own vulnerable members.

Although some believe that sweeping aims including a tax overhaul were dealt a devastating blow by the health-care fiasco, Republicans are also under pressure to achieve major legislative accomplishments heading into the 2018 midterm elections, a factor that McConnell's inner circle believes could spur legislative action.

McConnell's most immediate priority is Gorsuch, whose fate will be decided solely by the Senate. The majority leader has made clear that he is deeply invested in that battle, publicly guaranteeing that the federal appeals judge who has won large-scale praise in the GOP will be confirmed by the end of next week.

[As Gorsuch nomination proceeds, this man is taking credit: Mitch McConnell]

"Gorsuch will come out of committee, will be on the floor of the Senate next week and confirmed on Friday," McConnell told reporters Tuesday. He added that it will be

"up to" his Democratic colleagues "how the process to confirm Judge Gorsuch goes forward."

Left unsaid is the increasingly likely prospect that McConnell will have to go nuclear. Democrats have said they intend to use Senate rules to force Gorsuch to clear a 60-vote threshold. If McConnell can't find at least eight crossover votes — and his list of targets is shrinking — his only remaining option will probably be a deeply divisive one: to persuade a majority of senators to back the rules change.

The ripest targets are the handful of Democratic senators up for reelection next year in states won by Trump. But some say there has been little direct outreach.

"I was invited to the White House right after Gorsuch was nominated with other red state Democrats," Sen. Claire McCaskill (D-Mo.) said. "I had a conflict that night. But other than that, that's the only reach-out I've had from the administration or from Republicans in Congress."

McCaskill also attended a bipartisan reception at the White House for senators and their spouses on Tuesday night, but she characterized it as a mostly "social" gathering.

McConnell and other veteran GOP senators have seemed uncomfortable discussing the nuclear option in public, although Trump has casually encouraged the Republican leader not to think twice about using it if needed. The maneuver would eliminate the Senate's empowerment of the minority party, rendering its methods much closer to those in the more partisan House.

Republicans have instead focused their public comments on how Democrats are the ones upending Senate norms with their Gorsuch blockade — and their hopes on the few Democrats they think might help them vote down a filibuster.

A single-party filibuster has never successfully blocked a Supreme Court nomination; however, a bipartisan coalition used the procedural vote to defeat Abe Fortas's 1968 nomination to be chief justice.

The Democratic resistance to Gorsuch is heavily rooted in broader concerns about Trump, whose approval rating fell to 36 percent this week, according to Gallup. Democrats cite concerns about the president's controversial travel ban, his criticism of the federal judiciary and questions about his ties to Russia. Democrats are also under pressure from a restive base of activists who have demanded obstruction of Trump's agenda.

"We're worried that this president is more susceptible to overreach than any other, and Judge Gorsuch has not shown any independence," said Senate Minority Leader Charles E. Schumer (D-N.Y.).

A similar pattern has emerged in negotiations over a must-pass, stopgap funding bill to fund the government beyond April 28. Democrats have signaled they will block any attempts to include money for a wall along the Mexican border, one of Trump's key campaign promises and now a top administration priority.

[Trump wants to add wall spending to stopgap budget bill, potentially forcing shutdown showdown]

In part because of Democratic opposition, Senate Republicans have signaled that they will reject wall money in the temporary funding bill to avoid a shutdown. Many in the GOP conference also reject the idea of marshaling funds for a wall on its merits.

"I think we need border security funding. But I think building a 2,220-mile wall is a waste of money," Sen. Lindsey O. Graham (R-S.C.) said.

On funding the government, McConnell said: "We fully anticipate getting an outcome before the end of April. We have to, actually."

McConnell's relationship with Trump will also be key in the coming weeks. The Senate leader has said he is not a fan of the president's antagonistic tweets, arguing that they distract from the GOP agenda. Asked recently whether Trump would be able to live up to his promise to eventually make Mexico pay for the wall, the senator responded with characteristic dryness: "Uh, no."

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It remains to be seen how effective a dealmaker McConnell can be in the current Senate, with Democrats firmly united against Trump. Some Democrats argue that McConnell, through his resistance of Obama's agenda, is partly culpable for the toxic relations in the chamber.

"I felt that if the Republicans had followed the Constitution ... Chief Judge Merrick Garland would be on the Supreme Court today," Sen. Patrick J. Leahy (D-Vt.) said during Gorsuch's confirmation hearing.

"There are a lot of issues where we can work together, if they are willing to truly be open to Democratic

proposals," Sen. Richard Robert Costa contributed to this Read more at PowerPost
Blumenthal (D-Conn.) said. report.

POLITICO Can the White House drive the tax reform train? History says no

By Darren Samuelsohn

Republican and Democratic veterans of Washington's messy policymaking process have a vehement response to the idea that the White House, fresh from its failed attempt to repeal the Affordable Care Act, will take the lead on drafting legislation to reform the nation's tax system: good luck with that.

Traditionally, the White House has stumbled when trying to craft major new legislation. Writing laws is, after all, what Congress gets paid to do — and lawmakers don't like being big-footed by staffers at 1600 Pennsylvania Ave., even when they come from the same party.

Story Continued Below

"I really can't think of a consequential piece of legislation written in the White House in decades," Democratic former Senate Majority Leader Tom Daschle told POLITICO. "You've got to have legislators at the table. Legislators have to feel invested. If they're not invested they have no stake in the game. They have no real reason to be cooperative or supportive, other than the issue itself. I think it's a huge mistake to drive any legislative effort solely from the White House."

White House press secretary Sean Spicer said earlier this week that President Donald Trump is "driving the train" on tax reform, a move that goes against the grain of recent history. The most recent examples that White House and legislative affairs veterans could recall in which bills with significant presidential input ended up being signed into law included the George W. Bush-era PATRIOT Act after the Sept. 11, 2001, terrorist attacks and the related bill creating the Department of Homeland Security, as well as President Barack Obama's Trade Promotion Authority in 2015.

Some of the biggest legislative accomplishments over the past

three decades that advanced with significant help from a president — Ronald Reagan's 1986 tax reforms; George H.W. Bush's 1990 budget bill; No Child Left Behind in 2001; the American Recovery and Reinvestment Act in 2009; and the Affordable Care Act in 2010 — actually originated from key legislative committees or congressional leadership circles.

"I tend to think the more specific you are the more likely you are to fail because it gives everyone something to shoot at," said a former senior aide in the George W. Bush White House. On tax reform, the GOP staffer warned that going public with details means "some group somewhere will find something saying they can't live with it."

One of Trump's biggest challenges: He's working with a GOP-led House and Senate dominated by members who were elected under Obama, and who are more familiar with finding ways to tank major initiatives than with getting on board.

Several leading lawmakers told POLITICO the Trump White House would be smart to keep its powder dry on the details.

"I don't think they should" release legislative text, said Iowa Republican Sen. Chuck Grassley, a legislative veteran. "What they better do is just work with the people in the Senate Finance Committee like me and people in the Ways and Means Committee, work as a collegial group, to see what can be done."

Another member of the tax-writing Finance panel, North Carolina Republican Sen. Richard Burr, concurred: "Every White House has written legislation themselves. But they've never gotten us to pass their bills."

Democrats smarting from the president's blustery rhetoric and early policy moves on everything from immigration to climate change also said they'd rather have Trump

butt out as Congress develops his big initiatives.

Rep. Richard Neal, the top Democrat on the House Ways and Means Committee, said Trump would be better off leaving the details of tax reform to Congress, especially when the executive branch remains short-handed without senior officials confirmed at Treasury and other key agencies. "I don't think the executive branch can drive tax reform," the Massachusetts lawmaker said. "Many of us have spent careers working on this stuff."

White House aides did not respond to questions seeking to clarify whether Trump intended to write bill text that lawmakers would be asked to work from, or if the president would instead offer a loose set of legislative principles.

House Speaker Paul Ryan has long dreamed of passing a major overhaul of the nation's corporate tax system, and some senior lawmakers and GOP aides said this week that they welcome a White House push if it means turning decades of talk on such a complicated issue into progress.

Yet Ryan and others in the House GOP leadership are waiting for a clearer signal from the Trump White House and its Treasury Department on what it wants out of a tax package, and they're especially interested in hearing the president take a position on a controversial Republican proposal to tax imports and exempt exports, also called the border adjustment tax.

"We think this is great," a House GOP leadership aide said in response to a question about Spicer's "driving the train" pledge for tax reform. "We need to be working together with presidential push if we're going to get it done."

Trump's recent health care defeat has also opened the door to suggestions he could make progress on another one of his big-ticket priorities — infrastructure —

by working with Democrats on a bill that kick-starts repairs for the country's roads, bridges and airports. Sen. Tim Kaine, the Virginia Democrat and Hillary Clinton's 2016 running mate, said White House leadership on the issue could pay off if it responds by incorporating some of the ideas his party has already sent to the president.

"Driving the train is great, but hopefully listening to others while you're driving the train, that'd be even better," Kaine told POLITICO. "We've given ideas. If they really want to work together, we'll see some of those ideas in a proposal he might make."

Starting with a clear outline from Trump might also help limit the influence of special interests on the Hill. "I believe any real meaningful tax reform is going to be a long, hard struggle, process-wise," Arizona GOP Sen. John McCain said in an interview. "Every lobbyist on Earth is going to be descending on this town. It'll be a lobbyist bonanza."

For now, there's no formal schedule for votes, though a top Republican aide said a House Ways and Means Committee markup on the issue could start in May.

Trump officials are reportedly considering pairing infrastructure and a tax overhaul together — something that's long been suggested in policy circles.

South Dakota Sen. John Thune, the chamber's No. 3 Republican leader, said this week he thinks that approach represented the "best path" forward for both bills. In addition, he said the president's bully pulpit would be especially beneficial for the progress in the more conservative House.

"Right now the echo chamber for what they're trying to do I don't think is big enough," Thune said. "I think it'd be helpful actually for the House for the White House to be more engaged."

THE WALL
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Republicans Fuel Uncertainty Over Health Law's Fate

Stephanie Armour, Kristina Peterson and Louise Radnofsky

Updated March 29, 2017 7:13 p.m. ET

Republicans, struggling to figure out their next steps after their health-care bill's collapse, delivered mixed

signals on Wednesday about how they will contend with the 2010 law, with a Trump administration official promising to uphold the law and others saying they will continue working on its repeal.

Health and Human Services Secretary Tom Price said on Wednesday he is obligated to

uphold the Affordable Care Act as long it is in place, but he didn't commit to specific actions, including implementing the requirement that most Americans pay a penalty if they don't have health coverage.

"So long as the law is on the books, we at the department are obligated to uphold the law," Dr. Price, a

former orthopedic surgeon, said at a House subcommittee hearing on President Donald Trump's HHS budget proposal.

At the same time, Mr. Trump and other Republicans have said they are optimistic that, out of the spotlight and without the pressure of deadlines, a health-care deal can

be reached either through achieving a consensus between the party's most conservative lawmakers and those from more centrist districts, or by reaching across the aisle to Democrats.

But they have yet to identify specific areas where consensus is possible, and the talks in Washington aren't being held at leadership levels. There also is scant evidence that the White House is seriously reaching out to Democrats to ease the pressure of passing a major bill on a party-line vote.

Meanwhile, 43 Senate Democrats and one independent, Vermont Sen. Bernie Sanders, signed a letter to the White House that said before they would even consider a bipartisan effort, the president must rescind a January executive order instructing HHS to do all it could to unwind the ACA.

"While we would welcome your sincere interest in bipartisan work to improve quality, lower costs, and expand coverage, we are concerned by your recent statement indicating it would be a good thing to make the ACA 'explode,' which would hurt millions of Americans. Instead, we urge you to use your executive authority to support a stable, competitive insurance marketplace," the letter said.

The collapse last week of a Republican bill that would have toppled much of the ACA was a major blow to a GOP repeal push that began seven years ago with the ACA's passage and culminated with tense negotiations and personal lobbying from Mr. Trump.

Despite the assurances that he will uphold the ACA, Dr. Price left open the possibility that he could pursue changes under his legal authority to pare back aspects of the law. When asked if Republicans will continue trying to repeal the health law, Dr. Price said, "We have to fix the problem."

The 2018 Trump budget, which is likely to see a major rewrite in Congress, would slash HHS

spending by about \$15 billion, or 18%, to about \$69 billion.

One major question confronting Republicans is whether to halt billions in payments insurers get under the ACA. The payments reimburse insurers for subsidies that lower the cost of deductibles, copayments and coinsurance for about six million people who obtain insurance on the ACA's exchanges.

If the government halted the payments, known as cost-sharing reductions, insurers would lose billions of dollars in expected funding and would likely flee the exchanges. Republicans had been prepared to continue the payments as they switched to a new health-care system, but the bill's collapse has left them unsure of how to handle them.

"As long as we're operating under what we have today, which is Obamacare and the rules that pertain to it, I think you have to do your best to make sure we're not disrupting or causing any harm in the insurance marketplace," said Sen. John Thune (R., S.D.) "That probably means you've got to keep the current system going."

But there's less consensus in the House, where conservatives may balk at continuing the payments without taking other steps toward the ACA's repeal.

"We're willing to look at cost sharing as long as it's part of a comprehensive repeal-and-replacement strategy. Outside of that, I don't know that there's the appetite to do that," said Rep. Mark Meadows (R., N.C.), chairman of the House Freedom Caucus, a group of conservative House Republicans. Mr. Meadows said his group hadn't taken a stance on the issue.

Complicating the debate in the House is the fact that some GOP lawmakers want to continue talks over the health-care bill in the hopes of bringing it to a vote on the House floor as soon as next week,

before Congress leaves Washington for a two-week recess.

"On Friday I thought this was dead," Rep. Chris Collins (R., N.Y.) said of the GOP health bill. "I would not use that term any longer."

But GOP aides said prospects of a deal at this point seemed unlikely.

Mr. Trump has suggested such an effort could be bipartisan, telling senators Tuesday reaching a health deal would be "such an easy one."

White House press secretary Sean Spicer said Wednesday that comment was "lighthearted." Asked whether a deal on health care was realistic, Mr. Spicer said, "It's a conversation," adding, "We're not trying to jam that down anyone's throat right now."

Some centrist House Democrats received an invitation to meet next week with administration aides, but at least two have declined.

One move toward changing the 2010 health law without seeking to strike it emerged from the Senate on Wednesday afternoon. Tennessee GOP Sens. Lamar Alexander and Bob Corker introduced a bill that would lift the law's requirement that its centerpiece tax credits be used only for insurance plans sold on HealthCare.gov or a state equivalent in states such as theirs, where some areas have few or no insurers willing to sell through the sites.

Mr. Alexander has said he wants Democratic backing for the legislation, and Democrats haven't signaled hostility in the past to the idea. The bill reflects the fragile state of the individual insurance market in Tennessee, but there are several similarly situated states, some of which have Democratic representation.

If the bill passed, it would allow people to use tax credits to buy approved coverage directly from an insurer or a broker, though the gambit's success would rest on insurers' willingness to sell

individual plans to people trying to buy them with subsidies. People who opted not to buy coverage in those areas would also be exempt from the health law's penalty for going uninsured.

Bipartisan legislation in the Senate would require at least eight Democrats and allied independents to cross the aisle, and more if conservative Republicans defect.

In the past, a number of centrist Democrats including Jeanne Shaheen of New Hampshire, Heidi Heitkamp of North Dakota, Mark Warner of Virginia and Joe Manchin of West Virginia have indicated interest in changing the ACA, saying they see flaws in it but don't believe it should be struck entirely. None of those senators had been contacted by the White House about health care in recent days, aides confirmed.

Ms. Shaheen issued a stinging statement Wednesday in response to Mr. Trump's announcement of a commission to tackle opioid abuse in which she specifically cited the GOP desire to pull back coverage provisions in the ACA.

"There is a massive gulf between President Trump's promises to tackle this crisis and the policies this administration has proposed during his first two months in office. The President just tried to repeal the Affordable Care Act, ending Medicaid expansion, which would have taken away substance misuse and mental health treatment from thousands of Granite Staters," she said.

—Natalie Andrews and Michael C. Bender contributed to this article.

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POLITICO Freedom Caucus reckons with wrath of Trump

By Rachael Bade Story Continued Below

The Freedom Caucus is in soul searching mode.

After scuttling the Republican plan to repeal and replace Obamacare, the group of hard-liners has been attacked on Twitter by President Donald Trump and trashed privately by much of the House Republican Conference. One member quit in frustration over the caucus' hardball negotiating tactics, and a second may follow him out the door.

The heat has left some of the remaining members of the group questioning whether the Freedom Caucus did the right thing in delivering an embarrassing rebuke to their new Republican president. Some hope that Speaker Paul Ryan's move this week to re-open negotiations on health care will give them another chance to get to "yes" — and save them from being faulted for the collapse of the GOP's campaign to end Obamacare.

"Here will be the test: My hope is the president will be inclined to allow the negotiations to go forward and we will be allowed to get a better bill than we did before," said group member Trent Franks (R-Ariz.) in a brief interview Tuesday. "If we do, the Freedom Caucus will have a great equity in that conclusion. If we don't, if we see the thing fail completely — nothing but shards around us — then we probably saw the Freedom Caucus overplay their hand... and I say that

as a grateful member of the Freedom Caucus."

It's unclear how prevalent buyer's remorse is within the group, which has roughly three dozen members.

While Ryan and a handful of senior Republican sources have said several conservatives approached leadership over the weekend asking to continue negotiations, the group's most hard-core members are as adamant as ever that they're on the right side of history in scuttling

"Obamacare Lite." Indeed, Reps. Jim Jordan (R-Ohio) and Raúl Labrador (R-Idaho) didn't seem at all concerned that the group had done anything wrong.

Labrador said that those who can't handle the pressure should join the Republican Study Committee, a conservative group that does not, as a bloc, try to stop Republican legislation it opposes.

The defiant Freedom Caucus members point the finger at Ryan and his top lieutenants for cutting them out while crafting the legislation, and dismiss as "spin" complaints from senior Republicans that the hard-liners "moved the goal posts" during negotiations.

"When you're right in the middle of the battle, and you're getting all this pressure from the White House and your leadership and fellow members, it's difficult to stand your ground because no one likes to not be liked," said Labrador. "But the reality is that if we all went home next week with a bill with only a 17 percent approval rating, I think we would all regret that vote."

The internal debate began in earnest last Thursday after Trump's budget director Mick Mulvaney, a former caucus member himself, gave the group an ultimatum in Ryan's office: vote for the bill, or get stuck with the blame when Trump moves on. When caucus members huddled in the Rayburn Office Building later that night, some members who were then "no's"

argued perhaps it was time to throw in the towel, sources in the room told POLITICO.

The teeth-gnashing continued the following day. Just hours before Ryan pulled the bill, Vice President Mike Pence made a moving appeal to the group to support the proposal. When he left the Capitol Hill Club, a debate broke out among caucus members about whether they were doing the right thing in holding out their support.

At one point, Rep. Andy Harris (R-Md.) argued that perhaps they should fall in line. Harris said that if Pence, an ardent conservative and personal friend, believed the bill was the best they could get, he would take his word, according to a person in the room.

Ultimately, though, the Freedom Caucus did not bend.

Freedom Caucus members say their constituents have applauded their role in stopping the Republican plan. They also argue that moderates, as much as them, were responsible for the bill failing. But Trump has called them out on Twitter, and some members were grilled on TV over the weekend. There's been talk of primary challengers, and strained relations with the White House.

In an embarrassment for the Freedom Caucus, Rep. Ted Poe, who's been with the group since its inception, quit on Sunday. He said he made the decision days earlier

when the Freedom Caucus met with Trump but refused to offer its support despite receiving a number of concessions from the president.

Sources in the room say Poe raised his hand about an hour into the conversation and told Trump: "There's an old saying in Texas, 'It's time to pick the horse and ride it. I'm picking the horse of yes.'"

Poe said in an interview Tuesday that the Republican bill was the caucus' best chance to replace Obamacare. He applauded GOP leadership and Trump for making concessions to conservatives, and said the Freedom Caucus strategy "hurt their credibility."

Poe pinned the bill's death squarely on the group, saying he hopes the caucus "takes stock" of his exit and learns a lesson.

"They should decide: Is this bill better than Obamacare? And the answer to that question is yes," Poe said. "They weren't going to ever get the purist bill that they wanted, because the rest of the conference isn't going to agree with them... I would hope after all this that the Freedom Caucus not look at this as a victory, but that they have a responsibility to keep working to come up with something they can support."

Several Freedom Caucus members said in interviews that they would have done some things differently in hindsight. Some felt that the group should have taken the White

House's offer to repeal so-called "essential health benefits" mandated by Obamacare, a concession they won the day before the scheduled vote.

GOP leadership for weeks had been saying that change was not possible under Senate rules. So when Ryan flipped, it was seen as a coup for the Freedom Caucus.

Other group members felt Freedom Caucus leaders should have been more explicit about their demands.

"I have always felt that it was critical for the group to put down in writing what gets us to 'yes' ... otherwise there is no clarity in the discussion," Franks said, though he called group members the most "noble heroes" he's ever worked with.

As another caucus member, Rep. Brian Babin (R-Texas), contemplates leaving the group, Freedom Caucus Chairman Mark Meadows has set out to try and strike a deal with moderates. The North Carolina Republican, typically chipper, looks worn down by the past several weeks. But he's still hopeful it will be an "all-turns-out-well kind of story."

"The American people couldn't care less about the Freedom Caucus," Meadows said. "They care about their insurance bill. So in the end, if we lower premiums for the American people... what happens with this caucus... is inconsequential."



Editorial : Obamacare is the Republicans' responsibility now

March 29 at 7:29 PM

HOUSE SPEAKER Paul D. Ryan (R-Wis.) told GOP donors Monday that he had not abandoned his effort to pass a major health-care reform bill. But he sounded a more realistic note last Friday: "We're going to be living with Obamacare for the foreseeable future," he admitted after House Republicans failed to unite around a repeal-and-replace bill.

The real question facing Republicans is one Mr. Ryan fielded Friday: "Do we try to prop it up?" His answer: "It is so fundamentally flawed, I don't know if that is possible."

Actually, it is possible, and it is the responsibility of Mr. Ryan, his GOP majority and President Trump. "Moving from an opposition party to a governing party comes with growing pains," Mr. Ryan said. Indeed: A governing GOP would restrain its anti-Obamacare hyperbole and seek to ensure the system's stability, because millions

depend on it. Instead, Republicans still sound as though they are rooting for it to fail. "The best thing politically is to let Obamacare explode," Mr. Trump said shortly after the repeal-and-replace bill went down. Mick Mulvaney, the president's budget director, insisted Sunday that the system cannot be fixed and "must be removed."

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In fact, the Congressional Budget Office projected that, left to operate under reasonable management, Obamacare can work pretty well, preserving the massive coverage gains of the past several years. But one wrong move, motivated by either malice or ignorance, could send the system crashing down.

The Trump administration will face an early test in how it handles a lawsuit the House filed against the Obama administration, which the

new president's team inherited. If Congress refuses to back down or the Justice Department fails to continue fighting the suit, the result would be the loss of subsidies that help millions of low-income people pay out-of-pocket health costs. Withdrawing this support would cause insurers to flee Obamacare markets, leading to massive coverage losses. Cooperation between Congress and the White House could easily solve this problem, but Republicans would have to agree to bolster an element of a law they have for years hysterically condemned.

Similarly, Mr. Trump must decide how he will enforce the individual mandate, a policy hated on the right that requires every American to obtain health coverage. The administration sent early signals that it would weaken enforcement, which would result in fewer people signing up and strain the system's financial stability. But if Obamacare will be in place for the "foreseeable future," enforcing the mandate will be essential, assuming the

president wants to avoid presiding over a policy disaster for which, make no mistake, he would be blamed.

The president and Congress have means to improve the system, possibly even with serious Democratic buy-in. In a USA Today op-ed, Andy Slavitt, a senior Obama administration health-care official, laid out several options. Health and Human Services Secretary Tom Price, for example, could smartly employ his power to allow states to experiment with the Obamacare model. One area of agreement could be on state reinsurance programs, which work in a way similar to one of the ideas Republicans included in their repeal-and-replace bill.

Also important will be competent day-to-day management. That includes working with insurers to set sensible rules for enrollment periods, making sure risk-sharing mechanisms are working well and restoring outreach efforts to encourage more people to sign up. This may not be the job

Republicans wanted. But it is the one they have.

**The
New York
Times**

Marshall : Why Democrats Should Work With Trump

Will Marshall

If Mr. Trump does turn to Democrats, how should they respond?

"Hell, no" will most likely be the first response. Under pressure from their base, congressional leaders are dug in for years of unremitting resistance. They've even issued orders to Democrats on tax-writing committees not to produce a reform blueprint of their own, lest they be tempted to talk turkey with the White House.

All this is understandable, given the ugly and dishonest campaign Mr. Trump waged and what most Democrats still regard as his obvious unfitness for the office he now holds. Yet hold it he does — and if he's willing to make real concessions to their party's core values and priorities, pragmatic Democrats should hear him out.

Unlike depriving millions of Americans of health insurance, revamping America's outdated tax code and modernizing our run-down infrastructure are progressive causes Democrats should be for. And unlike Republicans, whose ideological rigidity and strident partisanship often border on

nihilism, Democrats still hew to the quaint notion that the people elected them to solve problems, not prevent them from being solved. McConnellism is not in the party's DNA.

But if moderate Democrats are disposed to cooperate with the deal-maker in chief, they ought to exact a high price. On tax reform, for example, they should insist that Mr. Trump deliver tax relief to the middle class, not the wealthy, and that he jettison Mr. Ryan's proposed border-adjustment tax, which would hit consumers and business with big price hikes. The administration needs to find better ways to pay for a sharp reduction in the corporate tax rate. Democrats don't have to love big business to recognize that our antiquated tax system forces companies to pay much higher taxes than their overseas competitors. That makes American workers less competitive and gives our companies incentives to move investment abroad — and keep profits there — to avoid the higher rate.

Some die-hard Republican supply-siders would gladly abandon Mr. Ryan and simply add the cost of Mr. Trump's enormous tax cut to the

federal deficit. Democrats ought to hold their feet to the fiscal fire. One way is to close loopholes that cost hundreds of billions in lost revenue and, most economists believe, distort investment decisions. Another is to cap the value of tax deductions (as President Obama proposed) so that high-income people would receive no more tax relief than anyone else. More ambitiously, Democrats could go where Mr. Ryan apparently feared to go by proposing a consumption tax that has actually been tried and proved effective around the world — the value-added tax, with adjustments to ensure progressivity.

Democrats should also insist that Mr. Trump put new revenue on the table, specifically an economywide carbon tax. Otherwise, it will be difficult if not impossible to finance both a comprehensive tax overhaul and the nation-building infrastructure push Mr. Trump has promised. According to the Harvard economist Joe Aldy, a \$25-per-ton carbon tax going up 5 percent a year could raise from \$130 to \$200 billion a year by 2030. Crucially for Democrats, it would also provide a powerful, market-based alternative for the Clean Power Plan and other regulatory policies for lowering

carbon emissions that Mr. Trump and the Republicans want to scuttle.

Finally, pro-growth Democrats should be prepared to work with the White House to pass a major boost in spending on roads, air and seaports, railways, water systems, a "smart" electrical grid and other public goods that can support more robust economic innovation and investment. In return, they should demand that it's actually funded, and that a significant share target people and communities left behind by changing technology and globalization.

Would Mr. Trump accept Democrats' help on these terms? If he really wants to start racking up "wins" for his voters, he would. He'd have to share credit — a novel experience — with Democrats, who'd get points from swing voters for being pragmatic and competent. And they wouldn't be constrained from fiercely opposing Mr. Trump on just about everything else.

If Democrats have a chance to help average working families and show they're not obstructionists, they should take it. America doesn't need two parties of no.

**THE WALL
STREET
JOURNAL**

Henninger : The House Un-Freedom Caucus

Daniel Henninger

March 29, 2017

7:00 p.m. ET

On the night of Nov. 8, 2016, after it was clear that Donald Trump had upset Hillary Clinton, there was broad agreement that one word described the American electorate's purpose: change. Voters wanted change from the status quo.

Last week, not 100 days into the Trump presidency, the members of the House Freedom Caucus decided that the 2016 election was not about change. It was instead about legislative gridlock, with the bitterly ironic difference that these 25 or so self-described conservatives have locked up their own party.

Democrats need 24 pickups to regain control of the House. There are 23 Republicans running from districts Mrs. Clinton won. After the 2018 midterms, history may record that the Republican Party lost House control to the Democrats around 2 p.m. on Thursday, March 23, 2017.

That was when Republican members from closely contested

congressional districts—such as Virginia's Barbara Comstock and New York's John Faso—announced they would vote against the health-care reform bill.

The Freedom Caucus, whose leaders are from "safe" districts, opened a Pandora's box that pushed these Republicans into impossible vulnerability on the health-care bill. Now Democrats will exploit this vulnerability on every issue before the House.

Meet the House Un-Freedom Caucus.

The health-care bill's provisions for individual patient choice are gone. The Republican Legislature in Kansas voted Tuesday to *expand* Medicaid. Others will follow.

The chances of a truly liberating tax-reform bill are now diminished. As to their "principles," this caucus has probably helped entrench pure presidential power. Mr. Trump, undercut by his own party, will likely resort to more Obama-like rule by executive order.

This lost opportunity is not about Donald Trump's House-of-Borgias White House operation or Paul

Ryan's leadership. It is the product of a conservative movement that over the past eight years talked itself, literally, into believing that political activism equals political accomplishment. It does not.

The tea-party movement sits at the center of these events. The tea parties began in 2009 as a spontaneous revolution against Washington's spending pathology and President Obama's intent to push it higher. Hundreds of citizen-driven tea-party groups sprouted across the country, even in New York City.

A year later, the Obama IRS began the destruction of that movement, and the small groups collapsed under federal investigations.

After that, the remnants of the original citizen antispending movement were taken over by larger operators who absorbed the tea-party brand and turned conservative political activism into a sophisticated business model.

Rage at Washington—the original and genuine tea-party idea—became a commercial political meme. They created and endlessly

repeated stirring phrases such as "the donor class" and "the establishment." These were anger triggers—clickbait for donors.

Let us grant that for some, the early impulse was to displace the progressive ascendancy with a more limited government. Between 2009 and 2016, something went off the rails that turned politics into mainly an addictive thrill ride. Achieving legislative goals became a secondary objective.

Pity the poor citizen who thought all this conservative organizing and rage was about something more than anger. As to the Trump supporters, their hero was just taken down by the most right-wing members of the House. At crunch time, the Freedom Caucus stiffed the Trump base that had given them politics' rarest gift—control of government.

Barack Obama has to be grinning the biggest Obama grin ever. This is the world of political nihilism he created. In February 2010 he convened a bipartisan health-care summit at Blair House, and when it was over he walked away from every market-based proposal the

Republicans made. That was the day Paul Ryan and Tom Price, now the Trump HHS Secretary, started writing their own health-reform bills.

The Obama method also brought to Congress people like Freedom Caucus leader Mark Meadows of North Carolina, who had no idea how to do politics inside the complexities of the U.S. system of

dispersed political constituencies.

Some Freedom Caucus members now say Mr. Trump should have reached out to them earlier. That is irrelevant. They would have done this to a President Pence. There is a world of face time.

What comes next?

The White House and congressional Republicans have

their game faces on for tax reform, but make no mistake: The Democrats have been handed an unearned second wind, and the Republicans are playing defense on nearly everything, from taxes to Russia.

The conservative fundraising machines will go back where they were in 2010, pulling donations out of befuddled, angry voters. But this is a moment for those voters and

donors to rethink their support. Maybe those safe Freedom Caucus House seats shouldn't be so safe. And maybe there's a difference between conservative organizations that produce constant motion and those that want real victories.

Write henninger@wsj.com.

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THE WALL STREET JOURNAL

Rove : Bad Excuses for Republican Fratricide

Karl Rove

March 29, 2017 6:58 p.m. ET

It has become a tired, familiar act. Members of the House Freedom Caucus say they are the only true conservatives, while other congressional Republicans are RINOs, "Republicans in Name Only." In the latest episode, the Freedom Caucus and its outside allies—including Heritage Action and FreedomWorks—denounced the GOP health-care bill as "ObamaCare Lite."

The Republican plan "not only accepts the flawed progressive premises of ObamaCare but expands upon them," thundered Heritage Action's CEO, Mike Needham. Americans, he added, "will notice no significant difference" between the GOP bill and the Affordable Care Act.

The Freedom Caucus's vice chairman, Rep. Jim Jordan, sang the same tune. "It's ObamaCare in a different form," he said. The caucus's chairman, Rep. Mark Meadows, wrote an op-ed with Sen. Rand Paul calling it "ObamaCare provisions dressed up in shiny new GOP-branded clothes."

These claims confused the grass roots but were simply untrue. Look at the legislation's text, which canceled ObamaCare's insurance exchanges, halted and reversed its Medicaid expansion, killed its taxes, and whacked its individual and employer mandates.

For years, people have been urged to be more active in their care. Now providers are giving them better tools to make it happen.

Or look at the changes that Messrs. Meadows, Jordan & Co. asked for when negotiating with the White House. They wanted to permit states to receive Medicaid funding on either a per capita basis or through a traditional block grant. They wanted to allow work requirements on able-bodied, single Medicaid recipients. They wanted to prohibit additional states from expanding Medicaid while ObamaCare was phased out. They wanted flexibility on which "essential benefits" must be included in every insurance policy.

These are good changes, but they hardly justify denouncing the bill as "ObamaCare Lite." That falsehood was meant to increase the Freedom Caucus's leverage and pump up its allies' fundraising—both at the expense of other Republicans.

As President Trump agreed to each amendment, the Freedom Caucus asked for another. By the end, some demanded that insurers be allowed to deny coverage for pre-existing conditions. Others wanted to allow insurers to set lifetime limits on payouts for sick policy holders or kick 26-year-olds off the family coverage. These weren't essential conservative reforms but pretexts for opposing the plan.

After the bill was withdrawn, the Freedom Caucus tried frantically to justify its opposition, with Rep.

David Brat writing an op-ed complaining that the proposal had "included premium increases of 15 to 20% until 2020."

But premiums will keep rising until ObamaCare's exchanges wind down, because they attract too few young, healthy people and too many old, unhealthy and expensive ones. Under the GOP repeal bill last year, which Messrs. Meadows, Jordan and Brat supported, premiums also would have risen as the exchanges closed up shop.

Freedom Caucusers could avoid these premium increases by killing the exchanges immediately—thereby canceling insurance for 10 million people overnight—or by increasing subsidies to hold policyholders harmless. Only this year's Republican proposal was scored by the CBO as lowering premiums, starting in 2021.

Equally laughable was Mr. Brat's assertion that "conservative members were left out of the drafting of the bill." Mr. Brat is not on the committees of jurisdiction. But all the Freedom Caucus members who are, first helped write the bill, then voted for it in committee.

When Fox's Chris Wallace prodded Mr. Jordan last Sunday over wanting to "remove the protection for people with pre-existing conditions," the Ohio congressman protested that was "not accurate" because he was only opposing "guaranteed issue." Memo to Mr. Jordan: That's the term for assuring

that people with pre-existing conditions are not denied insurance.

Mr. Needham now suggests the GOP "bring the bill back" with added language to repeal "community rating requirements preventing insurers from charging lower premiums for younger, healthier consumers." Note to Mr. Needham: Next time, read the bill first. Subtitle D, Section 135 already did that, relaxing the standard to its traditional 5-to-1 ratio and allowing states to go without a standard altogether.

Similarly, Mr. Meadows told ABC on Sunday that "conversations over the last 48 hours are really about how we come together in the Republican conference and try to get this over the finish line." But other Republicans don't see the Freedom Caucus as helpful in getting anything important over any finish line.

The only lines crossed during this debacle were breached by the Freedom Caucusers, who committed political libel against their Republican colleagues, stopped the legislative process dead in its tracks, and saved ObamaCare. Congratulations.

Mr. Rove helped organize the political-action committee American Crossroads and is the author of "The Triumph of William McKinley" (Simon & Schuster, 2015).

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THE WALL STREET JOURNAL

New H-1B Visa Allocation Bears Little of Donald Trump's Imprint

Laura Meckler

Updated March 29, 2017 3:50 p.m. ET

WASHINGTON—President Donald Trump ran for office promising changes to the H-1B visa program, which brings high-skilled foreign workers to the U.S. But come Monday, the government opens another round of applications using rules that have long been in place.

Demand for the program badly outstrips the supply so, as in past years, the government will use a lottery to decide which companies get them. The visas are coveted by tech firms, who have unsuccessfully lobbied Congress to increase the cap, which is set at 85,000. The new visas become available each year in early April.

Large outsourcing firms typically scoop up a substantial share of the visas, and they have drawn scrutiny for importing foreign workers,

particularly in cases where they are hired to do work once performed by Americans. Smaller firms that request just a few visas have said they have a hard time planning because of uncertainty about whether they will win any.

Changing that distribution would require a time-consuming rewrite of regulations governing the program, experts said. Given that no action was launched right away, the new administration has been expected to maintain existing rules for this year.

"There was a window in which the White House could have made serious reforms," said Russ Harrison, director of government relations for the Institute of Electrical and Electronics Engineers-USA, a professional society that lobbies for changes in the program. "For whatever reason, they decided not to take it."

Michael Short, a White House spokesman, said "reforms of the H-1B visa system are something that the administration is actively

considering and working through." Some lobbyists have been expecting Mr. Trump to announce changes to the program around now, but nothing appears to be imminent.

Arwen Consaul, a spokeswoman for U.S. Citizenship and Immigration Services, said Tuesday the agency plans to use the lottery system if demand again outstrips supply, and this week, the American Immigration Lawyers Association sent a notice advising its members of the same. Still, Ms. Consaul said: "This is the plan. If it changes, we will let the public know."

Early this year, a draft of an executive order for Mr. Trump's consideration was widely circulated and directed the government to re-

examine a range of visa programs to ensure they prioritize and protect "the jobs, wages and well-being of United States workers." But that order hasn't been signed by the president.

In Congress, a bipartisan bill pending in the House would punish companies seeking H-1B visas by imposing burdensome requirements if they don't pay workers at least \$100,000 a year. The current threshold to avoid those requirements is \$60,000.

Last year, the government received more than 236,000 applications for the 85,000 visas, of which 20,000 are reserved for people with advanced degrees. That exceeded the previous year's record and was

the fourth year in a row in which the cap was reached within five days.

During his presidential campaign, Mr. Trump promised to reduce legal as well as illegal immigration, saying foreign workers drive down wages and threaten American jobs. At times, he was particularly critical of the H-1B program, though at other times he praised it.

"These are temporary foreign workers, imported from abroad, for the explicit purpose of substituting for American workers at lower pay," he said in a statement last March. "I remain totally committed to eliminating rampant, widespread H-1B abuse."

Much of the criticism has focused on Indian outsourcing firms, which

receive many of the available H-1Bs. Their U.S. subsidiaries bring in workers that typically perform technology work at American firms that in some cases was once performed by American workers at higher wages. Some U.S. outsourcing companies have a similar business model. The companies say they are unable to find Americans to do these jobs.

Employers pay fees to submit each application, though only a fraction of the applications are expected to win visas. Universities and nonprofits, which aren't subject to a cap, also use H-1Bs to hire many workers each year.

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The New York Times Investigation Senate Intelligence Committee Leaders Vow Thorough Russian

Matt Flegenheimer and Emmarie Huettelman

WASHINGTON — Senators leading the investigation into Russian interference in the November election pledged on Wednesday to conduct an aggressive inquiry, including an examination of any ties to President Trump, as they sought to distance themselves from the flagging efforts in the House.

In a conspicuous show of bipartisanship during a fractious time at the Capitol, the top Republican and Democrat on the Senate Intelligence Committee vowed to forge ahead by interviewing key players connected to Mr. Trump and pressing intelligence agencies to provide all relevant information.

But their display of collegiality seemed intended primarily as a contrast to the explosive and often bewildering statements in recent days from the Republican chairman of the House Intelligence Committee, Representative Devin Nunes of California, whose perceived closeness with the Trump White House has raised doubts about his ability to conduct an impartial investigation.

The chairman of the Senate Intelligence Committee, Richard M. Burr, Republican of North Carolina and a supporter of Mr. Trump during the campaign, suggested on Wednesday that he would not retreat from a process that could damage the reputation of a Republican president.

"This investigation's scope will go wherever the intelligence leads," Mr. Burr said during a rare joint news conference.

Asked later whether he had encountered any "direct links" between Mr. Trump and Russia's interference, Mr. Burr was stern.

"We know that our challenge," he said, "is to answer that question for the American people."

The Senate investigation amounts to a credibility test for Republicans under the Trump administration — a chance to prove their willingness to ask uncomfortable questions of a Republican president, even if the answers might weaken his and the party's standing.

Democrats are skeptical. But they are also mindful that the Senate most likely remains their best hope on Capitol Hill for gathering information, making them disinclined to abandon the Senate Intelligence Committee's investigation. The F.B.I. is also investigating.

On Wednesday, Mr. Burr and his Democratic counterpart on the committee, Senator Mark Warner of Virginia, offered some evidence of what they had reviewed so far, saying they had begun to schedule the first of at least 20 interviews.

Mr. Warner drew attention to reports of perhaps 1,000 internet trolls in Russia generating fake news stories and targeting them at swing states like Wisconsin, Michigan and Pennsylvania. "Russia's goal, Vladimir Putin's goal, is a weaker United States," he said.

Doubts have been raised about Representative Devin Nunes of California, chairman of the House Intelligence Committee, and his ability to conduct an impartial investigation. Doug Mills/The New York Times

Mr. Burr noted that Russians were now "actively involved" in the French elections. On Thursday, the committee will hold a public hearing on Russian influence on campaigns broadly.

The two also left little doubt that they viewed the House's unruly process as an afterthought, one that should not reflect on their own efforts.

"Let me set the ground rules real quick," Mr. Burr said before taking questions. "We'll answer anything about the Senate Intelligence Committee's investigation. We will not take questions on the House Intelligence Committee."

Mr. Burr could not suppress a smirk. Mr. Warner laughed outright.

But the drama in the House has already complicated the Senate's task, according to Senate committee members, leading the public to question congressional inquiries across the board.

"I worry that the chaos on the House side has affected the public's view on whether Congress can credibly investigate this matter," said Senator Susan Collins, Republican of Maine and a committee member. "I believe the answer to that is still yes, and that the Senate is the place."

Lamenting the "debacle" in the House, Senator Kamala Harris, Democrat of California and another committee member, said she believed that "the public is now shifting to us."

The congressional investigations are not related, but their focuses overlap, leaving the Senate panel to defend itself in the face of Mr. Nunes's assorted claims. While a

vast majority of Republicans in the House have stood by Mr. Nunes amid calls for him to recuse himself, his furtive maneuvering — including bypassing his committee to brief the White House about relevant intelligence — has placed House committee members in a difficult spot.

And at least one Republican lawmaker, Representative Charlie Dent of Pennsylvania, suggested on Wednesday that the Senate should take the lead on Congress's investigation into ties between the president's orbit and Russia.

The Senate majority leader, Mitch McConnell, Republican of Kentucky, has long resisted calls for a special prosecutor or select committee, saying the Senate could do the job through regular protocol.

On the House side, a string of perplexing decisions by Mr. Nunes has threatened to unravel the panel's investigation altogether. Last week, he abruptly announced that he had obtained information indicating that people associated with the Trump transition may have been "incidentally" caught up in legal surveillance of foreign operatives. He also bypassed the committee's top Democrat, Representative Adam B. Schiff of California, to brief Mr. Trump.

The president seized on the information, misleadingly, as evidence for his thoroughly debunked claim that President Barack Obama had wiretapped Trump Tower — an allegation dismissed not only by senior law enforcement officials, like the F.B.I. director, James B. Comey, but also by the heads of the Senate and House investigations, including Mr. Nunes.

Another obstacle to bipartisanship came on Monday, with the revelation that Mr. Nunes had viewed what he characterized as “dozens” of reports containing classified information on the grounds of the White House.

Democrats fumed, their suspicions fueled by speculation that the source of Mr. Nunes’s information was a Trump administration official and that Mr. Nunes may have even coordinated with the White House. While Mr. Nunes defended himself by saying that he needed to be at the White House to view the sensitive documents in question, one can peruse sensitive information at the Capitol and at other spots around Washington.

Democrats have also chafed at Mr. Nunes’s shuffling of the hearing

schedule. Earlier this month, with Mr. Schiff by his side, Mr. Nunes announced plans for three former officials to testify, a group that would include Sally Q. Yates, who briefly served as acting attorney general and alerted the administration that Michael T. Flynn, Mr. Trump’s former national security adviser, appeared to have lied about his contact with Russian officials.

Last week, Mr. Nunes scrapped that public hearing, arguing that the committee first needed more time to question intelligence leaders. But on Tuesday he said this hearing had been postponed as well — as The Washington Post reported that White House officials had tried to stymie Ms. Yates’s testimony. Democrats have accused Mr. Nunes of trying to stall not only the

investigation but also the committee as a whole.

Mr. Warner said on Wednesday that he would “like to see Ms. Yates at some point” before his committee.

At the same time, the Senate investigation has not been blemish-free. Last month, Mr. Warner publicly scolded Mr. Burr after reports that Mr. Burr had spoken with the White House and engaged with news organizations to dispute reports that Trump associates had been in consistent contact with Russian intelligence operatives.

In an emailed statement on Wednesday, Senator Chuck Schumer of New York, the Democratic leader, took care to praise Mr. Warner — though not Mr.

Burr — as he expressed confidence in the Senate inquiry.

“Mark Warner realizes the importance of the task in front of him, and is pursuing it diligently and smartly,” Mr. Schumer said. “That gives the Democrats a lot of faith that the process on the Senate side can work.”

At the news conference, Mr. Burr said that “contrary to maybe popular belief,” he and Mr. Warner were partners.

And he insisted that his party allegiance would not supersede the duties of his office.

“I’ll do something I’ve never done: I’ll admit that I voted for him,” Mr. Burr said of Mr. Trump. “But I’ve got a job in the United States Senate.”

THE WALL STREET JOURNAL

Whatever Happened to Free Trade?

Bob Davis and Jon Hilsenrath

After World War II, the global economy rose on a wave of trade and finance, lifting hundreds of millions of people out of poverty in developing countries and providing rich countries with cheaper goods, lucrative investments and hopes for a more peaceful planet.

That tide is now receding.

Nine years after the financial crisis, global trade is barely growing when compared with overall economic output. Cross-border bank lending is down sharply, as are international capital flows. Immigration in the U.S. and Western Europe faces a deepening public backlash.

Nationalist politicians are on the ascent. On Wednesday, the U.K. formally started proceedings to remove itself from the European Union. In the U.S., President Donald Trump pulled out of a Pacific trade pact on his first working day in the Oval Office, declaring, “Great thing for the American worker, what we just did.”

For traditional economists, globalization is a pathway to prosperity. Rooted in the works of Adam Smith in 1776 and David Ricardo in 1817, the classical canon has embraced the idea that trade is the basis of wealth, because it makes nations more efficient by allowing each to specialize at what its workers do best.

Few of them fully grasped globalization’s downsides in a modern economy. Tying together disparate nations economically also expanded the labor pool globally, pitting workers in wealthy nations against poorly paid ones in developing nations. That greatly

boosted the fortunes of the world’s poor, but also created a backlash in the U.S. and Europe. At the same time, freeing financial flows led to debilitating financial excesses that ended in crisis.

“Globalization is in retreat,” Larry Fink, the chief executive of the big investment firm BlackRock Inc., said in a February memo to employees, outlining a new corporate strategy. “We need to be German in Germany, Japanese in Japan and Mexican in Mexico.”

An earlier era of globalization, which stretched from 1870 to 1913, ended when the world descended into war. Rising trade barriers later played a role in the Great Depression of the 1930s. The present era may not turn out as catastrophically, but nations, companies, multilateral institutions and ordinary citizens are already scrambling to adapt to a world with bigger barriers to trade and finance as blowback builds.

Big banks, such as Citigroup and HSBC, have reduced their global footprints. Industrial firms like General Electric are developing strategies for a more localized world. Guardians of globalization, like the World Trade Organization, struggle with challenges from China and other emerging powers. Poor nations are finding it harder to count on exports for economic development. Wealthy nations face less hospitable overseas markets, while their workers grapple with the demands of automated workplaces.

Critics of globalization say a slowdown in cross-border trade and finance will help ease pressure on wages of unskilled workers in wealthy nations, stem the threat of financial bubbles and reduce the

influence of multinational companies in developing nations.

“Maybe the U.S. will supply more of its demand by itself,” said Clyde Prestowitz, president of the Economic Strategy Institute in Washington, D.C., who has long urged the U.S. adopt more aggressive trade policies. “That could be a good thing and create jobs.”

During the globalization epoch that started after World War II, trade growth usually far outpaced—and helped drive—overall economic output. Now it is barely keeping up. The slowdown has long outlasted the financial crisis of 2007 to 2009, which helped set it off. Between 2011 and 2015, the value of global merchandise exports contracted 10%, according to the WTO, the largest drop over a four-year period in post-World War II history, driven in part by tumbling commodities prices. Merchandise export growth over a 10-year time frame is also the slowest of this era.

“We have a deflationary mind-set,” Jakob Stausholm, chief financial officer of Maersk, the Danish shipping giant, told investors in February, while reporting a \$1.9 billion loss. A few days earlier a court in Seoul declared that Hanjin Shipping Co., the world’s seventh-largest shipper, was heading for liquidation.

Among the hottest trends in the industry last year was the dismantling of giant container ships for scrap metal—862 in all—along the beaching yards of Pakistan, Bangladesh and India.

Annual movement of capital across borders—in the form of stock and bond purchases, foreign direct

investment and lending—fell more than two-thirds, to \$3.3 trillion in 2015 from \$11.9 trillion in 2007, according to McKinsey & Co. Overseas bank lending, particularly from Europe, has been hard hit. The stock of cross-border loans held at banks around the world contracted 21%, from \$35.5 trillion in 2008 to \$28.2 trillion in the third quarter of 2016, according to the Bank for International Settlements.

Peterson Institute for International Economics trade economist Gary Hufbauer calculates that U.S. output in 2016 was \$2 trillion greater than it otherwise would have been thanks to greater trade and financial integration since 1950. Slowing the pace of globalization will actually slow U.S. income gains, he argues.

No less is at stake for a country such as Ethiopia, which has averaged growth rates in excess of 10% for the past decade as part of a push toward industrialization and greater international exposure. The country has little to fall back on if its globalization bet sours.

Hoping to emulate China’s ride on the globalization wave, Ethiopia is building a half-dozen manufacturing zones to produce garments, textiles and shoes for multinational firms, along with railroads and power plants. The construction spree, which keeps the air in Addis Ababa thick with dust, has created rising external debt loads, which jumped from \$2.3 billion in 2006 to \$20.4 billion in 2015, according to the World Bank.

Ethiopia’s prime minister, Hailemariam Desalegn, says the debt is a price he is willing to pay. “If you want to move in an easy way, then you can’t achieve double-digit growth,” he said in a recent

interview. "We have to carefully manage it, but there is a way out also. We have a huge potential in terms of exports."

The lethargic recovery from the global recession, especially weak demand for capital goods and big investment projects, helps to explain the global trade slowdown.

Protectionism is another cause. Global Trade Alert, a trade monitoring group, counts nearly 7,000 protectionist measures enacted world-wide since the recession of 2009. About half of the items are aimed at China.

It has been 23 years since the completion of the last global trade deal in 1994 and no other is on the horizon. Since 2008, the International Monetary Fund reports, tariff reductions have been "minimal," after falling by about 1 percentage point a year between 1986 and 1995 and 0.5 percentage points annually for the following 13 years.

Multinational companies used the 1990s and 2000s to build global supply chains—for instance linking rubber plantations in Malaysia to tire manufacturers in China and retailers in the U.S., or coffee growers in Colombia to Starbucks restaurants.

These webs of commerce supercharged trade but have begun to retrench, as companies localize their production and import fewer components for assembly. The World Bank says global supply chains stopped growing around 2011, after expanding about 4% annually for the previous two decades.

General Electric Corp, which since the 1980s has expanded its global footprint, says it's time for a "bold pivot" in strategy to focus on regional centers. In explaining the move last year, GE Chief Executive Jeff Immelt said he would prefer to operate by free-

trade principles, but "a localization strategy can't be shut down by protectionist politics."

In practice, that means GE is building up its manufacturing capacity in China and India and other big markets to supply customers there, rather than counting on exports and global links. As part of the strategy, GE signed a deal in 2015 to build locomotives in India, rather than relying on a global production site in the U.S., as it once did.

Surveying the global economy from Beijing, where he co-owns eight electronics and medical equipment factories, Dwight Nordstrom, chairman of Pacific Resources International LLC, says he is "waiting to see how the politics shake out" before building any Chinese plants aimed at the export market.

That's because local-content rules may require firms like his to build factories in different countries. "We may be forced to have more factories than makes economic sense," he says.

China, once an assembly platform that sucked in commodities and manufactured goods from abroad, put them together and reshipped them, is now producing much of what it needs domestically.

Benjamin Dolgin-Gardner, founder of Hatch International Ltd., an electronics manufacturer in Shenzhen, China, says he now uses Chinese-made LCD screens rather than ones made elsewhere in Asia for the tablets he produces. Memory chips for MP3 players are also made in China rather than imported from Japan and South Korea.

"China is increasingly cannibalizing supply chains," says Alex Wolf, a London economist at the investment firm of Standard Life Investments, reducing exports from Korea, Taiwan and other nations whose

economies are tightly linked to China's.

The reaction to the financial crisis in many countries included new banking rules, adopted globally, which require banks to hold bigger capital buffers against securities and loans. That has cut into their willingness to take risk across borders.

Regulators in China, Cyprus, Iceland, Brazil and other countries imposed capital controls to limit the waves of potentially destabilizing money washing into and out of their financial systems. In all, 31 out of 108 countries tracked by economists Menzie Chinn and Hiro Ito became less open to global capital flows between 2008 and 2014, while 13 became more open.

That's a sharp reversal from the five-year precrisis period, when 40 countries became more open to global capital flows and 12 became less open.

Europe is the epicenter of the global lending crunch. Hungary privatized most of its banks after the fall of Communism in 1989, drawing investors from Austria, Italy, Belgium and beyond. By the mid-2000s, Hungarian homeowners had become avid consumers of mortgages issued by Austrian banks denominated in Swiss francs, emblematic of the rapid globalization of European finance.

After the financial crisis, the Swiss franc soared, pushing up the cost of those mortgages. Nearly one-third of Hungarian borrowers went 90 days or more delinquent on their mortgages, inviting a political backlash.

Viktor Orban's nationalist Fidesz party won parliamentary elections with a landslide in 2010 and Mr. Orban set out to increase Hungarian ownership of the banking sector to at least 50%. His administration imposed taxes and fees on the sector and demanded

banks convert Swiss franc loans into local currency denominations. Foreign bank lending contracted for eight straight years through 2016, according to the Institute for International Finance, a banking trade association in Washington.

As foreign banks departed, the country's economy minister, Mihaly Varga, told local reporters that the policy "boosts economic sovereignty." A 2016 review by the IMF, while lauding Hungary's rebound from the recession, said the government had simply shifted risks from private hands to the public sector, because the Hungarian government took big stakes in banks and other companies.

In wealthy nations, the big hope is that a reversal in globalization will lift wages of unskilled workers by reducing competition from low-wage nations. That hasn't been the case so far. Globally, wage growth slowed to an average 2.1% in the past five years, compared with 2.4% in the five years leading up to the 2007-2009 financial crisis, according to the International Labor Organization.

In the U.S., wages and salaries of workers rose 2% a year in the past five years. That's down from 2.9% in the five years before the crisis.

That hasn't stilled globalization's many critics. "Globalization has made the financial elite who donate to politicians very, very wealthy," Mr. Trump said last June at a Rust Belt stop in Pennsylvania, "but it has left millions of our workers with nothing but poverty and heartache."

—Matina Stevis, Anjani Trivedi and Margit Feher contributed to this article.

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Neil Gorsuch's Supreme Court nomination is on track to change the Senate — and further divide the country

<https://www.facebook.com/paul.kane.3367>

Sens. Roger E. Wicker (R-Miss.) and Thomas R. Carper (D-Del.) are not usually partisan firebrands, particularly on presidential appointments.

Back in 2013, Wicker helped temporarily defuse a showdown over Republican filibusters of President Barack Obama's nominees to the judiciary and agencies. More than a decade ago, Carper voted to confirm President

George W. Bush's first Supreme Court nominee and opposed Democratic efforts to filibuster the other.

Now, with about 10 days left in the showdown over President Trump's first Supreme Court nominee, Judge Neil Gorsuch, both Wicker and Carper have turned dour in their outlook for what the battle means for the Senate — and the country.

Wicker is all but certain that Democrats have enough votes to block Gorsuch's confirmation next

week with a filibuster — by demanding a procedural step that takes 60 votes to clear. That, in turn, probably would prompt the Republicans to change the rules unilaterally to allow Gorsuch's confirmation, and all other Supreme Court picks thereafter, by a simple majority.

"I think it's a done deal," Wicker said Tuesday. "That's the way it's headed."

(Peter Stevenson/The Washington Post)

Senate Majority Leader Mitch McConnell (R-Ky.) said he thinks Democrats will attempt to filibuster the Supreme Court nomination of Judge Neil Gorsuch, but that Gorsuch will be confirmed regardless, on March 28 at the Capitol. McConnell says Democrats can't stop Gorsuch confirmation (Peter Stevenson/The Washington Post)

[Gorsuch may fall short of votes needed for smooth confirmation]

Carper agreed, explaining that he would rather see Republicans eliminate supermajority thresholds for Supreme Court nominees, further poisoning the already toxic atmosphere in Washington, than do anything to support Gorsuch.

The purpose of the rule is to promote bipartisanship and consensus, which in turn creates legitimacy and buy-in for policy and governance. If the filibuster goes away, so does yet another layer of collegiality in Congress — and another way to shore up Washington's credibility.

It would be the second time in 3½ years that the Senate majority has breached the long-held standard of first clearing a two-thirds majority vote to alter the chamber's rules. The first time Democrats, then led by Harry M. Reid (Nev.), ended 60-vote filibusters for all nominees except those for the Supreme Court.

If they all contribute to taking the next step, both parties will have completed their hypocritical march to the opposite side of this issue over the past decade. Democrats, after years of demanding speedy passage of Obama's nominees, now clamor for scrutiny and supermajorities. Republicans have quickly adopted the old Democratic talking points. Senate Majority Leader Mitch McConnell (R-Ky.), who at times has played the role of custodian of his chamber's rich history, will have made the same move that led to what he called in 2013 "a sad day in the history of the Senate."

And once both sides are guilty of breaching that standard on nominations, it would seem to be only a matter of time before a future

majority obliterates filibusters on other legislation.

Sen. Robert P. Casey Jr. (Pa.), one of the first Democrats to declare his support for a filibuster of Gorsuch, said that the likelihood that the judge will not win 60 votes proves that he is outside the mainstream. "If you're a consensus pick, you should be able to get 60 votes," Casey said.

(Peter Stevenson/The Washington Post)

President Trump urged Senate Republicans to consider going "nuclear" and changing the Senate rules. But what does that actually mean, and how would it change the Senate? What is the 'nuclear option,' and how would it change the Senate? (Video: Peter Stevenson/Photo: Jabin Botsford/The Washington Post)

In reality, Gorsuch's hearings last week unfolded without any new revelations and followed the playbook of hearings for the four justices confirmed this century. The majority asked soft questions to bolster his case, and the minority asked tough questions and demanded, unsuccessfully, that he predetermine how he would rule on hot-button issues.

In another time, Gorsuch easily might have been considered the consensus candidate that Casey described.

As a result, there is a sense of raw politics in Democrats' growing opposition to Gorsuch, because liberal anti-Trump activists are pushing Democrats to oppose every Trump move.

With most centrist voters not paying attention to procedural fights over

confirmations, some Democrats think the bigger political penalty would be to disappoint their base by allowing an easy confirmation this time.

Republicans misjudged Casey, hoping he would come around to supporting Gorsuch because of his congeniality — and because Trump won his state. The Democrat cited Gorsuch's rulings against federal agencies in their regulatory decisions.

And Carper said he cannot forgive Republicans for never even holding a hearing on the first nominee for the current court vacancy — Judge Merrick Garland, whom Obama nominated after Justice Antonin Scalia died in February 2016.

"I have a very hard time getting over what was done to Merrick Garland, a very hard time," Carper said Tuesday. "That's a wrong that should be righted, we have a chance to do that, and it won't be by confirming Judge Gorsuch the first time through."

Interviews with Wicker, Carper and half a dozen other senators who could anchor something called the "Reasonable Caucus" delivered few signs of compromise ahead. If those assessments are right, by the end of next week Republicans will have triggered the "nuclear option," as the potential rule change is known by insiders.

As the Gorsuch nomination proceeds, this man is taking credit: Mitch McConnell

No concrete attempts have been made to convene the bipartisan huddles that have sometimes worked in previous fights over the state of the Senate.

"Not that I've seen," said Sen. John McCain (R-Ariz.), the co-leader of the bipartisan Gang of 14 that averted a similar showdown in 2005. McCain said that the environment is too polarized now and that the old personalities — powerful chairmen, often war heroes, willing to buck their leadership — have been replaced by a less social, more timid crop of senators.

"We just have a different environment around here," he said. "People don't sit down and talk the way they used to." Asked whether he considered that depressing, McCain went on: "It is, it really is."

McCain is one of just three left from the 2005 gang, and the other two, Sens. Lindsey O. Graham (R-S.C.) and Susan Collins (R-Maine), have both adopted a hard-line tone toward Democrats on the matter of Gorsuch, whom they consider highly qualified.

Collins, the leading moderate Republican, had supported holding a vote on Garland. But now she thinks Democrats need to move on because Trump won the election.

"That is in the past, and it is not fair to Judge Gorsuch to deny him a straight up-or-down vote based on what happened with Merrick Garland," she said Tuesday.

Collins doesn't see a bipartisan pact coming together and said lawmakers should fight over the next vacancy on the court: "I think it would be wise of the Democrats to vote for him and live to fight another day."

Schumer's dilemma: Satisfying the base while protecting his minority

The Daily 202 newsletter

POLITICO Gorsuch battle brings Senate to brink of a new low

By Burgess Everett and Seung Min Kim

The Senate is careening toward a historic change to its filibuster rules that takes it one step closer to a version of the majority-rule House of Representatives.

But no one seems to care enough to save the Senate from itself.

Story Continued Below

Unlike past institutional crises, there's no bipartisan "gang" stepping up to force a truce between the warring armies led by Mitch McConnell and Chuck Schumer. Acrimony between the two parties has become so routine that invoking the so-called nuclear option to get Neil Gorsuch confirmed to the Supreme Court is

almost a ho-hum affair, assumed to be a done deal.

"The Senate has changed," said Sen. John McCain (R-Ariz.), who's fought rules changes in the past. "You can't do what we used to do, what I did in the past. There's too much ill will."

"There's a lot of shared concern about our direction," added Sen. Chris Coons of Delaware, one of the few Democrats willing to bargain with Republicans to maintain the filibuster. "But there's not yet a willingness to make any of the actual concessions that would require us to get back to working together in a real way."

There's still a chance that lightning will strike and senators will either avert the filibuster that Democrats

are prepared to mount — or find a way to prevent the nuclear option of unilaterally killing the 60-vote requirement for high court nominees, which Republicans are rounding up votes to do in response.

But interviews with more than two-dozen centrist-minded senators from both parties over the past week show just how remote a possibility that is.

Eight Democrats agreeing to advance Gorsuch and three Republicans opposing a change to Senate rules could conceivably avert the crisis. But attempts to form a bipartisan group toward that end have fizzled in the Senate, according to several people familiar with the matter. Republicans control 52 seats vs. Democrats' 48.

rallying his troops to confirm Gorsuch by any means necessary. Schumer has staked his reputation as leader to a successful filibuster of Gorsuch, with major disappointment looming on the left if he fails.

Accordingly, the vast majority of the Senate is now resigned to further parliamentary decay.

"If Neil Gorsuch isn't good enough, there's never going to be a nominee good enough, and so I don't see any advantage to rewarding bad behavior," Senate Majority Whip John Cornyn (R-Texas) said of a potential deal with Democrats to head off the crisis.

"To say that we will disarm and provide exactly what the majority wants while they still retain the same weapon to use in the future is probably not an actual solution," said Sen. Jeff Merkley (D-Ore.) of an agreement that aids Gorsuch.

Liberal and conservative activists are warning against any such agreement. When Politico reported that Coons was speaking to Republicans about trying to preserve the filibuster, NARAL Pro-Choice America responded with ads blasting his efforts.

And when Sen. Bob Corker (R-Tenn.) took to the Senate floor Tuesday to pan his own party's "audacious" move to block Merrick Garland from receiving a hearing last year, McConnell quickly rebutted him during a party lunch. Attendees said McConnell argued

that it was Democrats — not Republicans — who are breaking centuries of precedent by obstructing Gorsuch.

"I'm trying to stir the pot enough to get everybody concerned about where we go from here," Corker said afterward.

Senators in both parties are growing anxious. They lament that gutting the filibuster on Supreme Court nominees will result in more ideological justices, just as the 2013 rules change on other nominees produced Cabinet picks under President Donald Trump that almost certainly would have been blocked had a 60-vote threshold remained in place.

And they worry the next step is the end of the legislative filibuster, which may soon be the last remaining tool for the minority to stop the majority from running roughshod over it.

Before he retired late last year, former Democratic leader Harry Reid predicted the Senate would eventually do away with the filibuster altogether, saying "it's just a question of when." Reid led the 2013 effort to eliminate the filibuster for Cabinet and other nominees.

Some members of past Senate "gangs" regret participating. In 2005, a group of seven Republicans and seven Democrats agreed to confirm some of George W. Bush's judicial nominees in order to avoid going "nuclear."

And some Republicans took painful votes for President Barack Obama's nominees in the summer of 2013, only to watch Reid nix the filibuster months later.

"I'm not a complete fool. I've done this twice and have been burned twice, you know," said Sen. Lindsey Graham (R-S.C.), a Gang of 14 member who also tried to stop Reid in 2013 by voting for some Obama nominees. "I got the crap beat out of me."

But Democrats don't trust McConnell — or any other Republican — after the blockade of Garland in 2016. Some Republicans even suggested they'd keep the vacant court seat empty indefinitely if Hillary Clinton had beaten Trump.

"The problem we have is finding a trustworthy, verifiable approach to agreement," said Sen. Dick Durbin of Illinois, the No. 2 Senate Democratic leader. "It's a desperate situation."

Liberals are pushing for Democrats to make the GOP round up the 50 votes needed to change the rules unilaterally. Schumer is openly doubting that McConnell can do so.

But interviews with the two moderate Republicans most likely to object to a rules change reveal that McConnell is likely on solid ground.

"There really is no justification for filibustering this individual. So another question is whether anyone on the Republican side will think that there should be some sort of negotiation," said Sen. Susan

Collins (R-Maine), a Gang of 14 member.

"If it was another nominee that was polarizing, that was not more mainstream, maybe then this is an issue," said Sen. Lisa Murkowski (R-Alaska). "I believe very, very strongly that Neil Gorsuch needs to be confirmed. So I'm going to figure out a way to get him confirmed."

The Senate is expected to take up Gorsuch's nomination next week, and the dynamic could change before then.

Several senators, like Cardin, Coons, Mark Warner of Virginia and Angus King of Maine, could still vote to advance Gorsuch to an up-or-down vote under the right conditions, though they would face blowback from liberals. There are five Democrats up for reelection in states that Trump won handily in the same category, though just West Virginia Sen. Joe Manchin has committed to vote for Gorsuch. Sens. Claire McCaskill of Missouri, Jon Tester of Montana and Heidi Heitkamp of North Dakota are all concerned about changing the fabric of the Senate — but it's not clear what they are willing to do about it.

"I'm going to base it on his qualifications and his opinions," Tester said. "I don't think Montanans want me to be cutting a deal."



Will : The filibuster isn't what it used to be. It's time to bring the old way back.

(Peter Stevenson/The Washington Post)

Senate Majority Leader Mitch McConnell (R-Ky.) said he thinks Democrats will attempt to filibuster the Supreme Court nomination of Judge Neil Gorsuch, but that Gorsuch will be confirmed regardless, on March 28 at the Capitol. McConnell says Democrats can't stop Gorsuch confirmation (Peter Stevenson/The Washington Post)

The Senate's coming confirmation of Neil Gorsuch will improve the Supreme Court, and Democrats' incontinent opposition to him will inadvertently improve the Senate — if Republicans are provoked to thoroughly reform the filibuster. If eight Democrats will not join the 52 Republicans in providing 60 votes to end debate and bring Gorsuch's nomination to a vote, Republicans should go beyond extending to Supreme Court nominees the

prohibition of filibusters concerning other judicial nominees. Senate rules should be changed to rectify a mistake made 47 years ago.

There was no limit on Senate debate until adoption of the cloture rule empowering two-thirds of senators present and voting to limit debate. This occurred on March 8, 1917 — 29 days before Congress declared war on Germany — after a filibuster prevented a vote on a momentous matter, the Armed Ship Bill, which would have authorized President Woodrow Wilson to arm American merchant ships. (He armed them anyway.)

In 1975, imposing cloture was made easier by requiring a vote of three-fifths of the entire Senate, a change the importance of which derived from what Majority Leader Mike Mansfield (D-Mont.) did in 1970: He created the "two-track" system whereby the Senate, by unanimous consent or the consent of the

minority leader, can set aside a filibustered bill and move on to other matters. Hitherto, filibustering senators had to hold the floor, testing their stamina and inconveniencing everyone else to encourage the majority to compromise. In the 52 years after 1917, there were only 58 cloture motions filed; in the 47 years since 1970, there have been 1,716.

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Wisdom about the filibuster comes today from the other side of the Capitol, where House rules make filibustering impossible. Rep. Tom McClintock, a conservative California Republican, writing in Hillsdale College's publication *Imprimis*, praises the Senate tradition that "a significant minority

should be able to extend debate" *in order to deepen deliberation*. Post-1970 filibusters, however, are used to prevent debate. As McClintock says, "the mere threat of a filibuster suffices to kill a bill as the Senate shrugs and goes on to other business."

McClintock urges the Senate to make a "motion to proceed" to consideration of a bill undebatable and hence immune to filibustering: "Great debates should be had on great matters — but not great debates on whether to debate." And he says the Senate should abandon the two-track system. This would prevent the Senate from conducting other business during a filibuster but would require filibusterers to hold the floor. As he says, it was this mutual inconvenience that, between 1917 and 1970, made filibusters rare and productive of pressure for compromise to resolve the impasse.

As a result of today's Senate paralysis, McClintock says, "the atrophy of the legislative branch drives a corresponding hypertrophy of the executive branch." The promiscuous use of faux filibusters — requiring 60 votes to proceed with consideration of, or votes on, ordinary legislation — blurs the implicit constitutional principle that extraordinary majorities are required only for extraordinary matters, such as proposing constitutional amendments, overriding vetoes and ratifying treaties.

The trivialization of filibusters — no longer requiring them to be strenuous and disruptive events — has deprived them of dignity. Restoring them to what they were would affirm the principle that majoritarianism — simply counting numbers; government by adding machine — should be tempered by a reformed

filibuster as a mechanism for measuring the intensity of a minority's opposition to a majority position. The Constitution affirms the power of each house of Congress to "determine the rules of its proceedings," so any Senate procedures are compatible with the Constitution's text. But the practices made possible by the post-1970 rules have contributed to institutional disequilibrium, destabilizing the Constitution's design by inciting a dangerous expansion of presidential power. Hence Georgetown Law professor Randy Barnett and the Weekly Standard's Jay Cost urge forbidding filibusters of appropriations bills:

"Democrats have discovered that if they block individual appropriations bills, the entire operation of government will inevitably be rolled into an omnibus appropriations bill, and the majority must either accept

it in toto or face a partial shutdown of the government. This maneuver has largely eliminated Congress's ability to discipline the executive via line-item spending cuts."

Certainly the filibuster fits a non-majoritarian institution in which 585,501 Wyomingites have as much representation as do 39,250,017 Californians. Besides, filibusters delay but do not defeat political processes: Can anyone name anything that a majority of Americans have desired, strongly and protractedly, that has been denied to them because of a filibuster?

Some Democrats have suggested privately that they first must demonstrate that they have the votes to block Gorsuch and then commence negotiations to avoid the nuclear showdown. But even moderate Democrats such as

Carper are not showing much willingness to support a deal that would put Gorsuch on the court in exchange for the possibility of filibustering the next nominee.

"Not much of a prize," he said.

That would set the filibuster in motion. And almost like Cold War generals mapping out war games, Republicans say they would be compelled to respond in kind. Otherwise Democrats would have set a new precedent for blocking a Supreme Court nominee.

"We can't let that happen," Wicker said.

Read more from Paul Kane's archive, follow him on Twitter or subscribe to his updates on Facebook.



Klain : Kushner and Bannon have opposite missions. Which one will win?

By Ronald A. Klain

Since news broke that Jared Kushner will lead an effort to make government more efficient, I've been asked the same three questions over and over. First, isn't this what Al Gore did with "Reinventing Government"? Second, didn't that fail? And third, won't this fail, also?

No, nope ... and probably.

Every recent president has launched an effort to employ learning from management experts, scholars and business leaders to improve the functioning of government. The one led by Gore is perhaps the most famous of these; the most recent was President Barack Obama's U.S. Digital Service — which brought top private-sector talent from Silicon Valley to Washington. Is President Trump's new "Office of American Innovation," to be led by first son-in-law Kushner, similar to these earlier efforts? I think not, for reasons set out below.

Before analyzing the differences, however, it's worth asking: Are these predecessors worthy of emulation? The bottom line is that while none "fixed government," several did have impressive achievements. Gore's Reinventing Government program (ReGo) launched electronic filing of taxes, slashed the time it takes to get a passport and created the first portals for citizens to do business with the Social Security Administration online. It trimmed 400,000 people from the federal payroll and saved taxpayers

billions. As Paul C. Light, a leading expert in public administration, said of ReGo, Gore's initiative proved "that government *can* get better."

Obama's Digital Service tackled similar challenges in the Internet age. It drew on a cadre of talented engineers and designers from Google, Facebook, Twitter and other tech titans who were asked to help fix the beleaguered HealthCare.gov website and then stayed on to tackle other challenges. In addition to helping millions get health-care coverage online, USDS built a mobile app to help students refinance loans, improved cyber defense at the Pentagon and digitized large portions of our immigration system.

Will Kushner's effort follow in these footsteps? Since its unveiling Monday, the Office of American Innovation has faced a wave of skepticism. Some of this criticism — doubts based on Kushner's scant business record or Trump's many private-sector failures — seem like cheap shots. I don't question whether a Trump-Kushner effort *could* achieve the kind of results that Clinton-Gore and Obama produced — but I seriously doubt that it *will*, for four reasons.

First, for any such effort to be serious, it needs serious full-time leadership. For most of Gore's tenure, ReGo was led by the brilliant Elaine Kamarck, a scholar of public administration and government reform; under Obama, USDS was led by Mikey Dickerson, a star Google engineer. But Kushner is taking on this project in addition to duties bringing peace to

the Middle East, being a senior counselor to the president and negotiating a new trade deal with Mexico. Transforming the performance of even a small entity is herculean work; tackling it for the federal government is far more than a full-time job. Given everything else on Kushner's to-do list, it's hard to believe that this new role is anything more than a photo op.

Second, there is reason to suspect that the Office of American Innovation is just a front for an effort to peel away environmental, health, safety and consumer-protection rules in the name of making government more efficient. Kushner has emphasized that his new office will work with corporate chief executives — leaders who are (understandably) more likely to make requests for regulatory relief than get into thorny issues of improving government efficiency. Of course, private-sector leaders are free to seek regulatory changes, and there's nothing wrong with their government hearing them out — but dressing that up as an effort to make government run better is a bait-and-switch.

Third, any serious effort to improve government has to begin with working with the existing government employees: the federal civil service. Sure, there are some truculent and inefficient government workers; but in my four stints in the White House, I never met people more dedicated to finding better ways to do things than the civil servants with whom I worked on projects such as the Recovery Act and the Ebola response. Trump and

his administration, however, are openly contemptuous of this workforce and view it with suspicious hostility. Ask any of the executives working with the White House if they could reinvent their companies without the active and engaged support of their employees. Not one would say yes.

Fourth, and most important, there is no way to make the government more efficient if you don't believe in the government and what it does. Trump has already announced that his goal is to collapse Obamacare; should we expect Kushner's Innovation Office to build on USDS work to make HealthCare.gov better and faster? Will Kushner really focus on fixing the veterans' health-care system — or boost Republican efforts to privatize it? Does he want to find new ways to track and report environmental risks — or is the goal to make it easier to pollute? Trump strategist Stephen K. Bannon's stated mission of "deconstructing" the government is at odds with any genuine effort to "reconstruct" it — and it's easy to guess which is the true aim of the White House.

The night that The Post first reported on the Innovation Office, I glibly tweeted that I had a simpler two-point plan to improve governing under President Trump: "(1) Hire some people who know what they are doing; (2) Work harder." Mr. Kushner, it's not too late to give it a try.

Editorial : America's Growing Labor Shortage

March 29, 2017
7:14 p.m. ET 258

President Trump approved the Keystone XL pipeline on Friday, and good for him, but will there be enough workers to build it? That's a serious question. Many American employers, especially in construction and agriculture, are facing labor shortages that would be exacerbated by restrictionist immigration policies.

Demographic trends coupled with a skills mismatch have resulted in a frustrating economic paradox: Millions of workers are underemployed even as millions of jobs go unfilled. The U.S. workforce is also graying, presenting a challenge for industries that entail manual labor.

Construction is ground zero in the worker shortage. Many hard-hats who lost their jobs during the recession left the labor force. Some found high-paying work in fossil fuels during the fracking boom and then migrated to renewables when oil prices tumbled. While construction has rebounded, many employed in the industry a decade ago are no longer there.

According to the Bureau of Labor Statistics, there are nearly 150,000 unfilled construction jobs across the country, nearly double the number five years ago. The shortage is particularly acute in metro areas like Miami, Dallas and Denver, and the

worker shortage is delaying projects and raising costs.

A January survey by the Associated General Contractors of America found that 73% of firms had a hard time finding qualified workers. More firms identified worker shortages as a big concern (55%) than any other issue including federal regulations (41%) and lack of infrastructure investment (18%). Demand and salaries for subcontractors (e.g., carpentry and bricklaying) are going through the roof.

On the current demographic course, the shortage will worsen. The average age of construction equipment operators and highway maintenance workers is 46. When middle-aged workers retire, there won't be many young bodies to replace them. Most high schools have dropped vocational training, and more young people are enrolling in colleges that don't teach technical skills.

The farm labor shortage is also growing, which has caused tens of millions of dollars worth of crops to rot in the fields. Farmers can't get enough H-2A visas for foreign guest workers, some of whom have migrated to higher-paying occupations. Workers also often arrive late due to visa processing delays by the Labor Department. The undocumented workforce has shrunk as more Mexicans have left the country than have arrived in recent years.

The Western Growers Association reports that crews are running 20% short on average. Boosting wages and benefits—many employers pay \$15 an hour with 401(k)s and paid vacation—has been little help. Instead, employers are cannibalizing one another's farms. In 2015 the country's largest lemon grower Limoneira raised wages to \$16 per hour, boosted retirement benefits by 20% and offered subsidized housing. But now vineyards in Napa are poaching workers from growers in California's Central Valley by paying even more.

Some restrictionists claim that cheap foreign labor is hurting low-skilled U.S. workers, but there's little evidence for that. One Napa grower recently told the Los Angeles Times that paying even \$20 an hour wasn't enough to keep native workers on the farm.

A new paper for the National Bureau of Economic Research concludes that terminating the Bracero program, which admitted seasonal farm workers from Mexico during the 1940s and '50s, did not raise wages of domestic workers. Meantime, a 2014 study found that Arizona's E-Verify mandate on employers reduced "employment opportunities among some low-skilled legal workers."

This isn't surprising since producers have responded to the worker shortage by shifting to higher-value crops that require less labor. As a result, imports of some fruits and

vegetables, especially processed and canned varieties, have increased. Tomato sauce imports increased by about a quarter in the last three years. Since the 1990s, imported frozen vegetables—particularly asparagus, broccoli and cauliflower that require high levels of labor to pick and cut—have more than tripled.

Dairies and slaughterhouses are also facing stiff competition from Canada and Mexico. And consumers are paying more for products that can't be substituted by imports (often for seasonal reasons). So the worker shortage is hurting U.S. employers, low-skilled workers and consumers.

President Trump would compound the problem by reducing legal immigration or deporting unauthorized immigrants whose only crime is working without legal documentation. Low-skilled immigrants (those with 12 years of education or less) are estimated to account for nearly a third of the hours worked in agriculture and 20% in construction.

If President Trump wants employers to produce and build more in America, the U.S. will need to improve education and skills in manufacturing and IT. But the economy will also need more foreign workers, and better guest worker programs to bring them in legally.

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White : Does 'Too Big to Fail' Mean Too Big for the Rule of Law?

Adam J. White
March 29, 2017

When President Obama signed the Dodd-Frank Act in 2010, he said it would cure the problem of too-big-to-fail banks by setting "new rules to make clear that no firm is somehow protected" from failure. "In the end," he said, "our financial system only works—our market is only free—when there are clear rules and basic safeguards that prevent abuse, that check excess, that ensure that it is more profitable to play by the rules than to game the system."

Seven years later, those reforms have achieved far less than he promised. That's especially true of the framework for designating insurance companies and other non-banks as "systemically important financial institutions," or SIFIs.

The Financial Stability Oversight Council has put the SIFI label on four companies so far, but its approach has proved wildly arbitrary. After a two-year investigation into the FSOC's operations, the House Financial Services Committee last month released a staff report highlighting the problems. The report says that the FSOC has failed to honor its own procedural rules and apply its standards and methodologies consistently.

"The FSOC treats certain companies differently than other companies," the report says. "The reason for this disparate treatment is unclear. It could be because the FSOC has no internal procedural controls . . . or it could be the case that the FSOC deliberately circumvented its procedures and expected that this deviation would never be discovered."

This confirms what a federal district court found last year after the insurance company MetLife sued over its SIFI designation. Judge Rosemary Collyer struck down that designation, concluding that the FSOC "hardly adhered to any standard when it came to assessing MetLife's threat to U.S. financial stability." Federal regulators didn't analyze whether MetLife actually posed a substantial systemic risk. Instead they simply assumed the worst at every turn. The FSOC has appealed and the case remains pending. But during oral argument in October at the U.S. Court of Appeals for the District of Columbia Circuit, the judges expressed similar concerns.

Moreover, the House committee's new report reiterates the criticism leveled at the FSOC by its own "independent member with insurance expertise," S. Roy Woodall. When the FSOC labeled MetLife and the insurer Prudential

as SIFIs, Mr. Woodall voted against the designations. He wrote in a dissent that the majority's approach "would inevitably lead to a conclusion that any nonbank financial company above a certain size is a threat—contradicting pronouncements that 'size alone' is not the test for determination." In other words, the FSOC's designation of some large companies but not others is arbitrary.

To be fair to the FSOC, its blunt approach is not exclusively the fault of the regulators. Much blame lies with Congress, which created and empowered it in the first place.

As former Treasury Secretary Timothy Geithner once explained, it is impossible to set effective, purely objective criteria for evaluating systemic risk: "What size and mix of business do you classify as systemic? . . . It depends too much on the state of the world at the time.

You won't be able to make a judgment about what's systemic and what's not until you know the nature of the shock" the economy is undergoing.

The recipient of that warning was the special inspector general for the Troubled Asset Relief Program, who drew an ominous conclusion. "If the Secretary is correct," he wrote in a 2011 report, "then systemic risk judgments in future crises will again be subject to concerns about consistency and fairness, not to mention accuracy." This was prescient, as Mr. Woodall, Judge Collyer and now the House

Financial Services Committee have confirmed.

Given the problems inherent with the FSOC's designations, Congress should consider whether the overarching policy is misguided and excessively ambitious—an example of Hayek's "fatal conceit." At the very least, lawmakers should end Dodd-Frank's approach of granting open-ended power to regulatory agencies, hoping that the administrative state will solve the problem.

Congress did not meaningfully define the standards for the FSOC to use in discerning "systemic

importance." Instead lawmakers authorized nearly a dozen broad considerations, ending with the catchall of "any other risk-related factors that the Council deems appropriate." Such grants of limitless discretion not only invite arbitrary bureaucratic action, they also stretch the bounds of constitutional government.

If Congress believes in reducing systemic risk through regulation, then it should do the hard work of legislating the precise, substantive standards that it believes will best guard the financial system. If the FSOC has expertise, then it can advise lawmakers in writing the law.

But the FSOC should not make up the law, let alone make up the law as it goes along. As President Obama said, we need "clear rules and basic safeguards that prevent abuse"—not least abuse by the regulators themselves.

Mr. White is a research fellow at the Hoover Institution.

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**The
New York
Times**

Jones : Why I Support a Border-Adjustment Tax

William J. Jones

Patrick Hruby

MOUNT PROSPECT, ILL. — The United States corporate tax rate has been stuck at 35 percent for three decades. In that time, other leading countries have slashed their corporate rates to an average of 25 percent, with many far below that figure. This tax rate discrepancy puts domestic manufacturers at a competitive disadvantage and creates incentives for them to engage in "inversions" (using openings in the law to change their tax nationalities) or to move production and jobs offshore.

Fortunately, there's widespread agreement in the business community on the need for lower corporate taxes. Unfortunately, there's strong disagreement over the best approach.

One proposal that has generated debate is that favored by the House speaker, Paul Ryan, and Representative Kevin Brady of Texas, the chairman of the Ways and Means Committee. The plan would cut corporate rates to 20 percent while offsetting lost revenue with a so-called border adjustment, which would tax imports and rebate taxes on exports. Critics, including many retailers, have expressed fear that consumer prices would skyrocket as a result.

From my perspective, as the chief executive of an American manufacturer of currency processing and authentication equipment, a border-adjustment tax makes complete sense as part of an overall tax package.

In general, it's a good idea to shift the United States tax system toward consumption as opposed to production, which a border-adjustment tax would do. More than 150 of America's trading partners currently impose consumption taxes, or "value added" taxes, of up to 25 percent on American exports. This means that American-made exported goods are burdened with the costs of American taxes as well as those of foreign taxes. Our foreign competitors face no such consumption tax when entering the American market, but they enjoy value-added rebates from their home countries, which help lower their prices in our market.

My company needs corporate tax relief, but I don't want the country to incur huge budget deficits as a result. Nor do I want to see a big hike in individual income taxes. Additional revenue has to be found, though, and a consumption tax that raises revenues while leveling the international playing field would serve two valuable purposes at once.

Cutting business taxes and rebating taxes on my exported machines

would allow my company to increase sales. Although my costs would rise somewhat because I have to import certain components that are no longer made domestically, the border tax would compensate for that loss by canceling out the tax-rebate advantage currently enjoyed by my foreign competitors.

More sales for my company would entail factory expansion, a larger work force and greater tax revenues for my city, state and country. Hopefully, such border-adjustability would also create the conditions for businesses in the United States to once again supply the components needed to build my equipment.

Those who object to the border-adjustment proposal — chiefly retailers who sell imported goods — claim that there will be exorbitant price increases for consumers. But there is reason to think any such increases would be smaller than critics suggest, as the tax would be applied only to the (lower) wholesale price at the border, not to the (higher) retail price in their stores.

In the meantime, if retailers intend to pass along the full cost of the tax to their customers, perhaps those higher prices could be mitigated for lower-income Americans by a tax credit phased out over, say, three years — during which time retailers should be able to find or help

establish American suppliers to meet their needs at lower cost.

There is some question about whether a border-adjustment tax would be rejected by the World Trade Organization as an import barrier or export subsidy. But an American border tax would not be different in any relevant way from the longstanding consumption taxes that our foreign competitors currently enjoy with the blessing of the W.T.O., so it should not be judged any differently. If the W.T.O. — principally a bureaucratic collaboration of America's competitors — were to reject an American border-adjustment tax, it might well be time for the United States to re-evaluate its relationship with that organization.

Theoretically, tax systems should collect revenue efficiently and distort markets as little as possible. But in an age of large-scale market distortion driven in part by the consumption taxes of our foreign competitors, why should American companies like mine be unilaterally disadvantaged because of misplaced fealty to an idealized tax system?

The United States economy is a big ship, and it can't turn on a dime. However, a border-adjustment tax would provide a large impetus toward fixing many of the problems afflicting us.

**Los
Angeles
Times**

Editorial : Republicans 'fix' online privacy rules by making your browsing history less private

The Times Editorial Board

Concerned that the Federal Communications Commission had overreached when it imposed new privacy rules on Internet Service Providers last year, congressional Republicans have responded not with a better approach to safeguarding consumer privacy, but

with none at all. It's just another example of their repeal-first, ask-question-later approach, one that puts ideology ahead of outcomes.

The move by the House and Senate to repeal the rules at the behest of major phone and cable companies would allow those firms to sell revealing personal data they gather

about their customers — their browsing habits, the apps they use, where they take their mobile devices — to advertisers and other buyers, whether their customers want the data to be sold or not.

These rules — the first privacy regulations ever applied to broadband providers, which

previously had operated under the watch of the Federal Trade Commission — were too stiff for congressional Republicans, who rushed through a resolution (SJ Res 34) to repeal the FCC's action and make it hard for the agency to adopt a similar rule ever again.

Critics focused on the FCC's requirement that broadband providers obtain a customer's permission before disclosing "sensitive" information, such as the sites he or she had visited online, a mobile device's location or the mobile apps used. The FCC allowed broadband providers to share "non-sensitive" information, such as the customer's name and address, by default unless customers opted out.

That's a more restrictive approach than the FTC requires websites and online advertising networks to take, critics complain, noting that the FTC doesn't consider a person's browsing history or app use to be sensitive information. They're right about this: Having a single standard for the entire Internet ecosystem would be a good thing, considering how broadband providers, sites, services and apps all compete for some of the same advertising dollars. That's no reason to set the bar low, however; instead, it's a good argument for pushing the FTC

to demand more of the companies under its jurisdiction.

You might think that Congress would try to address this question — what the right standard for privacy should be online — before taking a sledgehammer to the FCC's rules. You would be mistaken. If President Trump signs the resolution the House passed Tuesday, the online playing field will continue to be tilted, and ISPs will still be treated differently from all other players online. Only this time ISPs would face lighter regulation — and their users would be more vulnerable.

Granted, the resolution won't revoke the provision of federal communications law that requires all telecommunications services, including broadband providers, not to divulge "customer proprietary network information" without permission. What data fall into that category, however, remains a mystery — the law was written with telephone service in mind, not Internet access. And enforcement of

the law would be left to the FCC, which is now dominated by Republican members who view regulation as an impediment to investment, not a safeguard for consumers.

Nor can most consumers count on competition in the market to guard them against privacy abuses, because they have few options for broadband service at home.

That competition may be coming as new, ultra-high-capacity fixed and mobile wireless services enter the market in the years ahead. In the meantime, though, eliminating the FCC's rules would appear to free Internet providers to track where their customers go and what they do online, create detailed profiles of their behavior and sell that information to advertisers, credit card companies, lenders or anyone else eager for these insights.

That's unacceptable. If the problem is unequal regulation, one solution would have been for Congress to give the FTC the power to regulate

the privacy practices of all businesses online, from broadband providers to Facebook game developers. That wouldn't be ideal, given the FTC's permissive approach to data about consumers' browsing habits and mobile app usage. But at least the rule would be applied comprehensively.

Republicans aren't heading in that direction, however. In fact, even as they hold up the FTC as the model for online privacy protection, they've been trying to weaken the agency's power to crack down on bad privacy practices online. Their cavalier attitude about privacy puts them at odds with their constituents, who have consistently told pollsters that they are deeply worried about their privacy online. President Trump should listen to the grass roots on this one and veto SJ Res 34.

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