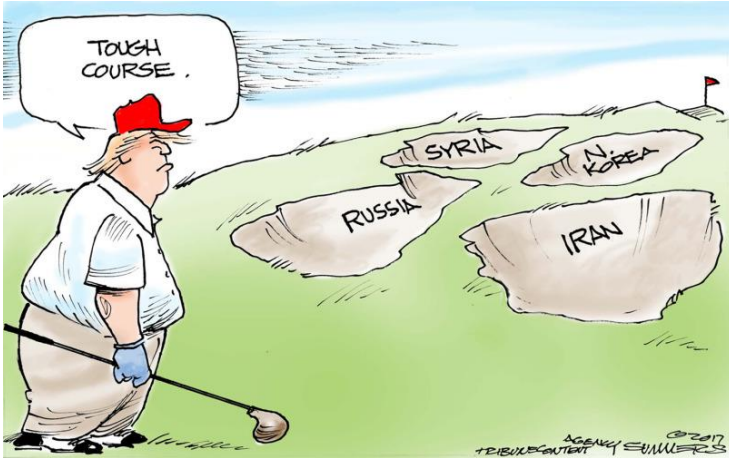


Revue de presse américaine

Ambassade de France aux États-Unis
Service de presse et de communication



Vendredi 28 avril 2017, réalisation : Samuel Tribollet



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Here's How the 'Bernie Bros' of France Could Elect Le Pen

Alexander Hurs

PARIS—Jean-Luc Mélenchon, the former Trotskyite, far-left French presidential candidate, has often drawn comparisons with Bernie Sanders—including from himself. Like Sanders, he proved adept at tapping an authentic feeling of popular anger mixed with a youthful spirit of resistance and revolution.

At the head of his own “La France Insoumise” party (alternately translated as “Unsubmissive France,” “France Unbowed,” and “France Standing Tall”), he enlisted the support of France’s Communist Party, eschewed the Socialist Party primary, and played spoiler to the left wing establishment from the outside, with a nostalgic message that raged against globalized trade, a “neoliberal” European Union, and American hegemony.

He promised retirement at 60, a 32-hour workweek, a 90 percent tax on income above €400,000, a Keynesian stimulus plan, plus a permanent €100 billion increase in state spending, greater cooperation with Vladimir Putin, and a referendum on French membership in the euro and the E.U. if Germany refused to “renegotiate the European treaties.”

Though objectively much further to the left than Sanders, Mélenchon also seems to have attracted the French version of the “Bernie Bro,” the sometimes overly zealous Sanders supporters who toed a fine line between online activism and trolling of anyone critical.

Joann Sfarr, a political cartoonist, found that out the hard way: A few days before the first round of voting, he posted on Facebook (including in the form of cartoons) that after reading Mélenchon’s platform and discovering foreign and economic policy proposals that tilted towards Putin and away from the European Union, he had decided not to vote for him anymore.

As a result, his page and posts were thronged with hordes of aggressively pro-Mélenchon commenters, many of whom coordinated with each other in unofficial organizing rooms on the platform “Discord.”

Days after the first-round vote saw the far-left candidate garner 19 percent of the ballots, many of those voters are upset, and still vocally engaged. Except in a way that could spell disaster well beyond France’s hexagonal borders. Because nearly half of those who voted for Mélenchon in round one are promising to abstain from voting in round two.

The divisions between the 39-year-old Emmanuel Macron, running for his first elected office, and Marine Le Pen, who inherited leadership of the National Front (FN) from her father, could hardly be more stark. And the existence of the European Union itself is at stake.

Despite that, for the past several days social media have exploded with a cascade of posts from French millennials insisting that Macron and Le Pen are equally bad, much like jilted Sanders supporters argued for months that Hillary Clinton was no better than Donald Trump. It was an absurd claim then, and should be easily debunked now with little more than a glance across the Atlantic. Nevertheless, it’s persisted, in part, thanks to the leader of les insoumis himself.

Mélenchon’s behavior on election night was churlish.

“Mediacrats and oligarchs are rejoicing,” is how he began his speech to his supporters, before casting Macron and Le Pen as equally treacherous and refusing to pick a side.

For as long as the National Front has existed, mainstream French politicians, voters, and media have treated the party—born and steeped in an ideology of anti-Semitism, Islamophobia, racism, nationalism, and hate—as simply untouchable. Sacrificing when called upon, they have repeatedly constructed a “cordon sanitaire” around the FN, refusing to publish editorials by its leaders, and forming a “Republican Front” against it in 2002, when Jean-Marie Le Pen shocked the nation by advancing, as his daughter has just done, to the second round.

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Then, Mélenchon had joined the effort to keep the FN cordoned off from the Republic’s respectable politics. In a column in *Le Monde* titled “Stop This Race to the Abyss,” he left no lingering doubt about how he viewed the extreme right, and about the duty of left wing voters to stand in its path.

“How in good conscience could the left decide to count on others to protect what is so essential, by being unwilling to do something we think is undignified?” he had asked. “Not doing our Republican duty because we find it nauseating is to choose unprecedented collective risk over individual inconvenience.”

Well, the Mélenchon of 2017 would do well to read the Mélenchon of 2002. As I write this, he has yet to make a declaration about who he will vote for in round 2, if indeed, he will vote at all.

What happened in the space of 15 years? How did a defiant you shall not pass disintegrate into nothing more than bitterness and silence?

The normalization and breakout of the National Front is a multifaceted story. But an indisputable part of it was the party’s realization as far back as the 1980’s that it could construct appeal to the far-left, as well as the far-right.

As Tony Judt noted in his authoritative tome *Postwar*, “It was not by chance that the Front National often got its best results in districts that had once been bastions of the French Communist Party.” And as the historically powerful Communist Party gradually fell apart, the FN brought in far-left voters by mixing a statist, anti-globalization economic message with its ethno-nationalist one.

Rising radical right movements in Europe and the United States have accompanied a general breakdown in traditional political identification and party structure. In a first for the Fifth Republic, neither the mainstream left nor the mainstream right is present in the second round of the French presidential elections.

Things have a way of coming full circle. Over 200 years ago, the lines of traditional politics were born in France. “Those who were loyal to religion and the king,” explained Baron de Gauville, a deputy in the

National Assembly at the time, “took up positions to the right of the chair,” with the revolutionaries separating themselves out on the left.

How fitting then, that the left-right divide may have died in France as well.

Over the past year, there have been numerous contributions towards understanding the new dividing line that is replacing it. Or more broadly, the “age of anger” as Pankaj Mishra puts it, that is sweeping the world. Each theory decrypts a little piece of the puzzle, and with its own terminology. The struggle between the “winners” and “losers” of globalization; between urban and rural areas; between cosmopolitans and nationalists; between the “anywheres” and the “somewheres.”

The Macron campaign, as Romain Champetier, a campaign official, told me, views the new landscape as “progressives and conservatives; or those who believe in “open, liberal, pro-European-based social and economic progress,” and those who “in a literal sense, are fantasizing about a past that France never really had.”

These dynamics are undeniably at play in the slow rise of the National Front. The party performed well in places racked by unemployment, and the smaller the town, the better Le Pen did there, compared to Macron’s dominance in cities larger than 200,000—a trend that holds even within departments that as a whole, swung for one candidate or the other.

And the identity component needs no extensive explanation, not when Le Pen on one side promotes a view of the nation as inextricably rooted in blood and earth, to be protected by strong borders, while on the other, Macron routinely extolls his hope that “every individual might find his or her place in France and in Europe.”

No other issue more neatly encapsulates the opposing camps of 21st century politics than “Europe” and what it represents—loss of identity for the right, “neoliberalism” for the left (never mind that nearly all of its policy goals, from stopping corporate tax evasion to fighting climate change, are all more

effectively fought at a European level than a national one).

We're looking at a fundamental contest between those who think the liberal international order basically works, but needs tweaks and reforms, and a mélange of revolutionaries on the right and the left who want to overturn it entirely.

For the far left too, has a romantic idea about borders. Where the right thinks that it can erect walls and thereby pockmark Europe with enclaves of homogenous national culture, the left fantasizes about shutting out the world in order to force the market to do what it wants. (This was the essence of Mélenchon's domestic economic agenda, and the reason why, despite protests to the contrary, leaving the euro, and perhaps the E.U., would have been near necessities for fully pursuing it.)

All this has led to an often caricatured vision of the centrist Macron, drawn from his history as a banker and during his two-year stint as economy minister the architect of the loi travail, a highly controversial package of economic reforms that, among other things, allowed intercity busses to compete with the national railway operator, and permitted businesses in designated tourist zones to remain open on Sundays and until midnight, provided they paid employees double for working irregular hours.

The New York Times

Adam Nossiter

She upstaged him among factory workers in the north on Wednesday, campaigned early Monday at the main market outside Paris to steal the thunder of his victory party at a fashionable Left Bank restaurant, and was on a fishing boat at daybreak Thursday with fishermen, television cameras in tow.

Mr. Macron has dropped slightly in some polls, and commentators have suggested that his campaign is stagnating.

Ms. Le Pen came bounding onto the stage at the Palais Nikaia on Thursday night, evidently buoyed by the media attention of the last few days. She immediately lashed out at her younger and more inexperienced opponent, questioning his patriotism, and in one of the far right's oldest tropes, suggesting that his policies meant that he was not French enough.

"He's trying to call himself a patriot," Ms. Le Pen said.

"It's like the pyromaniac who wants to be called a fireman," she added.

Thus, for an important section of la gauche, a candidate whose actual policy platform lies somewhere to the left of Clinton and to the right of Sanders, came to be seen as the puppet of big finance and corporations, intent on the destruction of the French social model. (Macron, for his part, while a proponent of some labor market reforms and greater European integration, has not proposed any fundamental reductions to the French welfare state that has succeeded in lowering inequality to near-Scandinavian levels.)

Such reasoning has formed the basis for the justifications offered by those promising to vote for nobody in the second round.

The night of the U.S. election, one of my childhood friends posted on Facebook that he was choosing not to vote, because Hillary was going to win anyway, and that everyone criticizing him would see that he was right.

Unfortunately, moments of folly aren't limited to one side of the Atlantic.

Says one Facebook commenter here in France, "I'm abstaining. If I could vote blank and have it count, I would, but I can't. Sure the extreme right is fascist, but extreme finance is fascist too."

And another, "Macron is a candidate put forward by banks, the media, and multinationals...people who

vote for Hollande 2.0 in the second round should be ashamed."

And finally, a third who explained his reasons to me in a long message, "Voting for Macron isn't only legitimizing his ultra-liberal [in the classic laissez-faire economics sense] policies over the next five years, but rolling out the red carpet for Marine Le Pen in 2022, or even before."

... Except that the before would be now. As in, 2017. And if, like me, you're left dumbfounded by the idea that somehow allowing Marine Le Pen to take office in 2017 is the solution to preventing her from winning the election in 2022, don't think about it too hard, because your brain might explode.

To be clear, there is a fundamental division among the revolutionaries who want to rage against the system. The left does have a long tradition of standing up to the National Front's xenophobia. The vast majority of disaffected insoumis would never vote for Le Pen. But as the target narrows on "globalization" in its multiple forms, many of them won't vote against her either, and the Burke-ian consequences of that choice—and rest assured, refusing to make a choice is making a choice—are inescapable. Just as they were for the United States.

Could they be decisive?

"Of course we are worried," Champetier admitted to me, "It's a

big concern for a lot of people. But we are in the world, and having an anti-globalization project is not wanting to face reality. And people will realize that his program is not ultra-liberal like it has been caricatured."

All polling suggests that this is Macron's race to lose. But even if less likely than a Trump victory, a Le Pen victory remains possible in a low turnout environment, perhaps driven by a conviction that the ideological sacrifice of casting a reluctant vote can be avoided because faceless "others" will turn out against Le Pen anyway.

In its enthusiasm for youth and "centrism," the foreign media has overlooked the fact that Macron, while surely popular with some, is merely the "lesser of all evils" for most of those who will cast a ballot on his behalf in the second round. As France 24 notes, "If one adds up the first-round tallies of all the candidates who either wished to quit the E.U. or had serious qualms about its 'neoliberal' slant, the result is a country split in half." And the next president only needs 50 percent of the vote, plus one vote more.

Facing Tough Odds in French Vote, Le Pen Assails Macron

"This is a referendum for or against France. I ask you to choose France. His horizon is the devalorization of France."

Mr. Macron was the choice of an "oligarchy," Ms. Le Pen said, a favorite boogeyman in her speeches that is never precisely defined. But in a line of attack that could carry weight with millions of undecided, deeply anticapitalist voters who opted for the far-left candidate Jean-Luc Mélenchon in the first round, Ms. Le Pen tore into her opponent's background in finance.

"I think he could be a good banker," she said. "He's got the insensitivity of that profession, with no conscience for the human consequences of his decisions."

After Mr. Macron was shown on Wednesday in television images sitting stiffly in a room with union officials while Ms. Le Pen was taking selfies with factory workers nearby, the former economy minister tried to show a more human side on Thursday, kicking a soccer ball around in an immigrant Paris suburb where "Mrs. Le Pen can't come," he

said, because "she wants them all to get out."

But in a possibly ominous sign for Mr. Macron, thousands of people demonstrated against both candidates in several cities across France, shouting for the so-called neither-nor option. A low turnout in the second round would help Ms. Le Pen, and she appears to be acutely aware of that. On Thursday she repeatedly tried to sow doubt about her opponent's commitment to the welfare of the working class, Mr. Mélenchon's base of support, which she wants to grab.

"Whose ambitions is he really serving?" she asked.

"He's preparing a lightning strike against the workers," Ms. Le Pen said. "The country that Emmanuel Macron wants is not a country anymore. It's a place where the law of the strongest rules."

And in Nice, a city still reeling from a terrorist attack in July that killed dozens, she painted a picture of an Islamist menace, vowing to confront "provocations from the Islamists in the cafeterias, in the hospitals, in the

streets." As is often the case in Ms. Le Pen's speeches, this was linked to what she calls "the migratory submersion," identified with her opponent.

Ms. Le Pen's aides said before Thursday's rally that they were convinced that she was gaining momentum, for the moment. Mr. Macron "has revealed himself as the puppet of the old system, of the right and the left," said Gilbert Collard, one of only two lawmakers affiliated with Ms. Le Pen's National Front and a constant presence at her side. "He's shown his inconsistency," Mr. Collard said. "There's a dynamic there, for sure."

Mr. Macron "is trying to defy her," said Julien Sanchez, a leading National Front mayor in the south. "He realizes he's lost something, and he's trying to catch up."

Those words were echoed by her fans in the stands, as were the candidate's now familiar anti-immigrant themes. Mr. Macron "doesn't have enough experience," said Sandrine Berett, an office manager. "We've got to stop giving

handouts to foreigners,” Ms. Berett said. “They come here just to profit from the system.”

**The
New York
Times**

Far-Right Leaders Loathe the European Parliament, but Love Its Paychecks

James Kanter

For decades, Ms. Le Pen's National Front and other parties on Europe's far right have drawn a strange legitimacy by winning seats in the European Parliament. They blame European institutions for being onerous bureaucracies and lacking democratic accountability even as they enjoy the perks of office and generally shun the daily grind of legislative work.

Winning seats in the European Parliament is often easier for them than winning at home, because turnout is anemic, boosting the chances for well-organized protest candidates. The National Front, with more than 20 lawmakers including Ms. Le Pen and her father, Jean-Marie Le Pen, has the largest bloc of French representatives in the European assembly — even though it holds just two seats in the French National Assembly.

In 2014, anti-European fringe parties had their strongest-ever showing in European elections, and far-right lawmakers now hold about 10 percent of the 751 seats in the European Parliament. The U.K. Independence Party, which has no lawmakers in the British Parliament, has 20 seats in the European Parliament, including the party's former leader, Nigel Farage.

European institutions in Brussels are routinely criticized as lacking democratic accountability. The European Parliament, whose members are directly elected, is supposed to be the answer to that complaint. But anti-Europe lawmakers instead often use the Parliament, based in Strasbourg, France, to attack the European Union.

The overall expenses of salaries, benefits and other funds for far-right Euroskeptic lawmakers and their staffs cost European Union taxpayers about €55 million this year, according to Thilo Janssen, a political scientist who has studied the far right and who advises a left-wing lawmaker in Parliament.

Even more ironic, the Parliament provides a platform for these lawmakers to network and coordinate their anti-Europe efforts — and to get paid for it. They have formed political groups, the main

organizational units of Parliament, which allow them to qualify for an array of privileges.

Ms. Le Pen, for example, is co-president of the Europe of Nations and Freedom Group, founded in 2015, along with Marcel de Graaff, a Dutch right-wing lawmaker. The group billed for €1.6 million during its first year for staff and activities.

Mr. de Graaff, a fiery ally of the Dutch far-right leader Geert Wilders, has argued that unauthorized migrants have carried out mass rapes and warned that “we must stop the invasion” of Islam in Europe.

“More and more people see through the lies of the E.U. establishment and are joining the patriots,” he told colleagues during a recent address on the floor of Parliament. “The E.U.'s end is approaching.”

Two years ago, when Ms. Le Pen was absent for some votes, Mr. de Graaff covered for her, casting her ballots. She later praised his “chivalrous spirit.” Other lawmakers were less amused. Mr. de Graaff was fined €1,530.

“Unsurpassed insolence,” Manfred Weber, a powerful conservative German member of the European Parliament, said at the time.

Yet Mr. de Graaff and others mostly shrug off the criticism. Mr. Farage, who helped lead the “Brexit” campaign for Britain to leave the European Union, soaks up free media attention by giving strident, anti-Europe speeches.

Mr. Farage leads another Euroskeptic bloc in Parliament, Europe of Freedom and Direct Democracy, and that bloc in turn shares many members with a party called the Alliance for Direct Democracy in Europe.

In November, Parliament ordered that party to repay €172,655. The money was supposed to help lawmakers compete in European elections and “contribute to forming a European awareness.”

But the U.K. Independence Party used it instead to conduct opinion polls on Brexit, officials found. (The alliance's executive director said the audit procedure was “biased” and

aimed at “silencing” critics of European integration.)

Neither Mr. de Graaff nor Ms. Le Pen responded to requests for comment. But one Le Pen ally, Jean-Luc Schaffhauser, who helped the National Front secure a loan from a Russian-linked bank but is not himself a member of the party, said he believed that fraud investigators were unfairly singling out right-wing parties for scrutiny.

Other lawmakers fume at the antics of the far right, but have little recourse.

Far-right members are “hollowing out the whole structure from within, and it's like tooth decay,” said Esther de Lange, a lawmaker with the Christian Democratic Appeal, a center-right Dutch party. “Are you going to wait until the whole thing falls out, or do you actually come up with a solution?”

Prominent members like Mr. Weber want to block funding for anti-European parties — including the Alliance for Peace and Freedom, which has three representatives from Greece's neo-fascist Golden Dawn and one from the neo-Nazi National Democratic Party of Germany in Parliament. That entitled the party to nearly €400,000 last year.

Mr. Weber acknowledged last month that nothing could be done to turn off the money spigot immediately, partly because the rules need to be tightened.

There also are concerns about freedom of speech. “You want to gag us, basically,” Georg Mayer, an Austrian member of Mr. de Graaff's and Ms. Le Pen's bloc, told lawmakers recently. “I don't like that reading of democracy.”

Ms. Le Pen, for one, has benefited from leading one of the far-right blocs. It entitles her to a prominent placement on the parliamentary benches and choice speaking slots. Eighteen months ago, when President François Hollande of France and Chancellor Angela Merkel of Germany tried to rally support for migration policies on the floor of Parliament, Ms. Le Pen rose to give a stinging, and widely publicized, rebuke.

She belittled Mr. Hollande as a German puppet, the “administrator of the province of France.” Her rant, which evoked the Nazi occupation of France during World War II, has been watched at least a half-million times on YouTube.

When he visited the Parliament in February, Justin Trudeau, the Canadian prime minister, did not have lunch with the heads of the political blocs — to avoid encountering Ms. Le Pen, officials speculated at the time.

A number of far-right lawmakers skipped Mr. Trudeau's speech. Many also joined a boycott in December, when two young Iraqi women who had escaped sexual slavery by the Islamic State were honored with the Sakharov Prize for Freedom of Thought, the European Union's top human rights award.

The boycott infuriated Anthony L. Gardner, who was the United States ambassador to the European Union until January and was present for the occasion. “They tried to turn a deeply moving ceremony about how these girls had survived unimaginable things into a political event,” he said in an interview. “It was shameful behavior for them not to be there.”

Meanwhile, Ms. Le Pen has also enjoyed another privilege of being a European parliamentarian: immunity.

Last month, French prosecutors persuaded European lawmakers to lift her immunity in a criminal investigation into images she shared on Twitter that showed brutal acts by the Islamic State. (Dissemination of violent images is a crime in France.) On Wednesday, they began a process that could lead to her losing immunity in another French case, concerning alleged abuse of European Union funds to pay for party assistants.

Lawmakers are still considering yet another French request to lift her immunity, in a case of alleged defamation against a former mayor of Nice.

But for now, Ms. Le Pen continues to receive legal protection from a European Parliament she wants to bring down.

**THE WALL
STREET
JOURNAL.**

Sternberg : Macron Is Mightier Than Le Pen, but Will His Reforms Stick?

Joseph C. Sternberg

Much that's going wrong in French politics happened at a Whirlpool factory in Amiens on Wednesday.

The factory, which is due for closure soon, has become emblematic of France's industrial decline. The jobs are moving to cheaper Poland. The area is the birthplace of Emmanuel Macron, the presidential front-runner and Hope of France. But it's the political turf of his far-right opponent, Marine Le Pen of the National Front.

Ms. Le Pen tells workers at the Whirlpool factory that the European Union is to blame for the loss of their jobs and the broader economic and social decay around them. Free trade with Europe allows Poland to steal French jobs, while the fiscal harpies in Brussels punish any French government that tries to respond with subsidies or welfare.

"I'm here exactly where I belong, among Whirlpool workers who are resisting wild globalization," Ms. Le Pen said Wednesday during a surprise visit to the plant. She promises a 35% tax on companies that relocate production out of France. That's economically illiterate but may sound good if you're about to be unemployed and desperate.

Mr. Macron tells those soon-to-be-unemployed people—well, roll the tape:

He had originally planned to meet only with a small delegation of union

leaders miles away from the factory. When someone noticed Ms. Le Pen was campaigning at the factory, Mr. Macron—to his credit—went there himself. Once he arrived, he lectured the worker-voters on macroeconomic trade-offs: "After the closure of borders, what is there? The destruction of thousands of jobs that need them open."

Mr. Macron helpfully added later that if Ms. Le Pen is elected, another on-the-brink factory up the road will have to close, too. Which surely makes the Whirlpool workers feel better. That smoke you see in the background of the press photos of Mr. Macron in Amiens is coming from the tires they burned in the parking lot during their strike to try to save their jobs.

Optimistic pundits hope the impending victory of a fresh-faced reformer signals that France's economy at last can be fixed. But for at least the past decade, France's problem hasn't been a lack of understanding in the political class of what the French economy needs. Mr. Macron is not so much a radical change-agent as a photogenic tribune for a political class that is increasingly, albeit belatedly, uniting behind the need for economic overhauls.

Formerly of the center left, he won Sunday's first round on a revitalization platform different more in degree than in kind from that of

the main center-right candidate, François Fillon, on matters such as government spending cuts and labor-law reform. The global case of the vapors over Ms. Le Pen obscures how remarkable this pro-reform convergence is.

An implication is that Mr. Macron's biggest problem in office may not be the mechanical challenge of pushing reform legislation through the National Assembly despite his lack of a serious party apparatus. Parties matter, but Mr. Macron is swimming with the tide. He can probably legislate enough of his reform program to make a material difference to France's economy over the next few years—and Lord hasten the day.

Then there's Amiens. Mr. Macron's problem will be that results often aren't enough. The protectionist outsiders Ms. Le Pen and far-left Jean-Luc Mélenchon won some 49% of the first-round vote Sunday, despite economic growth that has inched upward toward 1.5%—that's good by French standards—and unemployment that's finally starting to tick down toward less than 10%. But voters quite reasonably like to think there's a strategy they can believe in, not merely a few lucky quarters of data.

Margaret Thatcher and Ronald Reagan understood this. They remade British and American politics for a generation not through the

workings of their legislative programs but through their capacity to shape public opinion. They created a coalition of the optimistic whose new expectations for the political class tugged at both the left and the right.

If the Macron program is to stick, he'll have to do the same. He isn't off to an auspicious start. He won among the 49% of first-round voters who already know they support openness and are benefiting from it. But so far when he tries to persuade the other 49% he too often ends up in that parking lot in Amiens.

His message to those workers—"Take the hit for the good of the country"—lacks a certain Reaganesque resonance. He has limited time left in this campaign, and perhaps in the early days of a new Macron administration, to do better.

Mr. Macron probably will still win the May 7 run-off thanks to the quirk that the National Front comes with a considerable ick factor. But for this to be the decisive turn France needs, Mr. Macron urgently needs to find a political road out of Amiens.

Mr. Sternberg is editorial page editor of The Wall Street Journal Europe.

The Washington Post Krauthammer : Populism on pause

Yesterday's conventional wisdom: A wave of insurgent populism is sweeping the West, threatening its foundational institutions — the European Union, the Western alliance, even liberal democracy itself.

Today's conventional wisdom (post-first-round French presidential election): The populist wave has crested, soon to abate.

Chances are that both verdicts are wrong. The anti-establishment sentiment that gave us Brexit, then Donald Trump, then seemed poised to give us Marine Le Pen, has indeed plateaued. But although she will likely be defeated in the second round, victory by the leading centrist, Emmanuel Macron, would hardly constitute an establishment triumph.

Opinions newsletter

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Macron barely edged out a Cro-Magnon communist (Jean-Luc Mélenchon), a blood-and-soil

nationalist (Le Pen) and a center-right candidate brought low by charges of nepotism and corruption (François Fillon). And the candidate for the ruling Socialist Party came in fifth, garnering a pathetic 6 percent of the vote.

On the other hand, the populists can hardly be encouraged by what has followed Brexit and Trump: Dutch elections, where the nationalist Geert Wilders faded toward the end and came nowhere near power; Austrian elections, where another nationalist challenge was turned back; and upcoming German elections, where polls indicate that the far-right nationalists are at barely 10 percent and slipping. And, of course, France.

In retrospect, the populist panic may have been overblown. Regarding Brexit, for example, the shock exaggerated its meaning. Because it was so unexpected, it became a sensation. But in the longer view, Britain has always been deeply ambivalent about Europe, going back at least to Henry VIII and his break with Rome. In the intervening 500 years, Britain has generally

seen itself as less a part of Europe than an offshore island.

The true historical anomaly was Britain's E.U. membership with all the attendant transfer of sovereignty from Westminster to Brussels. Brexit was a rather brutal return to the extra-European norm, but the norm it is.

The other notable populist victory, the triumph of Trump, has also turned out to be less than meets the eye. He certainly ran as a populist and won as a populist but, a mere 100 days in, he is governing as a traditionalist.

The Obamacare replacement proposals are traditional small-government fixes. His tax reform is a follow-on to Reagan's from 1986. His Supreme Court pick is a straight-laced, constitutional conservative out of central casting. And his more notable executive orders read as a wish list of traditional business-oriented conservatism from regulatory reform to the Keystone XL and Dakota Access pipelines.

I happen to support all of these moves, but they don't qualify as

insurrectionist populism. The one exception may be trade policy. As of now, however, it remains ad hoc and idiosyncratic. Trump has made gestures and threats to those cunning Mexicans, Chinese and now Canadians. But it's not yet clear if he is serious about, say, withdrawing from NAFTA or just engaging in a series of opening negotiating gambits.

The softwood-timber dispute with Canada is hardly new. It dates back 35 years. Every intervening administration has contested the terms of trade in various forums. A full-scale trade war with our leading trading partner would indeed break new ground. Anything short of that, however, is the art of the deal.

The normalization of Trump is one indicator that there may be less to the populist insurrection than imagined. The key, however, is Europe, where the stakes are infinitely higher. There the issue is the future of the nation-state itself, as centuries of sovereignty dissolve within an expanding superstate. It influences every aspect of daily life — from the ethnic makeup of

neighborhoods to the currency that changes hands at the grocery.

The news from France, where Macron is openly, indeed ostentatiously, pro-European (his campaign headquarters flies the E.U. flag) is that France is not quite prepared to give up on the great

**THE WALL
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Media Moguls' Grand Plan for Europe Is Mired in Bitterness

Nick Kostov and
Manuela Mesco

Two of Europe's richest men want to remake the Continent's turmoil-racked media business. First, they have to patch up their tattered personal and business relationship.

In January 2016, Silvio Berlusconi, the television mogul and flamboyant former Italian prime minister, sat down for lunch with a longtime friend and business partner—Frenchman Vincent Bolloré, whose media conglomerate Vivendi SA spans music, TV and videogames. The lunch, at Vivendi's Paris headquarters overlooking the Arc de Triomphe, eventually blossomed into a bold, joint ambition: to create the Netflix of Europe by stitching together local content and distribution across the Continent.

"We talked about where the world is going," said another person at the lunch. "The industrial desire to get married, to work together was on the table," this person said.

More than a year later, those efforts have unraveled into bitterness, pitting Mr. Bolloré's Vivendi against Mr. Berlusconi's Mediaset SpA in one of Europe's biggest recent corporate standoffs. Over the summer, as Mr. Berlusconi was recovering from open-heart surgery, Vivendi backed out of a deal to buy Mediaset's premium pay-TV service, publicly questioning its performance.

**The
Washington
Post**

Breitbart sees potential to expand in Europe amid French, German elections (UNE)

LONDON — Nigel Farage raised a sudsy toast.

The British government had just formally triggered its "Brexit" from the European Union and Farage, the right-wing politician who had long championed it, hoisted a pint of beer, looked into the camera, and thanked the Americans he credited with helping make it happen.

"Well done, Bannon. Well done, Breitbart — you've helped with this hugely," Farage said in a video toast tweeted last month to his 781,000 followers, thanking Stephen K. Bannon and Breitbart News, which Bannon ran before he left to become President Trump's adviser.

experiment. But the Europeanist elites had better not imagine this to be an enduring verdict. The populist revolt was a reaction to their reckless and anti-democratic push for even greater integration. The task today is to address the sources of Europe's economic stagnation and social alienation rather than

Mediaset sued. Then in December, Vivendi started accumulating Mediaset shares on the open market, eventually spending €1.26 billion (\$1.38 billion) for an almost 30% stake. Mediaset accused it of orchestrating a hostile takeover.

Both sides still want a friendly deal, according to people familiar with each camp. People familiar with Mr. Bolloré's thinking say he is counting on his large stake in Mediaset to force Mr. Berlusconi to the table.

"There are many reasons why it's a win-win situation for both companies to resolve this conflict," said Vivendi Chief Executive Arnaud de Puymontaine.

People familiar with the view of Mr. Berlusconi and Fininvest SpA, the family holding company that controls Mediaset with a 40% stake, said he isn't rolling over and wants Mr. Bolloré to return to the original pay-TV deal.

Italian regulators strengthened Mr. Berlusconi's hand earlier this month, ruling Vivendi must sell either its Mediaset shares or its 24% stake in Telecom Italia, SpA, the telecom carrier that many executives see as more important to Mr. Bolloré's pan-European media ambitions. Vivendi said it would appeal.

A detente could reshape Europe's media landscape, where insurgent competitors are elbowing in on the turf of established players.

Breitbart, which has risen in prominence with Trump's election and the surprise Brexit vote, has become a disruptive force far beyond the U.S. borders. The anti-establishment resentment that fueled Trump's campaign is surfacing again overseas in elections in France and Germany, and Breitbart hopes to tap into the anti-elite, anti-immigration rage to build its global brand.

Breitbart's top U.S. editor, Alexander Marlow, described expansion plans around the time of Trump's election five months ago, with hopes to establish bureaus in France and Germany, opening what Bannon has

blindly pursue the very drive that led to this precarious moment.

If the populist threat turns out to have frightened the existing powers out of their arrogant complacency, it should be deemed a success. But make no mistake: The French election wasn't a victory for the

Cooperation between Messrs. Bolloré and Berlusconi would consolidate their positions with a collection of content and distribution assets across Europe.

When the two companies were getting along, executives on both sides touted the idea of building a rival to Netflix Inc., the U.S. streaming service that is expanding rapidly across Europe. A particular strength of a Vivendi-Mediaset tie-up would be local-language content, which is currently in short supply at Netflix.

Other competitors, meanwhile, are roiling the industry. Rupert Murdoch's 21st Century Fox Inc. is seeking regulatory approval for a \$15 billion deal to buy the 61% of British pay-TV giant Sky PLC it doesn't already own. That move would further bolster those two companies' content and reach across Europe. Mr. Murdoch and his family are major shareholders of both 21st Century Fox and News Corp, the owner of The Wall Street Journal.

Mr. Bolloré, 65 years old, has made a fortune by swooping in and seizing control of businesses—sometimes in quick takeovers, and other times through slow, steady stake-building. In less than two years, he built a 5% stake in Vivendi into a 20% controlling interest.

Under Mr. Bolloré, Vivendi targeted assets to marry with its existing core

status quo. It was a reprieve. For now, the populist wave is not in retreat. It's on pause.

media businesses including Universal Music Group and French pay-TV company Canal Plus. Last year, he orchestrated a hostile takeover of mobile-game developer Gameloft SE.

He has also built up a roughly 25% stake in Ubisoft Entertainment SA, the maker of the "Assassin's Creed" videogame series. Ubisoft Chief Executive Yves Guillemot recounts that two hours after a friendly call with Mr. Bolloré, Vivendi surprised him by announcing it had bought up 6.6% of the company.

"It was a really bad start," Mr. Guillemot said. Vivendi wants board representation but has been rebuffed by Mr. Guillemot.

In September, Mr. Bolloré sent an email to Mr. Berlusconi on his 80th birthday, wishing him a speedy recovery from his heart surgery, according to a person familiar with the matter. Mr. Berlusconi responded almost immediately. He thanked him, saying "let's hope we can finally work together." Since then, though, the companies have had virtually no contact, people familiar with the situation say.

called new fronts in our "current cultural and political war."

Since then, no new bureaus have opened, and Breitbart so far has not replicated its U.S. success in any substantial way across the Atlantic, beyond Britain.

But even its harshest detractors see a potentially significant European market for Breitbart's brand of crusading coverage of a handful of key issues, including immigration, Islam, terrorism, crime and globalization.

"Breitbart is part of a broad offensive against the progressive liberal order. They attack women's rights, LGBT

equality, immigration," said Joe Mulhall of Hope Not Hate, a London-based research and advocacy group that fights "racism and fascism."

"The pillars of European liberal democracy are shaking, and Breitbart is right in the center of it," he said.

Founded in 2007 by right-wing provocateur Andrew Breitbart, the site averaged more than 15 million unique visitors in the first three months of this year, down from a high of almost 23 million during the 2016 elections, according to ComScore.

Bannon, who took over in 2012 after the founder's death, grew the site into a relentless warrior for nationalism, constantly warning against mass immigration, especially by Muslims.

Critics have called the site xenophobic, racist and sexist, citing headlines such as "Europe's rape epidemic: Western women will be sacrificed at the altar of mass migration" and "Feminists need to know — Islam kills women."

While Bannon has officially severed financial and editorial ties with Breitbart, European critics said they suspect he is still an informal adviser, which Breitbart denies. On Tuesday, the committee that oversees news media access to the U.S. Congress declined to accredit Breitbart, saying that it was not fully convinced that Bannon was no longer involved.

"Steve is not advising us. He just isn't," said Chad Wilkinson, a Breitbart spokesman.

Attempts to reach Bannon were unsuccessful.

One-fifth of Breitbart's 15 million monthly readers are already from outside the United States, according to SimilarWeb, an analytics firm. It already has a London bureau, a reporter in Rome and several in Jerusalem.

"The world is getting smaller, and our fates are tied together," said Raheem Kassam, 30, editor in chief of Breitbart London, who said in an interview that he is overseeing the organization's efforts to grow across Europe and into Canada and Australia.

Kassam said it was "nonsense" to call Breitbart racist or sexist; he said it simply reports truths ignored by mainstream news media. Kassam, the British-born son of Indian immigrants, was raised Muslim but said he became disillusioned with Islam, especially when Muslim college classmates in London cheered the 9/11 attacks on New York and Washington.

Well-known in Britain for his sharp-tongued conservatism as a blogger in his 20s, Kassam said some Breitbart headlines are "playful" and represent "slightly more of a tabloid fashion than an American market is used to."

Some questioned whether continental Europe was ready for Breitbart's loud-and-proud journalistic style. Critics said that Breitbart seems to be having trouble finding local journalists and that its screaming-headline style — so familiar to the British — might not appeal as much in France and Germany.

"Breitbart cannot succeed in France if they do only excessive or outrageous news; we are not that kind of people," said Frederic Paillet of Reputation Squad, a digital consulting firm in Paris. "But if they do it properly, they will succeed because there is demand."

There is also resistance: A French spokeswoman for Sleeping Giants, an anonymous online movement with Twitter accounts in 14 nations, said her group, which operates in individual countries without any centralized leadership, has persuaded nearly 2,000 organizations worldwide not to advertise with Breitbart.

Kassam said Sleeping Giants has not damaged Breitbart's finances. News reports have said Breitbart is substantially funded by the family of American billionaire Robert Mercer, a Trump ally and major donor.

[The Mercers and Stephen Bannon: How a populist power base was funded and built]

Kassam said it was "total nonsense" that Breitbart has had trouble with its expansion plans.

"Could it have been faster? Sure," he said. "But it's going to be great."

Asked about critics who say his expansion plans are all talk, he said, "They're idiots."

Success in Britain

Kassam said Bannon first pitched him on Breitbart at a 2013 dinner at Brown's Hotel in London.

"I think that Europe is going to become a political tinderbox over the next few years," Bannon said, according to Kassam. He said Bannon believed Britain was facing many of the same issues he saw in the United States, including anti-immigration backlash and working-class anger at elites.

The London bureau opened in 2014, and wrote favorably and nonstop about Farage and his U.K. Independence Party, a far-right, anti-immigration, anti-European Union party that was an important driver of the Brexit effort.

"If Nigel was giving a speech, we'd be there with a camera," Kassam said.

Breitbart's British audience grew and Kassam's London staff expanded to about 10 journalists. When Brexit passed unexpectedly in June, Breitbart's coverage was widely credited with being a small but significant factor.

To critics like Hope Not Hate, that proved that Breitbart is more political than journalistic. They noted that Kassam took time out from his

Breitbart job to be Farage's spokesman and briefly ran for the UKIP leadership job last year.

"It distorts and fabricates news to deliberately incite anger in its supporters and fear in others," Hope Not Hate said in a recent report, "Breitbart: A rightwing plot to shape Europe's future."

Farage, in a London interview, said Breitbart's expansion into London was "as political as it was commercial." He said Breitbart speaks for "people who have basically felt ignored in the political process."

He has known Bannon for several years. "I've heard this bloody rubbish about Bannon, that he's white supremacist and an anti-Semite. I've never, ever seen or heard anything in that direction from him," Farage said.

Kassam, he said, was a credible voice on Islam, in part because he was raised Muslim.

"There are some opinions that get published on Breitbart that obviously go a lot further than I would," Farage said. "But is this a fair and reasonable debate to be having, given that extremist Muslim atrocities are becoming part of daily life in Europe? Yes."

Possibilities in France

Vivien Hoch arrived for lunch at a Paris restaurant wearing a dark-blue suit, white shirt and a fireball-red tie worn just a bit too long.

"I love Trump's style and charisma," said Hoch, 30, a conservative blogger whose name surfaced in local media as a potential Breitbart writer in France. He met with Kassam at a meeting of French conservative activists in January but said Kassam was just "feeling us out a little bit."

Hoch said Breitbart would have a significant market in France, because it had the financial backing and connections to "influence politics" and create "buzz."

Tapping his lapel, he added, "Breitbart comes to France like an American general wearing two medals: Brexit and Trump."

Hoch said U.S. news organizations HuffPost and BuzzFeed cover France with French-language sites that offer generally left-leaning coverage.

"There no reason that Breitbart couldn't do that on the other side," said Hoch, who bought a red "Make America Great Again" cap on Amazon and wears it as a lighthearted "provocation" to left-leaning French friends.

French right-wing populism is rising, most visibly in the campaign of Marine Le Pen of the National Front party and her anti-immigration, anti-European Union rhetoric. Le Pen won more than 21 percent in France's first-round of voting on Sunday, second only to centrist Emmanuel Macron with about 24 percent. They face a May 7 runoff for the presidency.

[Le Pen claims victory alongside Macron for French presidential runoff, with E.U. future at stake]

Marion Maréchal-Le Pen, a niece of Marine Le Pen and a key figure in the National Front, also said Breitbart could succeed in France if it were less "tabloidy."

"In France, we're interested in reading more intellectual articles," Maréchal-Le Pen, 27, said in an interview at her French Parliament office.

But Maréchal-Le Pen said she believed French voters were "rejecting the traditional press," and "the majority of the French population would support Breitbart, especially the Forgotten France who suffer from the effects of globalization."

Breitbart has been covering Marine Le Pen's candidacy enthusiastically, but Kassam said that doesn't mean the site endorses Le Pen. "We're not shy of saying it when we do it. We're just not doing it," he said.

But that's not how it feels to Maréchal-Le Pen.

"I am aware that Breitbart is supporting the National Front; I'm very flattered, although it's not very influential in France," she said.

Reaction in Germany

In Germany, Breitbart's expansion plans have also stirred anger and fear ahead of national elections in September in which Chancellor Angela Merkel is seeking a fourth term.

Advertising executive Gerald Hensel started a campaign late last year called #NoMoneyForTheRight, to inform companies that their ads were appearing on Breitbart and other right-wing websites.

Hensel said in a phone interview that he was bombarded by angry messages, calls to his employer demanding that he be fired and death threats. Within two weeks, he resigned as a digital strategy director with Scholz & Friends, a German advertising agency.

Hensel said Breitbart might have trouble setting up a bureau in Germany because Germans since World War II have been vigilant

about the kind of extremism he believes Breitbart represents.

He and others point to Breitbart's coverage of a New Year's Eve incident in Dortmund, Germany, in which Breitbart reported that "a mob of more than 1,000 men chanted 'Allahu Akhbar,' launched fireworks at police, and set fire to a historic church."

Some elements of the story were correct: There was a large gathering, including many immigrants. A number of people were chanting "Allahu akbar," a phrase sometimes used in anger by

radicals but also common in prayer and celebrations. Netting over scaffolding on the roof of the church briefly caught fire, but it was unclear whether fireworks had deliberately been fired at the church, which was not damaged. Police said one Syrian migrant threw a single firework that landed at a police officer's feet.

German police, politicians and media said Breitbart inflated a relatively minor incident to create the false impression that Muslim immigrants had staged a large-scale attack on police and burned a Christian church.

"We shook our heads in disbelief when we saw how this operation was politicized," a spokesman for the Dortmund police said.

Critics said Breitbart was attempting to whip up anti-immigrant sentiment ahead of the September election, in which Merkel's immigration policies have been criticized by the anti-Muslim Alternative for Germany party.

Kassam defended Breitbart's reporting on his website, accusing the mainstream media of "dishonest" criticism because it "clearly damages their broader goal of

fostering a mass migration, 'multiculturalist' mindset."

Merkel's government has proposed a law, soon to be debated in Parliament, that would impose large fines on social-media firms like Facebook if they fail to immediately take down "fake news."

Sullivan reported from London and Paris. McAuley reported from Paris. Karla Adam in London, Stephanie Kirchner in Berlin and Cleophee Demoustier in Paris contributed to this report.

THE WALL STREET JOURNAL

Eurozone Confidence Hits Postcrisis High

Paul Hannon

Eurozone businesses and consumers grew more upbeat about their prospects in April, as a measure of confidence rose to its highest level since a year before the global financial crisis struck in 2008.

The pickup in sentiment is consistent with the results of other recent surveys and other data, which suggest the eurozone's economic recovery has gained fresh momentum in early 2017.

Policy makers at the European Central Bank have cited the pickup in confidence among households and businesses as a reason for their more optimistic view of the currency area's economic prospects. However, policy makers are expected to confirm later Thursday that they will stick with their stimulus programs until there are clear signs that inflation will rise to their target and stay there.

The European Commission said its Economic Sentiment Indicator, which aggregates business and consumer confidence, rose to 109.6 in April from 108.0 in March, reaching its highest level since August 2007.

Among businesses, manufacturers were at their most upbeat since June 2011, while the measure for service providers rose to 14.2 from 12.8 in March, reaching its highest point since October 2007, almost a year before the collapse of Lehman Brothers.

The pickup in sentiment is a positive for the eurozone's growth prospects, since more confident businesses tend to invest and hire more freely. The commission found that manufacturers expect to raise their investment spending by 5% this year, up from the 3% projected when they were last questioned on the subject in November.

Many economists had expected sentiment to weaken this year, given

the high levels of uncertainty created by a busy election schedule in which political parties hostile to the euro and the wider European Union looked set to gain ground, and possibly triumph.

However, March elections in the Netherlands saw Prime Minister Mark Rutte defeat anti-euro populist candidate Geert Wilders. The April survey was taken before centrist candidate Emmanuel Macron won the most votes in the first round of France's presidential election, ahead of Marine Le Pen, who opposes membership of the EU and the eurozone.

French manufacturers and consumers were undaunted by the possibility of a big political change, with the country's ESI rising to 106.3 from 105.1, its highest level since July 2011. The Dutch measure rose to its highest level since March 2011.

The rise in eurozone confidence follows the release last week of a

measure of activity in the private sector, based on surveys of purchasing managers, which suggested the eurozone economy has accelerated this year.

Despite recent encouraging signs for the eurozone economy, policy makers at the ECB have been at pains to play down the prospect of a reconsideration of its stimulus policies soon. In December, the ECB extended its bond-buying program, also known as quantitative easing, until the end of the year from March, though it lowered the monthly value of purchases.

In a development likely to reinforce their caution, the commission's survey found that consumers expect prices to rise more slowly over the coming 12 months than they did in each of the previous three months of 2017.

THE WALL STREET JOURNAL

ECB Gives No Indication It's Ready to End Easy Money

Tom Fairless

FRANKFURT—The European Central Bank gave no signs Thursday it is ready to wind down its monetary stimulus despite an economic rebound in the eurozone, opting to soothe financial markets ahead of the second round of France's presidential election.

The ECB's decision to stand pat comes at a tense time for the currency union, which is navigating a series of major elections as well as uncertainty in its relations with its two biggest trading partners, the U.S. and U.K.

At a news conference, ECB President Mario Draghi welcomed evidence of economic recovery but said policy makers hadn't discussed reducing their stimulus, which includes subzero interest rates and

a €60 billion-a-month (\$65.34 billion) bond-purchase program.

Mr. Draghi also hit back at recent criticism of the ECB from Germany's finance minister, Wolfgang Schäuble, who urged the central bank last week to start exiting easy-money policy.

"It's pretty ironic to hear these comments from people who supported the independence of central banks," Mr. Draghi said.

Investors were left trying to "square the circle" between the ECB's cautious stance and mounting optimism about the area's economy, said Lena Komileva, chief economist with G+ Economics in London.

The euro jumped almost half a cent against the dollar following Mr. Draghi's positive assessment of the economy, but later pared its gains

as the ECB chief indicated policy would remain unchanged for now.

Echoing the ECB's caution, Sweden's Riksbank surprised investors earlier Thursday by extending its bond-purchase program by six months through the end of the year, albeit at a reduced level, despite strong economic growth.

As the eurozone economy strengthens, pressure has been building on the ECB to consider a change of direction, especially in the area's largest economy, Germany. Within the ECB, policy makers are divided over how quickly to start winding down their €2.3 trillion bond-purchase program, known as quantitative easing, which is scheduled to run at least through year-end.

But Mr. Draghi highlighted a number of potential economic threats, ranging from the details of Brexit and U.S. President Donald Trump's economic policies to tensions in North Korea.

"We shouldn't think that it's over," Mr. Draghi said of the economic fallout of Brexit. "It's quite clear that even now this uncertainty about the length and the shape [of Brexit] is producing economic consequences."

Another risk to the outlook is the French presidential election May 7. Pro-European Union candidate Emmanuel Macron was the top finisher in Sunday's first round, and faces far-right candidate Marine Le Pen in the runoff. A victory for Ms. Le Pen would send shock waves through financial markets, given that she has called for France to leave

the eurozone. Polls suggest, however, that Mr. Macron will win the head-to-head race.

While Mr. Draghi said the ECB didn't base its policies on likely election outcomes, he acknowledged that political uncertainty played a part in the bank's calculations.

Recent economic data for the eurozone have been robust. Business confidence has risen to a six-year high, unemployment is at a seven-year low, and inflation is approaching the ECB's target of just below 2%. Fresh inflation data Friday will show exactly how close the ECB is to achieving its goal.

The New York Times Europe's Central Bank Sounds a More Upbeat Tone

Jack Ewing

4-5 minutes

Here is a guide to phrases they were listening for as Mr. Draghi spoke on Thursday:

Tapering and Its Life Expectancy

The European Central Bank repeated its promise to keep buying government and corporate bonds — a form of economic stimulus — until the end of the year, "or beyond, if necessary."

Observers of the central bank are obsessing about when in 2018 the bank might begin to wind down, or taper, those bond purchases. A few subtle changes in the language used by Mr. Draghi signaled that the central bank is laying the groundwork for tapering, but that it is still on the distant horizon.

A Bullish or Bearish Outlook?

After every meeting, the central bank's Governing Council issues a statement giving its view on the state of the economy in the eurozone.

Crucially, though, core inflation—excluding volatile energy and food prices—has languished below 1% for months.

Mr. Draghi said none of his colleagues believed the stronger economy had affected the outlook for inflation. "As growth perspectives improve, the probability of tail risks may go down, but we are not there yet," he said.

The ECB repeatedly has ramped up its QE program since launching it in March 2015, most recently in December. That activism is reflected in the bank's swelling balance sheet, which, at \$4.5 trillion, is set to surpass that of the Federal Reserve next week.

The previous statement, in March, was slightly more bullish than those in earlier months. Thursday's update continued the trend toward more optimism. Mr. Draghi described the eurozone economy as "increasingly solid" and said "downside risks have further diminished."

But the change in tone was not so significant that it caused most analysts to recalibrate their forecasts of when tapering might begin.

Inflation Worries

A rise in the rate of inflation would put pressure on the central bank to ease its stimulus efforts.

At its previous meeting, the bank said that an increase in the official eurozone inflation rate, to 2 percent, was the result of higher oil prices rather than being an indicator that the economy was heating up.

On Thursday, Mr. Draghi repeated the central bank's view that higher inflation was most likely temporary. "Underlying inflation pressures continue to remain subdued and have yet to show a convincing upward trend," he said.

Some investors "are likely to be a bit disappointed with the ECB's continued unwillingness to think about tighter policy," said Tim Graf, a strategist at State Street Global Markets.

One reason for the euro's weakness on Thursday, analysts said, was Mr. Draghi's description of the likely end of the bank's stimulus. Some investors have speculated that the ECB could raise interest rates before ending its bond-purchase program, contrary to its current guidance, but Mr. Draghi suggested that was unlikely.

Despite the lack of action, analysts suggested that the ECB would use its next meeting, on June 8, to shift

its assessment of the economy in a more positive direction. That could lay the groundwork for a move to start winding down QE, possibly in September.

Thursday's meeting was a "baby step" toward the end of the ECB's stimulus, said Mike Bell, global market strategist at J.P. Morgan Asset Management in London.

If the central bank were to hint at concern about accelerating inflation, it would be another reason to expect tapering to begin sooner rather than later.

Deposit Rates

The bank has been saying for some time that it would not touch official interest rates until after it had stopped buying government and corporate bonds.

Still, there has been speculation it could raise the so-called deposit rate — the interest that banks receive on money they keep at the bank — sooner.

Since June 2014, the rate has been negative, meaning banks have had to pay the central bank to keep their euros safe.

Questioned repeatedly about the issue Thursday, Mr. Draghi said the bank's stance had not changed. Interest rates will not rise until the bond buying is over.

Ignoring Pleas for Change

Without fail, the central bank's monthly statements beseech leaders in the eurozone to take politically unpopular steps to overhaul their economies by

reducing red tape and making it easier for companies to dismiss unwanted workers.

Just as reliably, politicians in the eurozone pay no attention whatsoever.

But the emergence of Emmanuel Macron as the front-runner to become president of France means that a reformer could soon take charge of the eurozone's second-largest economy, after Germany's.

Mr. Draghi declined to comment on the French elections. But a question about the vote prompted him to embark on a long discourse on how reforms would increase productivity and cut unemployment. Some countries have made changes, he said, without specifying which ones. "The picture is not uniformly bleak," Mr. Draghi said.

While also declining to comment on American politics, Mr. Draghi said he was less worried that the Trump administration would take measures that would interfere with world trade. "The risk of protectionism may have somewhat receded," he said.



Giugliano : Draghi's Right to Keep His Foot on the Gas

Ferdinando

Giugliano

Since becoming president of the European Central Bank, Mario Draghi has rarely looked as relaxed as he did in Thursday's press conference. It's not hard to see why: The euro-zone economy is gathering speed, confidence is soaring, and unemployment is tumbling. The recovery is also spreading across the region, reducing the risk that some countries may need a different kind of monetary policy from others.

With all this good news, shouldn't the ECB be moving to withdraw its unprecedented stimulus? Actually, no -- not yet. The central bank's mandate is to keep inflation just below 2 percent over the medium term. That target, together with risks in the economic outlook, fully justifies the current policy.

Some highly placed Europeans disagree. German Finance Minister Wolfgang Schäuble recently called on the ECB to follow the example of the U.S. Federal Reserve and begin unwinding its monetary

accommodation. However, as Draghi said, while European growth has been surprisingly good lately, underlying inflation remains sluggish.

True, headline inflation is hovering around the central bank's target. However, this is mostly due to energy prices. More stable "core" inflation is still well below the target. This implies that the euro zone is still recovering the ground it lost during the recession. If the economy isn't yet running at full potential, it

can continue to grow at an above-trend pace without stoking inflation.

Moreover, the ECB doesn't want to repeat the mistake it made in 2011, when it prematurely raised rates twice. As Draghi said during his press conference, six years ago inflation had been above target for some time. Tightening monetary policy now, with inflation lower, would be a bigger mistake, and harder to excuse.

Finally, while the global economy has improved, the political scene still

gives cause for concern. North Korea and Syria are dangerous military flashpoints. The risk of protectionism, in the U.S. and elsewhere, remains strong. While Emmanuel Macron looks set to win the second round and become France's next president, Marine Le Pen, his Eurosceptic opponent, has yet to be defeated. Bad news from any of these quarters could deal a heavy blow to investor and

consumer confidence, which remains fragile. For the moment, it makes sense to keep the mood, so far as possible, on an upswing.

At some point, though, policy will need to be tightened, and the ECB did issue a reminder about that. The governing council tweaked its statement to acknowledge that the balance of risks in the outlook for euro-zone growth is shifting.

Adjusting the message like that makes sense, since the central bank wants investors to be ready for the withdrawal of monetary stimulus when it happens.

There's no doubt that the euro zone would benefit from a different mix of fiscal and monetary policy. The ECB is having to act this forcefully because governments that could afford to relax fiscal policy --

Schaeuble's, most notably -- have chosen not to. But the ECB has to take fiscal policy as given. For now, keeping the monetary stimulus flowing is the best way forward.

THE WALL STREET JOURNAL

Laurence Norman

When leaders of 27 European Union states meet on Saturday to settle guidelines on how to negotiate Brexit, they will show their determination to give EU courts a major role over U.K.-EU affairs.

To the surprise of some European officials, determining the role of the bloc's courts looms as a central battle in the divorce talks.

Many expected British concerns about immigration and EU rules guaranteeing freedom of movement to the bloc's citizens to dominate the negotiations. And they anticipated a major clash over the EU's insistence that Britain agree to payments to settle past spending pledges.

Yet Theresa May, from her first major speech on Brexit as prime minister at October's Conservative party conference, has made British freedom from EU courts a firm red line.

"We are not leaving the European Union only to give up control of immigration again. And we are not leaving only to return to the jurisdiction of the European Court of Justice," Mrs. May said.

"Our laws will be made not in Brussels but in Westminster. The judges interpreting those laws will sit not in Luxembourg but in courts in this country. The authority of EU law in Britain will end," she said.

Brexit Fight Looms Over Role of EU Courts

The implication was clear: Mrs. May had decided the U.K. should leave the EU's single market, a common zone of laws and rules to ensure that products lawfully sold in one EU country can be sold in the rest of the bloc.

The EU's courts, in particular the Luxembourg-based European Court of Justice, are the ultimate authority in deciding when national laws breach EU rules, when EU legislation breaches the bloc's treaties and how EU rules should be interpreted across the bloc.

If the U.K. rejects the authority that polices the single market, it can't be part of the single market.

This could conflict with two of Mrs. May's other key objectives: to limit economic disruption after leaving the bloc, and to secure the closest possible economic ties between the EU and the U.K. in the medium term.

Mrs. May has conceded that some ECJ rulings will apply to British exporters. "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," she said in March.

Moreover, to avoid a legal vacuum post-Brexit, the U.K. is pasting the body of EU law onto its own books through its so-called Great Repeal Bill. Until the British courts decide differently or U.K. law is changed,

the ECJ's interpretation of EU law is the only one U.K. courts will have to rely on.

But Britain's EU partners also say that if Mrs. May wants to avoid a cliff-edge exit from the bloc she will have to accept that EU courts will continue to have a role in Britain.

Draft negotiating guidelines to be discussed at Saturday's summit say the ECJ should continue to adjudicate on cases pending at the court when Britain leaves. These could involve anything from antitrust rulings against British firms to penalties against the U.K. government if it breaches EU law.

The draft guidelines say EU institutions should have the right to start new cases post-Brexit "for facts that have occurred before the withdrawal date."

They also set out the need for dispute mechanisms to enforce and interpret the divorce agreement and to adopt measures to respond to situations not foreseen in the pact.

While that would open the way to EU-U.K. tribunals on issues such as the rights of EU citizens in the U.K., the guidelines say these dispute mechanisms must be arranged to protect the EU's legal order, including the role of the ECJ.

In other words, while future tribunals can make autonomous decisions, they will have to factor in the decisions and case law of the ECJ.

The same would be true for any joint tribunals or enforcement mechanisms established under a future EU-U.K. trade agreement.

ECJ President Koen Lenaerts said Wednesday that since the terms of Brexit will be agreed to under Article 50 of the EU's Lisbon Treaty, the court will have jurisdiction, if cases are brought to them, to strike down aspects of the divorce deal that infringe EU law.

Since the original draft negotiation guidelines were sent out by European Council President Donald Tusk on March 31, EU capitals have also hardened their position on another crucial point: the role of the EU courts in any transitional agreement. A transitional deal is seen by many officials on both sides as crucial for smoothing Britain's exit from the bloc.

If a temporary extension of the U.K.'s membership of the single market or other EU arrangements is negotiated, the draft guidelines say, "this would require existing Union regulatory, budgetary, supervisory, judiciary and enforcement instruments and structures to apply."

EU law will thus continue to shape British rules and regulation. Even if Britain escapes the jurisdiction of the ECJ, it won't escape the jurisprudence of the court for years.

The New York Times

Alison Smale

She did not mention the May 7 presidential runoff election in France, though she and other European leaders have made clear that they back the independent centrist candidate Emmanuel Macron, a pro-European Union former banker and economy minister, over the far-right populist and nationalist politician Marine Le Pen, who has threatened to try to pull France out of the European Union and the euro currency.

"I don't think it's a specific Macron thing," said Guntram B. Wolff,

Merkel Warns Britain Against 'Illusions' About Post-'Brexit' Ties

director of Bruegel, a think tank in Brussels. Europe's message to France would have been the same if the defeated center-right candidate, François Fillon, were to face Ms. Le Pen instead of Mr. Macron, he said.

Mr. Wolff added, however, that European leaders should also be leery of overemphasizing the costs of abandoning Europe. "That is a very precarious message, which ultimately will not work," Mr. Wolff said. "You cannot sell Europe on the feeling that leaving is painful."

It is customary for Ms. Merkel to go before Parliament ahead of

important European meetings to outline her stance. On Saturday, leaders of the 27 countries that will remain in the European Union after Britain leaves are scheduled to discuss their negotiating position with Britain.

Britain, in turn, will hold an early election on June 8 that Prime Minister Theresa May has called to try to get a stronger mandate for her Conservative Party before the negotiations.

In reality, however, talks between Britain and Europe might not become seriously detailed until

Germany holds its own elections — in which Ms. Merkel and her Christian Democratic Union will seek a fourth mandate from voters — in late September.

On Thursday, Ms. Merkel emphasized that Europe had pulled together in the 10 months since British voters narrowly approved departure from the bloc, a process known as "Brexit," in June.

"There is great agreement about our common negotiating position towards Britain" after talks in recent weeks with other leaders, she said. "We can thus assume that the

council of the 27 will send a strong signal of unity.”

An outsider country “cannot enjoy the same or even better rights than a member of the European Union,” Ms. Merkel said.

Mr. Wolff, a German, noted that, over all, Ms. Merkel stuck to her usual practice of broad statements so she could finesse the outcome as time goes on. That reflects her desire to maintain good relations with Britain — particularly on security issues and trade — and to avoid “a break that leads to major disruptions,” he said.

THE WALL STREET JOURNAL

Merkel Says Some Britons Expect Too Much From Brexit Talks

Anton Troianovski

BERLIN—

German Chancellor Angela Merkel warned that the U.K. risked “wasted time” because some people in the country suffered illusions over how well Britain could fare in talks about the country’s exit from the European Union.

“A third country—and that is what Great Britain will be—cannot and will not have the same rights, or perhaps even be better off, than a member of the European Union,” Ms. Merkel said in a speech Thursday to Germany’s lower house of parliament outlining her position

He added: “The one point where she was very clear, and very strict, was that we first have to finish the negotiations on the terms of exit itself, and only then talk about future relations.”

Sylke Tempel of the German Council on Foreign Relations said Saturday’s meeting, scheduled some weeks ago, was “purposely timed” to fall between the two rounds of the French election. As things stand, it thus has the effect of backing Mr. Macron, who leaders in Germany believe “would be the better result, also for most of the French,” she said.

Ms. Merkel has stuck to her message since the British referendum: that the remaining 27 countries agree on basics, especially the freedom of movement that Britons blame for what many of them see as mass immigration, and that everything else can be negotiated.

“Merkel has said the same, but perhaps a little bit clearer now,” Ms. Tempel said. “It is easier when you know you have people on board.”

There is general agreement that a country “should be a bit less

comfortable outside than inside” the European Union, she added.

Like Mrs. May herself, Britain is often described as pragmatic and taking a clear-eyed, unsentimental approach toward the coming divorce negotiations. But Germany, too, is pragmatic, Ms. Tempel said — in its insistence on working within the European framework.

“That is a conviction, and not a tactic,” she said.

on Brexit. “I must unfortunately say this so clearly here because I have the feeling that some in Great Britain still have illusions about this. But this would be wasted time.”

The warning—two days before a meeting of EU leaders about Brexit negotiating strategy—represented some of Ms. Merkel’s toughest language toward London in the 10 months since the U.K. voted to exit from the EU. In her speech, Ms. Merkel emphasized that Berlin backed the Brexit positions of European Commission chief Jean-Claude Juncker. She said that Brexit talks wouldn’t begin in earnest until

after the U.K. parliamentary election scheduled for June 8.

Ms. Merkel said her priority in the talks would be to protect German citizens directly affected by Brexit, including by securing clarity about the future rights of an estimated 100,000 Germans living in the U.K. as quickly as possible. But she said she would also seek to make sure that the remaining 27 EU countries stick together as the talks progress.

She also echoed the stance of EU officials and capitals that there would need to be an agreement in principle on the U.K. accepting its financial obligations to the bloc—the

so-called divorce bill—before the EU could start discussing a future trade agreement with the U.K.

“We will only be able to reach an agreement about the future relationship with Great Britain when all exit questions are satisfactorily resolved,” Ms. Merkel said in a speech to Germany’s lower house of parliament on the coming Brexit talks. “It makes no sense to negotiate the details of the future relationship in parallel without progress on the many open questions surrounding the exit—including the financial questions.”



Germany Has an Arrogance Problem

Paul Hokenes

One year ago, Germany was named the “best country” in the world, according to a poll by the University of Pennsylvania’s Wharton School. The poll relied on criteria measuring entrepreneurship, power, public education, and quality of life, among others. But for a growing number of Germans, the important thing was that it offered confirmation of their own self-image. Their country slipped to fourth in this year’s poll, behind Switzerland, Canada, and the United Kingdom, but that seems unlikely to do much to dim the self-confidence of a country enjoying a surging economy and growing international cachet.

Whether the field is migration or manufacturing, fiscal policy or renewable energy, Germans increasingly believe that they, and they alone, know best, at least judging from the attitude newly on display everywhere from newspaper columns to barroom chats over beer. In German the phenomenon is summed up in one word: *Besserwisserei*, a know-it-all attitude, which the Germans themselves admit is

somewhat of an engrained cultural trait.

But it’s increasingly clear that one country’s allegedly evidence-based *Besserwisserei* is another country’s intolerable smugness.

But it’s increasingly clear that one country’s allegedly evidence-based *Besserwisserei* is another country’s intolerable smugness. Just ask Germany’s European neighbors, and others, including the United States, where resentment of Germans has been percolating for years, under constant threat of bubbling over.

Resentment is only one part of the problem posed by Germany’s self-satisfaction. The other is the growing threat that cultural vanity will begin to shade into self-defeating political egotism. *Besserwisserei* may be a cultural trait that reaches back centuries, but Germany wields more power in Europe today, particularly in the European Union, than at any time in recent memory. And the Germany of Chancellor Angela Merkel hasn’t hesitated to throw it around. The rest of Europe certainly notices that things are increasingly done Germany’s way, even when the

German way arguably — or as some of the country’s critics suggest, plainly — isn’t best. The big question for the future of Europe might be whether Germans will notice, too.

The charges of egotism and high-handed behavior are relatively new. In the 1949-to-1990 Bonn Republic, West Germany was a humble subordinate of the Western alliance. Its meekness and rock-solid commitment to the good of the EU, in which political power was more widely distributed than it is today (mostly in the direction of Paris), stemmed from the World War II crimes committed by Nazi Germany. The postwar country’s sovereignty was held in check by the Western allies (and in the east by the Soviet Union), and its leaders fought to loosen the corset bit by bit through benevolent deeds. The West Germans were on their best behavior so as not to look aggressive or power hungry. Unification was a taboo topic, while national pride was shunned. And it was playing the good Germans (and the good Europeans) that paved the way to German unification in 1990. By then, most — but not all — of Europe trusted Germany,

understanding it as a democracy willing to sacrifice its immediate interests for a European community that returned Germany to the family of normal countries.

The difference, explains Sir Paul Lever, a former British ambassador to Germany and author of *Berlin Rules*, is that Germany is in the driver’s seat. “Germany is more powerful than ever, especially within the EU, not because it chose to be, but because there’s no one else there capable of leading right now,” he says, pointing to France’s weakened position in the union. But Lever’s not of the opinion that the Germans are conceited, rather “they’re simply following their own self-interest because now they can,” he says, noting that other European countries have freely chosen to fall into line.

German high-handedness is eliciting angry charges of “moral imperialism” from Hungary, and its central European neighbors, including Slovakia, Poland, and Croatia, largely concur. Meanwhile, during the first round of the French presidential election, candidates from more than one party chastised Merkel for dictating

a German eurozone policy. “We order it, you obey, and tout suite,” is how the German publisher Wolfram Weimer critically summed up Germany’s new modus operandi during the bailout negotiations in an article titled “Virtuous Totalitarianism”. U.S. economist Paul Krugman repeatedly blasts Germany for “moralizing” on European fiscal policy, namely Germany’s obsession with budget discipline, which he considers entirely counterproductive. Since Germany’s setting of the onerous terms for the eurozone’s recovery packages, beginning in 2011, surveys in Europe show that many fellow Europeans consider Germans arrogant, insensitive, and egotistical (while, strangely, praising their dependability and influence in Europe).

What’s ignited the latest storm of unhappiness with the Germans is the country’s whopping trade surplus (\$271 billion in 2016), which balloons from year to year with no apparent end in sight. The problem with this is that Germany’s surplus leaves many of its trading partners, such as the United States but also France and southern Europe, with unbalanced current accounts in their bilateral trade with Germany, which exacerbates their (in some cases, chronic) export-import imbalances. At worst, a sustained negative trade balance adversely affects growth, stability, and employment. Germany’s surpluses have grown so large that even the International Monetary Fund takes it to task for the sin.

There’s wide agreement, among German economists too, that the country’s export prowess is in large part the product of a low euro, low oil prices, and relatively low wages in Germany. Indeed, German exports benefit immensely from a euro that, for Germany, is

undervalued. (The value of the one-size-fits-all common currency has to fit, as best as possible, every economy in the 19-member eurozone. The compromise rate is thus comparatively high, say, for Greece, Italy, and even perhaps France, while disproportionately low for Germany.) Critics, such as the IMF, claim that Germany, at the very least, has to rectify the imbalances by spending more and raising wages. The balance-negative eurozone countries say Germany has to give back, too — not just take.

“The reason why Germany is so successful in exports,” David McAllister, a leading German Christian Democrat, told Foreign Policy, “is that its products are highly competitive, of very high quality. We carried out hard reforms to make this happen,” he says, referring to measures streamlining the welfare state and unshackling the labor market. McAllister, a believer in balanced budgets, acknowledges the disapproval going around, but responds, “Those countries criticizing Germany might like to ask themselves why they aren’t as successful, and instead of complaining look at why Germany is, and learn from that.”

In other words, do it our way and shut up about it.

The surplus is just one place where the

Germans tend, in the eyes of their peers, to wax pedantic and treat economic policy as a moral cudgel.

Germans tend, in the eyes of their peers, to wax pedantic and treat economic policy as a moral cudgel. There is no better example than Merkel’s famously lecturing the indebted countries of southern Europe to run their economies like the typical Swabian hausfrau, who is

industrious, penny-pinching, resourceful. The implication, which some German politicians expressed out loud, was that in contrast with the Swabian housewife, the southerners were lazy and spendthrift. Moreover, Germany has managed to impose its fiscal conservatism on Greece and the other southern European economies: austerity, debt reduction, tight loan repayment schedules.

It’s not just that Germans seldom acknowledge the economic misery that many of their European neighbors are forced to endure. Germany, for example, boasts an all-time low youth unemployment rate of 6.6 percent, while in Greece and Spain 48 and 42 percent, respectively, of young people are out of work. It’s also that German conservatives feel inclined to crow about their newfound influence — a little too loudly. In 2011, in front of the Bundestag, Christian Democrat Volker Kauder announced, “Now all of Europe is speaking German!” — referring to the budget discipline that all eurozone countries have signed up to now, some of them against their better judgment.

Not everyone agrees that this amounts to arrogance. Philosopher Wolfram Eilenberger denies that any apologies are in order. “Even when Germany does something obviously decent and generous, like taking in so many refugees, it’s accused of arrogance and unilateral behavior,” he says. “We can’t be as humble as we were in the Bonn Republic, because Germany has more responsibility now that it can’t shirk. There’s a new Germany that’s not aggressive or intolerant.”

Of course, another reason German smugness can get under the skin is the fact that Germany simply isn’t nearly as universally superlative as

it might prefer to think. A close corollary of *Besserwisserei* has always been hypocrisy. So Germany may browbeat other countries about their deficits today, but other Europeans remember that in the 2000s, when the German economy was in the dumps, and again during the financial crisis, Berlin consistently ran budget deficits in excess of eurozone rules — and avoided penalties for it. The deficits were critical for Germany to get its economy going again.

Meanwhile, Germany insists that other countries follow its lead on climate change, shutting down nuclear power stations and switching to clean energy generation. But Germany is Europe’s biggest burner of dirty coal (seventh in the world), and it’s not on track to hit the Paris Agreement’s reduction targets for 2020. Its best-selling export is big, expensive, gas-guzzling luxury automobiles, including diesels. The Dieselgate scandal caught Volkswagen and other German car manufacturers cheating on emissions tests.

And it’s no accident that the scandal was uncovered in the United States, far from the reach of German political and cultural power — nor that Germany’s discussion about the scandal has been just as focused on how the German auto companies in question can be saved rather than about the financial or moral atonement they might owe. “It’s obvious that the EU should take over emissions testing and that the commission should impose huge fines on Germany,” Lever says. “But it won’t, because it’s Germany, that’s why. It shows how much power Germany has now.”

INTERNATIONAL

The New York Times Syria Blames Israel for Attack on Damascus Airport

Ian Fisher

Large explosions were heard miles from the airport that serves Damascus, the Syrian capital, and the glow of flames could be seen in the distance, according to residents in the area.

Sana, the state-run Syrian news agency, said that Israel had carried out missile strikes on the airport, but it did not specify what had been hit. The Lebanese news channel Al

Mayadeen reported that Israeli missiles had passed over the Golan Heights, and that Israeli jets had not entered Syrian airspace.

The Israeli military reported Thursday evening that it had fired a Patriot missile, stopping what it called a “drone” or “object” crossing into its airspace from Syria.

Last month, Israel took the rare step of confirming that it had carried out several strikes in central Syria, also

against what it said were efforts to transfer weapons to Hezbollah. The Shiite group is aligned with Iran and is fighting in Syria alongside forces loyal to President Bashar al-Assad.

The Syrian government responded by firing anti-aircraft missiles at Israeli jets, but these were in turn shot down by Israel’s new antimissile system, Arrow, which the Israeli news media said had been deployed for the first time.

On Thursday, the British foreign secretary, Boris Johnson, suggested that his country was likely to agree to any American request to assist in strikes on Syria, possibly without consulting British lawmakers.

Mr. Johnson added in an interview with the BBC that if Washington proposed action in response to a chemical weapons attack, for instance, Britain would be unlikely to refuse to give support.

"In my view, and I know it's also the view of the prime minister, it would be difficult for us to say no," Mr. Johnson said.

British participation in such operations is rarely crucial militarily, but it lends political support to the United States. As Britain prepares to leave the European Union, its government is seeking to build closer ties with Washington.

British law does not require the government to seek parliamentary

approval before starting a military action, though prime ministers have done so in recent years.

In 2013, the Conservative prime minister at the time, David Cameron, was unable to muster votes in Parliament to approve strikes against the Assad government intended to deter the use of chemical weapons.

Israel has carried out intermittent strikes inside Syria, fearing that Iran

is helping Hezbollah build its arsenal amid the chaos of the civil war.

Israel has also struck Hezbollah and Syrian military targets in southern Syria, in what appears to be an effort to prevent the militant group from gaining a foothold along the boundary between Syria and the Israeli-occupied Golan Heights.

Israel, which annexed the Golan Heights after seizing them from Syria in a 1967 war, a move not recognized under international law,

counts Hezbollah as one of its most potent threats; it fought a monthlong war with the group across the Lebanese-Israeli border in 2006.

Both sides say they do not want another war but are prepared to fight one. Hezbollah took reporters on a tour of the Lebanese-Israeli border this month to show Israeli fortifications that are to be used in the event of a violent conflict.

**The
New York
Times**

Challenging Hamas, Palestinian Authority Cuts Electricity Payments for Gaza

Isabel Kershner

The Israeli agency that liaises with the Palestinians on civilian affairs, known as Cogat (an acronym for Coordinator of Government Activities in the Territories), said Israel supplies Gaza with 30 percent of its total electricity needs at a monthly cost of about \$11 million.

Israel did not immediately cut off the supply, apparently hoping that international donors would step in and pay. The United Nations said on Thursday that it had allocated \$500,000 for the purchase of emergency fuel for hospitals.

"This is a very regrettable decision on the part of the Palestinian Authority," said Mkhaimar Abusada, a political scientist at Al-Azhar University in Gaza. "We are already facing a catastrophic situation regarding electricity."

Instead of cutting direct Palestinian Authority subsidies to Gaza, for health or education, Mr. Abusada said, Mr. Abbas chose to punish Hamas in a way that put the onus on Israel. If Israel does cut electricity to Gaza, Mr. Abusada said, "the

Palestinians will be blaming Israel."

Hamas, the Islamic militant group, won Palestinian parliamentary elections in 2006, dealing Mr. Abbas and his mainstream Fatah party a humiliating blow. A year later, amid factional fighting, Hamas routed Fatah forces in Gaza and seized full control.

"If Abbas had resorted to such a decision in the first year," Mr. Abusada said, "he may have avoided it going on for 10 years."

Tensions between the rival parties have been rising recently. Hamas appointed an administrative committee for Gaza, a de facto local government, last month. Fatah then sent a stark message to Hamas: Reconcile and allow the Palestinian Authority to assume control in Gaza, or manage alone.

"Part of this is Abbas showing he is in control and he is the boss," said Mahdi Abdul Hadi, director of the Palestinian Academic Society for the Study of International Affairs, an independent research institute in East Jerusalem. "The message to

Hamas is: If you want to govern it, take it."

In a first step, the authority cut by 30 percent the salaries it pays to tens of thousands of its employees in Gaza who do not work, but have remained on the payroll. Hamas, meanwhile, refuses to buy fuel from the authority for the Gaza power station because of a dispute over taxation. It shut down two weeks ago, after exhausting its fuel reserves.

At a news conference at the Shifa hospital in Gaza this week, Marwan Abu Rass, a Hamas parliamentarian, called Mr. Abbas a traitor and said he should be publicly hanged. Last week, protesters in the southern Gaza Strip burned pictures of Mr. Abbas and pasted his image onto the face of a donkey.

At the same time, Mr. Abbas is being challenged by a mass hunger strike of Palestinian security prisoners in Israeli prisons, now in its 11th day and led by one of his main rivals within Fatah. Businesses and schools throughout the Israeli-occupied West Bank were shuttered on Thursday in solidarity with the

prisoners and scores of Palestinian youths clashed with Israeli soldiers at a checkpoint on the outskirts of Ramallah.

"Water and salt in the Israeli prisons, and stones and Molotov cocktails in the Palestinian streets until our prisoners are freed," proclaimed one of the demonstrators, a 32-year-old mechanic from the nearby Jalazoun refugee camp.

Electricity shortages have also led to unrest in Gaza. Thousands protested in January when electricity was scarce during a cold winter. Now the electricity cuts are affecting the water supply in high-rise buildings because of the lack of power for pumps, and raw or poorly treated sewage is flowing into the sea.

"Hamas and Fatah are fighting with each other like kids and we are sitting in our homes with no electricity," Fatima Hmeid, 39, a mother of nine, said on Thursday. "What is our crime?"

**The
New York
Times**

Balancing Act for Pope in Egypt: Outreach to Muslims, and Speaking Out for Christians

Jason Horowitz

Francis will lend his support to Egypt's roughly 250,000 Catholics and insist on the protection of minority rights, including those of its nearly 10 million Coptic Christians, in a meeting Friday with Mr. Sisi, according to Samir Khalil Samir, an Egyptian-born Jesuit priest who has seen the pope's prepared remarks.

He will also meet with Sheikh Ahmed al-Tayeb, the grand imam of Al Azhar mosque, which is affiliated with a university that is a revered center of learning in Sunni Islam, and speak at a peace conference organized by the mosque. The pope finishes the day by meeting his Coptic Christian counterpart, Pope

Tawadros II, who escaped one of the bombings on Palm Sunday.

"It's an encounter of consolation, promotion and communion with the small Catholic community," said Cardinal Leonardo Sandri, the prefect for the Congregation for Eastern Churches, who is to join Francis on the trip. "But it's of great importance from an ecumenical point of view. And, of course, it is very important for dialogue with Islam, for the meeting with the sheikh of Al Azhar."

Like Pope John Paul II, who in 2000 became the first modern pope to visit Egypt, Francis is a politically attuned global player. It is perhaps no accident that he drew attention to

his remarks about Christian martyrs last weekend by comparing the Greek refugee camp — where he said he met the Muslim husband of the slain Christian woman — to a "concentration camp."

His predecessor, Pope Benedict XVI, was less adroit. He stumbled into a public relations disaster in 2006 at the University of Regensburg in Germany when he quoted a 14th century Byzantine emperor suggesting fanaticism was inherent to Islam. That set the tone for a rocky relationship with Islam.

But Pope Francis, who received Sheikh Tayeb last year at the Vatican in a visit that restored relations, has a greater bank of

good will because of his outreach to the Muslim world.

Francis has washed the feet of Muslims during the Holy Thursday Mass, and in 2016 he washed the feet of Muslim, Hindu, Catholic and Coptic Christian migrants — a ritual that demonstrates humility and the notion that even the pope must serve his fellow man. During a trip last year to the Greek island of Lesbos, where he met the Muslim man who told him about the slaying of his Christian wife, he took 12 Muslim refugees back to Rome on the papal plane.

But he has also repeatedly, and clearly, drawn attention to the

killings of Christians in Muslim countries like Egypt.

In 2013, during his first Easter season as pope, he asked the faithful to pray “especially for Christians who suffer persecution.” In 2014, he wrote a letter to all persecuted Christians in the Middle East, demanding “that all religious leaders clearly speak out to condemn these crimes” and he denounced “invoking religion in order to justify” the crimes.

He spoke in support of “Egyptian martyrs” in 2015 whose “throats were cut as they pronounced Jesus’ name.” And last year, he took the opportunity of the feast of St. Stephen, Christianity’s first martyr, to note that “the number of martyrs today is greater than in the early centuries.”

Some corners of the pope’s own church, though, think he has not gone far enough. They have balked at the logo for the trip to Egypt, which shows a cross and a crescent moon together. “Mr. Coexist,” one conservative Catholic blog sniped.

His remarks to reporters after the

killings of a Catholic priest by jihadists in France last year vexed many conservatives in the church. “I don’t think it is right to equate Islam with violence,” he told reporters. “If I have to talk about Islamic violence, I have to talk about Christian violence. Every day in the newspapers I see violence in Italy, someone kills his girlfriend, another kills his mother-in-law, and these are baptized Catholics.”

Francis has studiously maintained that aversion to criticism, even in private.

Last June, Father Samir, the Egyptian priest and a leading Catholic scholar of Islam, met with the pope to talk about Islam at the pope’s apartment in Vatican City. Before the meeting, Father Samir sent the pope articles he had written noting that the Quran contained both peaceful and violent passages.

When Father Samir broached the topic, he said the pope countered that his experiences with an imam in Argentina left him with the impression that Islam was peaceful and that he viewed his mission as

re-establishing good relations with Muslims.

Father Samir said he gently countered that he himself could not be blind to the negative aspects of Islam, that both needed to be considered, but that the pope seemed to have little interest in the subject. “So he simply passed to other things,” Father Samir said in an interview, adding that “his knowledge of Islam is limited to the nice discussions he had with the imam.”

Despite his critique, Father Samir said he had seen an advance copy of the pope’s address to Mr. Sisi, which he considered strong and diplomatic for its emphasis on protecting the rights of all minorities.

That is a message top Vatican officials have emphasized.

“It is necessary to have a very strong protection of Christians; they are citizens with religious rights,” Cardinal Sandri said. “Especially from a point of view of religious freedom, we must consider all citizens the same.”

The Vatican released a video message on Tuesday of the pope greeting the Egyptian people ahead of his trip, in what Francis called a world “torn by blind violence, which has also afflicted the heart of your dear land.”

“I hope that this visit will be an embrace of consolation and of encouragement to all Christians in the Middle East,” he said, adding that he carried a message of reconciliation, “particularly in the Islamic world.”

Correction: April 27, 2017

An earlier version of this article mischaracterized the number of people in Egypt who follow Catholicism. The number 250,000 includes branches of Catholicism besides Roman Catholicism. An earlier version also described Al Azhar mosque incorrectly. It is affiliated with a university that is a revered center of learning in Sunni Islam, it is not Sunni Islam’s most influential training center of imams.

The Washington Post Pope Francis arriving in Egypt at a time of great fear among Christians

TANTA, Egypt — On a table in Paula Youssef’s apartment sits a framed collage of worshipers killed in Egypt’s latest church bombings, all people he knew.

They included his best friend, Bishop.

Youssef, too, almost died in the blast nearly three weeks ago during Palm Sunday services that was claimed by Egypt’s Islamic State affiliate. So like many Christians in this sprawling northern city, Youssef thought Pope Francis would cancel a scheduled trip to Egypt.

But despite concerns about his safety, the pontiff is set to arrive in Egypt on Friday for a two-day visit that will include meetings with senior political and religious leaders as well as Mass on Saturday.

“It’s really touching that Pope Francis has decided to come after all that has happened,” said Youssef, who was at St. George’s church when a suicide bomber detonated explosives, killing at least 29 people on April 9.

Francis arrives at a tumultuous time for Egypt’s minority Christians, marked by fear and uncertainty of the future. Over the past five months, they have been targeted in several church bombings, drive-by shootings and assassinations carried out by Islamic State militants

determined to sow religious divisions and destabilize Egypt.

[In post-Arab Spring Egypt, Muslim attacks on Christians are rising]

On one hand, the pope’s visit is an effort to show unity with the Middle East’s embattled Christian community, which has been persecuted by religious extremists in Syria, Iraq and Libya. But the visit, observers say, is also designed to forge stronger ties between Egypt’s Muslims and Christians, especially their leaders. For decades, Christians have faced discrimination and sporadic abuse at the hands of successive governments.

“The message will be one of solidarity, both within the Christian community, but as importantly, across Muslim and Christian communities,” said Art Kirby, the country director for Catholic Relief Services. “In light of the recent bombings, the Christian community in Egypt feels increasingly vulnerable. However, many first responders to the attacks, and indeed some of the victims themselves, were Muslim.”

Christians make up about 10 percent of Egypt’s population of 95 million. The vast majority are Orthodox Coptic Christians; Catholics make up less than 1 percent. That Francis is visiting a country with such a small number of Catholics “is incredibly significant in showing the need for all people of

faith to come together and engage in dialogue and cooperation,” Kirby said.

In a video message this week posted online, Francis said he would like his visit to “be a witness of my affection, comfort and encouragement for all the Christians of the Middle East” and “a message of friendship and respect” for Egyptians and the region. His visit, he added, was also “a message of brotherhood and reconciliation” with the Muslim world.

“Our world is torn by blind violence, a violence that has also struck the heart of your beloved land,” Francis said. “Our world needs peace, love and mercy.”

Since his ascension to the papacy in 2013, Francis has visited several countries gripped by turmoil and potential security threats, including the Central African Republic, where fighting between Muslims and Christians has left thousands of people dead in recent years, and Kenya, where al-Shabab militants have staged attacks.

In December, the Islamic State asserted responsibility for a bombing at the main Coptic Cathedral complex in Cairo, killing more than two dozen worshipers, most of them women and children. In February, hundreds of Christians fled the Sinai Peninsula following assassinations by Islamic State

militants, who in a video vowed more attacks on Christians.

Hours after the attack in Tanta, another suicide bombing at the entrance of St. Mark’s Cathedral in Alexandria killed at least 18 people. They included several Muslim police officers who stopped the bomber from entering the church. The head of Egypt’s Coptic Church, Pope Tawadros II, was presiding over Palm Sunday Mass but was unharmed.

After these attacks, Egypt’s President Abdel Fatah al-Sissi declared a three-month state of emergency. Yet last week, the Islamic State once again asserted responsibility for an attack on security forces at a Sinai desert checkpoint near St. Catherine’s Monastery, one of the world’s oldest, killing a police officer and injuring three others.

Despite the threats, the pope has refused to use an armored car when he rides through the streets of Cairo, the Vatican said last week, because he thinks that would prevent him from engaging with the people who come out to greet him.

But the recent attacks raise questions about Egypt’s ability to adequately protect the pope. Soldiers and police officers have secured many of the churches around the nation, and yet suicide bombers managed to target the churches in Alexandria and Tanta.

[After Egypt church bombings, Israel closes southern border with Sinai]

Christians largely supported Sissi in the hopes that he would protect them and favored a government crackdown on Islamists. But the continuing attacks have triggered anger and disillusionment among many toward the government.

"They are not serious or committed in trying to protect churches and Christian institutions in Egypt," said Fakry Naguib, whose wife and two daughters were among the victims of a church bombing in Alexandria in 2011 that killed at least 23 people.

Francis is scheduled to meet with Sissi and Tawadros, as well as the country's bishops and other

Christian clergy. He will also pay a visit to Sheikh Ahmed al-Tayeb, the grand imam of Al Azhar, a 1,000-year-old mosque and university respected by Sunni Muslims, who are the majority in Egypt.

Relations soured between the Roman Catholic Church and Muslim clerics in 2011 after Pope Benedict XVI denounced the church bombing in Alexandria and urged Egypt's leaders to do more to protect Christians. Francis has tried to improve ties since becoming pope, and last year he welcomed Tayeb to the Vatican.

"The visit itself, while hugely symbolic, will not bring peace or bridge divides overnight," Kirby said.

"It will be up to Christian and Muslim communities themselves to sustain the momentum the visit will provide. Across Egypt, religious leaders, government officials and civil society actors will need to lead by example themselves, both in words and actions."

On Saturday, Francis will celebrate Mass and deliver prayers for Christians and Muslims killed in the recent militant attacks.

Today's WorldView

What's most important from where the world meets Washington

For some of the victims' friends and family members, the visit mirrors their own feelings.

Even as they are repeatedly targeted, even as they desperately want better protection under Sissi, they have remained resolute. They say they are determined not to allow the extremists to shatter their country or its image.

"His visit is a message of strength and resilience," said Joseph Malak, a lawyer representing the victims of the Alexandria bombings this month and in 2011. "Despite all the attacks, he still decided to visit. It shows that Egypt is still a safe country."

Heba Mahfouz contributed to this report.

**The
Washington
Post**

The nuclear deal takes center stage as Iran's election campaign gets underway

Iran's short, intense presidential campaign kicks off Friday with the first televised debate featuring six candidates in a race widely seen as a referendum on whether Iranians feel they have benefited from the nuclear deal that took effect last year.

The May 19 vote will see the moderate incumbent, President Hassan Rouhani, facing off against conservative and reformist challengers, including a hard-line cleric with backing from the country's religious establishment.

Iran's influential Guardian Council, a body of senior clerics and jurists appointed by the supreme leader, vets the candidates each election. This year, Rouhani's approved challengers include the hard-line mayor of Tehran, Mohammad Bagher Ghalibaf; a conservative former culture minister, Mostafa Mirsalim; Vice President Eshaq Jahangiri, a moderate; and former vice president Mostafa Hashemitaba, a reformist.

Also on the list, which was whittled down from the 1,600 or so who initially registered, is Ebrahim Raisi, a confidant of Iran's supreme leader, Ayatollah Ali Khamenei, and the man now viewed as Rouhani's main rival. When the Guardian Council weighed in last week, it disqualified former president and populist firebrand Mahmoud Ahmadinejad.

[Iran bars Mahmoud Ahmadinejad from running for president]

Raisi, a cleric with a bloody past as one of several judges who oversaw mass executions of political prisoners in 1988, has been mentioned as a possible successor to Khamenei. The supreme leader dictates Iran's military and foreign policy, but whoever wins the

presidency could nevertheless ultimately determine the tone of Tehran's engagement with the world and with a more confrontational Trump administration.

The race was expected to be a cakewalk for Rouhani, who oversaw the negotiations that lifted many sanctions against Iran in exchange for constraints on its nuclear program. Most Iranian presidents have coasted to second terms.

But the moderate leader is facing head winds in the wake of the deal he championed, and many Iranians say their living standards have not improved as they expected.

Rouhani's opponents have attacked him over the sluggish economy, blasting his strategy of opening up to the West in the hopes of attracting more investment. According to the International Monetary Fund, Iran's real gross domestic product grew by 7.4 percent over the past year — but the growth was mainly due to oil exports. Unemployment runs over 12 percent.

In an authoritarian country such as Iran, which hinders the work of independent journalists and pollsters, political predictions are notoriously inaccurate. Dark-horse candidates have emerged at the last minute to sweep to victory. And there is always the issue of how much it actually matters who is president.

"The only thing you can say with decent certainty is that the day after the elections, Ayatollah Khamenei will still be the most powerful man in the country," said Karim Sadjadpour, an Iran analyst for the Carnegie Endowment.

All six candidates on Friday will participate in the first of three debates, focusing on social issues. That exchange will be followed by debates on politics and the economy.

The nuclear deal will probably be raised in all three, and that could hurt Rouhani, 68.

[Historic deal reached with Iran to limit nuclear program]

"Rouhani is suffering in part from his own success," said Cliff Kupchan, chairman of the Eurasia Group. "Expectations skyrocketed after the deal. But if you ask the average citizen the Ronald Reagan question — Is your life better than it was yesterday? — you're going to get no. That's his potential vulnerability."

In a jab at Rouhani's Achilles' heel, Raisi has vowed that, if elected, he will fight poverty, corruption and unemployment. One in four Iranians under the age of 25 is jobless.

Raisi, 56, does not come by populism naturally. He is known to older Iranians as one of four judges on the "Death Commission," a tribunal that oversaw the executions of 30,000 people in 1988, most of them members of the opposition Mujahideen-e Khalq, or MEK. He wears a black turban, signifying in Shiite Islam that he is a descendant of the prophet Muhammad.

He rose quickly through the ranks and was the attorney general until last year. He is considered a protege of Khamenei, who appointed him to head the Astan Quds Razavi, the largest and wealthiest charity foundation in charge of Iran's holiest shrine, in the city of Mashhad. Raisi routinely visits poor neighborhoods and villages to distribute sugar and flour,

giving him a constituency among working-class Iranians.

If he wins the election, it will increase the likelihood that he will succeed Khamenei, who is 77 and is said to have been treated for prostate cancer. If he loses, his viability diminishes.

As a creature of the religious and judicial establishment, Raisi has advantages that could propel him to victory if moderates and reformists stay home to register their disappointment in Rouhani.

"He doesn't have to be very popular to win," said Alireza Nader, an Iran analyst with the Rand Corp. "He's the regime's preferred candidate, especially the supreme leader and the Islamic Revolutionary Guard Corps."

In a close election, that could make the difference.

"Unlike Rouhani, who in 2013 had popular support and not the elite support, Raisi has elite support," said Behnam Ben Taleblu of the Foundation for Defense of Democracies. "It might be willing to cheat to make him president."

The election of Raisi could heighten the risk of confrontation between Tehran and Washington. On Wednesday, the cleric said on a television talk show that the United States will back off sanctions only if it "fears" Iran.

Today's WorldView

What's most important from where the world meets Washington

"Today, Americans are afraid of the word 'Iran,'" he said, adding: "The solution is not backing down. We must force them to retreat."

The Trump administration has signaled its willingness to reconsider the nuclear deal and impose stricter sanctions to contain Iran if it continues to conduct ballistic missile tests and expand its influence in the region. Rouhani's reelection could undermine

international support for that strategy.

"If you have an Iranian president who retains confidence among key partners in Europe and Asia, that will necessarily make the Trump administration's agenda of getting

tough more difficult," said Suzanne Maloney, a Middle East analyst at the Brookings Institution. "If you have someone with a notorious background like Raisi, there will be a different kind of engagement across the board."

Cunningham reported from Istanbul.

The Washington Post

Russians are fighting the war of words against the U.S. with American words

MOSCOW — So much divides the United States and Russia right now, and the list seems to get longer every day: Ukraine, Iran, Syria, North Korea.

But there's one way in which Russia and the United States are getting closer. It's how Russian officials are waging a war of words. They're using the language of American politics to do it.

Take "fake news" (feik nyus), an expression that regularly appears in the denunciation by Russian officials of American and European news reports. There are plenty of ways to express "fake" in Russian — obman, falshivka, poddelka, utka — depending on whether you're talking about a hoax, a falsification, a counterfeit or a canard.

But none of those quite captures the modern phenomenon of an industry of made-up websites, tweets and other social media posts that are created by someone and distributed by bots, said Michele A. Berdy, who writes a column about the Russian language for the Moscow Times.

"There was no word in Russian that meant that, so journalists started calling it 'feik,'" Berdy said. Now Russian officialdom has picked it up, and is "trying to claim it and redefine it as 'fake news about Russia by our enemies within and abroad.'"

Igor Bagaev, who runs a blog that keeps track of Americanisms in Russian, said that recently borrowed and assimilated words come to Russian from "Western-oriented" people who know English, read English-language media and start throwing the terminology around.

He added: "I think that the broad population has no idea what these words mean."

But that doesn't mean they don't encounter them.

The New York Times

Trump Warns That 'Major, Major Conflict' With North Korea Is Possible

Gerry Mullany

"I believe he is trying very hard. He certainly doesn't want to see turmoil and death. He doesn't want to see it," Mr. Trump said of Mr. Xi. "He is a good man. He is a very good man, and I got to know him very well."

"Meinstrim" (mainstream) and "nyusmeiker" (newsmaker) often show up on the political talk shows that dominate afternoon and evening television.

[This is what it's like to be the token American journalist on Russian state TV]

One show featured a discussion about how the American "meinstrim media" had it in for Russia and thus was trying to discredit President Trump. Eventually, the viewer would understand that the term applies to popular enemy TV channels such as CNN.

As Russia drifts further and further away from the liberal, Westernized society some of its leaders envisioned after the fall of the Soviet Union, Americanisms are often used to underscore that drift. Expressions of modern American sociopolitical jargon have embedded themselves in Russian official-speak.

"The attempts to blame Russia, which the American political establishment has made and continues to make, are hypocritical," Maria Zakharova, a spokeswoman for the Russian Foreign Ministry, said in a recent statement. She used "politichesky isteblishment," a favorite expression in Russian to disparage, as Moscow officialdom sees it, the people in U.S. ruling circles who are against a rapprochement between Russia and the United States.

It's not that there isn't a corresponding Russian expression. You can say "rukovodyaschiye krugi" — ruling circles — but it doesn't quite carry the same zing when talking about the United States.

And that's part of the reason these expressions make their way into Russian.

In the interview, Mr. Trump actually offered some grudging praise for North Korea's leader, Kim Jong-un.

"He's 27 years old. His father dies, took over a regime," he said. "So say what you want, but that is not easy, especially at that age."

Consider Zakharova's reaction to a report alleging that Russia knew in advance about a deadly April 4 chemical attack that U.S. officials say was carried out by forces of Syrian President Bashar al-Assad. It was, she said, based on "feikovaya informatsiya" — fake information. She may have had something there, because Secretary of State Rex Tillerson later acknowledged that Washington had no proof of Russian complicity.

["Don't you look away from me!" How a Russian diplomat's tirade broke U.N. tradition]

Then there's "political correctness," a concept that Bagaev said many Russians would find foreign.

There are words that mean "proper," "appropriate," "acceptable," "polite" and so on in Russian, just as there are in English. But the insinuation carried by the phrase "political correctness" — what happens when niceties of inclusiveness in language usage that are intended to eliminate social and ethnic name-calling get out of control — comes to Russian via the adopted phrase.

Last fall, Russian Prime Minister Dmitry Medvedev made the semi-serious suggestion that ordering an "Americano" — the way Russians refer to coffee in a big mug that is not espresso and has no frothy milk — is "politichesky nekorrektno" (politically incorrect) in these dire times for U.S.-Russian relations. That led to the term "Russiano," but it was short-lived. The popularity of the American government here may be at a post-Cold-War low, but Russians love their "Americanos."

All languages borrow words from other languages — Americans may recognize agitprop, sputnik, babushka or cosmonaut. Russian, as the dominant language of a land located on major trade routes — a

country that has expanded, been an empire, been invaded and, after the end of the Soviet Union, embraced the capitalist world — has been particularly open to foreign expressions.

Sometimes, borrowed words backfire. One that Medvedev likes to use, "gadzhety" — from gadgets, meaning smartphones and tablets and such — has been misinterpreted by some Russians as "Gad-zhe ty." ("You bastard!")

Which might not be an inappropriate thing to say to someone talking loudly into their gadget in a crowded movie theater.

Some foreign words embed themselves because they are simply easier. Why say "elektronnaya vychislitelnaya mashina" — literally "electric counting machine" — when you can just say kompyuter?

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Breaking news from around the world.

But what of praimemiz, (primaries), daunshifting, (downshifting), sekond-hend (second hand) and messedzh (message)? Russian has perfectly fine words to say all these things. Why borrow them?

Medvedev could probably answer that with another one of his favorite borrowed words: "Takoi seichas trend."

(It's a trend.)

Natalya Abbakumova contributed to this report.

arrived in the South Korean port city of Busan. And a Navy strike group led by the aircraft carrier Carl Vinson has been sent to the Sea of Japan, which borders the Korean Peninsula.

Earlier this month, as tensions with North Korea were flaring, the Carl Vinson was said to be sailing north, toward the peninsula, when it was actually heading south, toward the Indian Ocean.

To protect against a North Korean attack, the United States is on the verge of making a new antimissile system operational in South Korea. Mr. Trump said in the interview that he would seek to have South Korea pay for the system, known as the Terminal High Altitude Area Defense system, or Thaad, putting its cost around \$1 billion.

Under its arrangement with Washington, South Korea was to provide land and build a base for the Thaad system, while the United

States would pay for it and cover its operational costs.

In South Korea, Mr. Trump's comment shook the election campaign to choose a successor next month to Park Geun-hye, the ousted president. Ms. Park's decision to accept the Thaad deployment has been one of the most contentious issues on the trail, and Moon Jae-in, the leading candidate, seized on the remarks and, through a spokesman, called for a halt to the deployment.

"We must consider whether it conforms to the spirit of the alliance," the spokesman, Youn Kwan-suk, said on Friday, accusing Mr. Trump of "demanding unilaterally and without close bilateral consultations that South Korea pay the cost" of the missile defense system.

Rebuffing Mr. Trump, the South Korean Defense Ministry said on Friday that it had no plans to pay for operating the system.

Mr. Trump also said that because of the United States' sizable trade deficit with South Korea, he intended to renegotiate or end a trade pact with the country. That free trade agreement, called Korus, went into effect in 2012. It contains a framework for trade in both goods and services, and it covers environmental issues as well.

Like all free trade deals, it is designed to remove barriers to commerce. South Korea is America's sixth-largest trading partner in goods, with \$112.2 billion worth of commerce between the two in 2016, according to the Office of the United States Trade Representative. South Korea has a \$10.7 billion trade deficit in services with the United States, but a \$27.7 billion trade surplus in goods.

In the Reuters interview, Mr. Trump also rejected an overture from Taiwan's president, Tsai Ing-wen, for further discussions. His telephone call with her in December

alarmed China, which considers Taiwan a renegade province.

"My problem is that I have established a very good personal relationship with President Xi," Mr. Trump said. "I really feel that he is doing everything in his power to help us with a big situation. So I wouldn't want to be causing difficulty right now for him."

On Thursday, Ms. Tsai had raised the possibility of talking with Mr. Trump again. "We have the opportunity to communicate more directly with the U.S. government," she said in an interview. "We don't exclude the opportunity to call President Trump himself, but it depends on the needs of the situation and the U.S. government's consideration of regional affairs."

Mr. Trump also used the Reuters interview to reflect on his three-month-old presidency, saying, "This is more work than in my previous life. I thought it would be easier."



North Korea puts out new video showing the White House in crosshairs and carriers exploding

SEOUL — A North Korean propaganda outlet released a video clip on Thursday showing simulated attacks on the United States and declaring that "the enemy to be destroyed is in our sights."

The video comes at a particularly tense time in relations between North Korea and the United States, with the Trump administration sending warships to the region in a show of force against Kim Jong Un's regime.

[Twenty-five million reasons the U.S. hasn't struck North Korea]

This week, North Korea conducted large-scale artillery drills, showing off conventional weaponry that can easily reach South Korea's capital, Seoul, the center of a metropolitan region that is home to about 25 million people.

President Trump, who has been urging China to apply pressure on North Korea and has warned that his administration will act if Beijing doesn't, convened members of Congress on Wednesday to brief them on the "very grave threat"

posed by Pyongyang.

North Korea played a mock-up video at a performance attended by Kim Jong Un that shows missiles shooting up into the sky and bursting into flames in the U.S. North Korea played a mock-up video at a performance attended by Kim Jong Un that shows missiles shooting up into the sky and bursting into flames in the U.S. (Reuters)

(Reuters)

At the same time, one of the U.S. Navy's largest submarines, the USS Michigan, which carries Tomahawk cruise missiles, docked in the South Korean port of Busan this week. The USS Carl Vinson aircraft carrier, along with the destroyers and cruiser that make up its strike group, arrives in the Korean Peninsula area this weekend.

A North Korean website, Meari, or Echo, released a video showing photos of the White House and aircraft carriers with a target on them, as if they are in the crosshairs.

[North Korea's Special Operations forces are numerous, mysterious and formidable]

It then showed simulated footage of an aircraft carrier exploding into flames, with the caption: "When the enemy takes the first step toward provocation and invasion."

The 2½ -minute video included scenes from the huge military parade that North Korea organized April 15 to mark the anniversary of the birth of the state's founder, Kim Il Sung. It also showed footage of North Korean artillery and missile launches.

Against the backdrop of missile launches, the caption read: "We will show you what a strong country that leads the world in nuclear and missile technology is capable of."

U.S. officials this week said the Pentagon is developing military options after having directed the Carl Vinson strike group toward the Korean Peninsula.

But the Trump administration is also stressing that it has powerful options other than military ones. They include imposing additional

economic sanctions on North Korea and further isolating the Kim regime on the international stage.

[Trump administration talks tough on North Korea, but frustrated lawmakers want details]

Today's WorldView

What's most important from where the world meets Washington

North Korea is known for its bombastic rhetoric and exaggerated propaganda, but it has ramped up its output in recent weeks as tensions have risen.

During a concert held April 16 and attended by Kim, a video was broadcast showing missiles arcing over the Pacific and leaving a U.S. city in flames, followed by images of a burning American flag and a cemetery filled with white crosses.

Similar videos showing attacks on U.S. cities were broadcast last year and in 2013.

Yoonjung Seo contributed to this report.



Trump Remarks on Trade, Missile Defense Rattle South Korea

Jonathan Cheng
SEOUL—U.S. President Donald Trump said he wanted to renegotiate a free-trade deal with South Korea and have it

pay for an American missile-defense system intended to shield the country against a North Korean attack, jolting Washington's ties with a close ally in a tumultuous region.

Mr. Trump, in remarks to Reuters, said for the first time since taking office that South Korea should pay for Terminal High-Altitude Air Defense, or Thaad, an anti-missile

array that has become a key campaign issue in the May 9 presidential election here. He also said the nations' free-trade deal

should be either be renegotiated or repealed.

Presidential candidates on Friday reacted coolly to Mr. Trump's shift on Thaad, a \$1 billion system built by Lockheed Martin Corp. that the U.S. was set to own and operate, leaving South Korea to provide the land and basic infrastructure.

Moon Jae-in, the leading liberal presidential candidate of the Democratic Party, stepped up his calls to delay Thaad deployment until a new administration is elected. The missile defense system has roiled relations with China, South Korea's biggest economic partner, and is opposed by some South Koreans.

The U.S. military's installation this week of the Thaad array—in the middle of the night—became headline news in South Korea, inflaming tensions from Moon supporters who accused the U.S. of trying to quietly ram it through.

Mr. Trump's Thaad remarks followed what appeared to be a shift in tone from the Trump administration over its posture towards North Korea.

After recently sending a U.S. aircraft carrier to the Korean Peninsula and warning Pyongyang not to test U.S. resolve following recent American military assaults in Syria and Afghanistan, the administration said Thursday it was

not seeking to overthrow North Korean leader Kim Jong Un over his nuclear weapons program. The administration also said it wasn't seeking to reunify the Korean Peninsula would consider holding talks if Pyongyang pursued "the right agenda."

However, the same day, Mr. Trump told Reuters that a "major, major conflict with North Korea" was possible if diplomacy failed.

A South Korean defense ministry spokesman declined Friday to comment on Mr. Trump's Thursday remarks.

But they surprised many South Koreans after top Trump administration officials recently reiterated the administration's intent to deploy Thaad and the installation advanced. The two countries agreed to the deal last year.

"A lot of people here thought that the U.S. was deploying Thaad for the sake of the alliance, but if we have to pay for it, people will start doubting that," said Choi Jong-kun, an associate professor of political science at Yonsei University who has given foreign policy advice to Mr. Moon's campaign.

"How can an ally do that to another ally?" said Mr. Choi, who added that if South Korea were to pay for Thaad, it would have to go through the country's National Assembly.

The Washington Post

Trump: 'We may terminate' U.S.-South Korea trade agreement

President Trump threatened to terminate the U.S. trade agreement with South Korea in an interview Thursday night, declaring that the five-year-old accord with a key ally was "a horrible deal" that has left America "destroyed."

During an Oval Office interview about trade policy in North America, Trump served notice that he is looking to disrupt an important partnership in the tumultuous Asia-Pacific region as well — even with Seoul on edge because of North Korea's escalating military provocations.

Trump sharply criticized the U.S.-Korea Free Trade Agreement, known as Korus, the latest version of which was ratified in 2011.

"It's a horrible deal. It was a Hillary Clinton disaster, a deal that

should've never been made," Trump said, referring to the then-secretary of state who became the 2016 Democratic presidential nominee. "It's a one-way street."

South Korea is the United States' sixth-largest goods trade partner, and the U.S. goods trade deficit with Korea was \$27.7 billion last year, according to the Office of the U.S. Trade Representative.

Next week marks an anniversary for Korus and triggers a review period to potentially renegotiate or ratify a new version of the agreement.

"We've told them that we'll either terminate or negotiate," Trump said. "We may terminate."

The president said that the process of termination of Korus is simpler than with the North American Free Trade Agreement.

Any legislative debate over Thaad would likely be heated and raise larger questions about the benefits of the U.S.-South Korea alliance. The South Korean conservatives who would be expected to back Thaad are in disarray following the impeachment and removal from office last month of former President Park Geun-hye.

On Friday, the centrist People's Party, whose candidate Ahn Cheol-soo is running second in polls, questioned if there was any secret deal on how to foot the Thaad bill and called for any deployment to be ratified by lawmakers. "Whether it is about Thaad or a free trade deal, the existing South Korean-U.S. agreements should be respected," said a party statement.

Sim Sang-jung, the presidential candidate from the leftist Justice Party, said South Korea should reject Thaad after Mr. Trump's remarks. "Take Thaad back [to the U.S.]," Mrs. Sim said during a campaign rally in Seoul, according to her aides.

Mr. Trump's Thursday remarks followed earlier ones by him that many trade deals were unfair to the U.S. and that American allies must shoulder a bigger financial burden for their defense. But some people questioned the wisdom of Mr. Trump's timing.

"Actions that undermine the [U.S.-South Korean] alliance undermine deterrence, sanctions enforcement, negotiations—literally any move the White House wants to make on North Korea," said Adam Mount, a senior fellow with the left-leaning Center for American Progress think tank in Washington. "With South Korea's politics in flux, now is not the time to upset the alliance."

On trade, Mr. Trump's remarks—which he also made to the Washington Post—came after a presidential campaign in which he decried the five-year-old Korea-U.S. Free Trade Agreement, or Korus, as unfair. Mr. Pence appeared to echo those remarks during a visit to Seoul earlier this month, sparking further concerns about the U.S. relationship.

"Despite the strong economic ties between the United States and South Korea, we have to be honest about where our trade relationship is falling short," Mr. Pence said, adding that he would work with South Korea's business community "as we reform Korus in the days ahead."

A senior trade ministry official said the South Korean government hasn't received any official offer from the Trump administration to renegotiate or terminate the pact.

"With NAFTA, we terminate tomorrow; if we did, it ends in six months," he said. "With the Korean deal, we terminate and it's over."

Trump added: "I will do that unless we make a fair deal. We're getting destroyed in Korea."

South Korea's Trade Ministry said Friday that it has no plans to renegotiate the agreement, the Associated Press reported.

Politics newsletter

The big stories and commentary shaping the day.

The country's vice trade minister said South Korea was not notified of any trade renegotiation.

On his trip to Asia last week, Vice President Pence said to an audience of business leaders in Seoul that the United States was

looking to "reform" the Korus agreement because U.S. businesses "face too many barriers to entry, which tilts the playing field against American workers and American growth."

Trump's threat to South Korea comes after he withdrew the United States from the Trans-Pacific Partnership pact. The Trump administration also is pushing to renegotiate trade relationships with Japan, another important ally.

During a visit last week to Tokyo to open an economic dialogue with the Japanese, Pence said: "We seek trade that is free. We seek trade that is fair."

The Washington Post

'I was all set to terminate': Inside Trump's sudden shift on NAFTA (UNE)

President Trump was set to announce Saturday, on the 100th day of his presidency, that he was withdrawing

from the North American Free Trade Agreement — the sort of disruptive proclamation that would upend both global and domestic politics and signal to his base that he was

keeping his campaign promise to terminate what he once called "a total disaster" and "one of the worst deals ever."

"I was all set to terminate," Trump said in an Oval Office interview Thursday night. "I looked forward to terminating. I was going to do it."

There was just one problem: Trump's team — like on so many issues — was deeply divided.

As news of the president's plan reached Ottawa and Mexico City in the middle of the week and rattled the markets and Congress, Commerce Secretary Wilbur Ross, Agriculture Secretary Sonny Perdue and others huddled in meetings with Trump, urging him not to sign a document triggering a U.S. withdrawal from NAFTA.

Perdue even brought along a prop to the Oval Office: A map of the United States that illustrated the areas that would be hardest hit, particularly from agriculture and manufacturing losses, and highlighting that many of those states and counties were "Trump country" communities that had voted for the president in November.

(Daron Taylor/The Washington Post)

On the campaign trail President Trump spoke out aggressively against NAFTA, calling it "the worst trade deal maybe ever signed anywhere." Economists have a more nuanced view of the deal struck in the early 1990s. On the campaign trail President Trump spoke out aggressively against NAFTA, calling it "the worst trade deal maybe ever signed anywhere." (Daron Taylor/The Washington Post)

"It shows that I do have a very big farmer base, which is good," Trump recalled. "They like Trump, but I like them, and I'm going to help them."

By Wednesday night, Trump — who spent nearly two years as a candidate railing against the trade agreement — had backed down, saying that conversations with advisers and phone calls with the leaders of Canada and Mexico had persuaded him to reconsider.

Recalling his late Wednesday conversation with Mexican President Enrique Peña Nieto, Trump said, "He said to me, 'I would really appreciate if we could negotiate instead of you terminating, because terminating sets a lot of things in motion that could be pretty devastating for a lot of people.'"

Trump's declaration to withdraw from NAFTA, followed by his abrupt turnabout, was the latest in a series of sudden policy shifts and outright reversals in the frenzied lead-up to his 100th day in office, reflecting a president desperate to notch tangible victories and to offer the impression of forward momentum. It was also another example of the inherent tension between the fiery populist, who ran on a promise to upend Washington, and the pragmatic businessman, who is eager to score wins and is easily

influenced by a cadre of chief executive friends and top advisers, many with Wall Street pedigrees.

Trump announced that he was not labeling China a currency manipulator, after months of promising to do so on Day One of his presidency. And he declared NATO "no longer obsolete," after months of saying it was.

He threatened to shut down the government over the border wall, only to retreat on funding for an actual brick-and-mortar structure. And he tasked his team with drafting a complex overhaul of the nation's tax code only to suddenly announce, surprising even his own aides and advisers, that he expected a proposal to be rolled out within days.

In some ways, as Trump nears the 100-day mark of his presidency, he is arguably beginning to find his footing, concentrating on core issues that have always animated him (trade) and others that captivate his business side (taxes). By refocusing on questions of trade and the economy, Trump has returned to more familiar and comfortable territory — the nationalistic populism that has defined him since the 1980s.

"The president has put himself in a perfect position on NAFTA because folks know he's inclined [to be] negative on NAFTA, yet he's open to negotiating," said Chief of Staff Reince Priebus. "It's a good spot to be. The leverage is all with the president."

Unlike his first failed attempt at passing a Republican replacement for President Barack Obama's health-care law, Trump and his team are directing as much activity as possible from within the West Wing, relying on executive orders rather than the more unwieldy but durable process of legislation.

But the approach has worried and alienated many of his closest allies, on Capitol Hill, on K Street and abroad. And it has showcased a president who often seems more interested in short-term accomplishments — and positive cable news headlines — than longer-term policy goals guided by ideology, and who can be swayed by unfolding events or compelling arguments from whomever he talks to last.

"I think they're just going to act whenever they can on executive action," said Chris Ruddy, the chief executive of Newsmax, a conservative media company, and a longtime friend of Trump's. "The problem is it's very temporary, but he wants to get things done, and trade has always been one of his big issues."

Trump, Ruddy added, "is a business guy. He thinks that America gets a bad part of these deals, and he wants to renegotiate them."

'All over the map'

With Saturday's 100-day marker fast approaching, and eager for a win, the president turned his attention to taxes.

Trump had privately grouched that he wished he had tackled taxes before trying to push through health care, a view magnified by some outside friends and confidants. Even something more modest than the full overhaul for which he hoped, such as cutting corporate tax rates, they said, would provide the president and his base with an energizing triumph.

But it was an April 19 op-ed in the New York Times, titled "Why Are Republicans Making Tax Reform So Hard?" and penned by Steve Forbes, Larry Kudlow, Arthur Laffer and Stephen Moore, that helped propel Trump to act.

The op-ed, written by conservatives who have strong influence within the White House, said an overhaul of the tax code would give Trump a much-needed "legislative victory" and complained that the White House "seems to be all over the map on the subject." It called on the administration to move quickly on a tax proposal, not to overthink it and to push forward "with some degree of urgency."

Trump saw the op-ed right as he was becoming restless with the success of his economic agenda.

The White House rushed to engage the op-ed's authors and reassure the economic conservatives who have privately complained about Trump's nationalistic streak on trade and the lack of action of taxes.

When Kudlow and Moore gathered a group of conservatives Tuesday evening at Cafe Berlin, a white-tablecloth German restaurant on Capitol Hill, Treasury Secretary Steven Mnuchin stopped by, even though he was not scheduled to attend.

"We texted him and said, 'Come by if you'd like,'" Kudlow said. "Well, he did, and he spoke for two or three minutes and took questions."

"Everyone looked around and said, 'This is the Steve we knew during the campaign,'" Kudlow added, referring to Mnuchin's enthusiasm for sweeping tax cuts.

On April 21, two days after the op-ed ran, Trump announced in an interview with the Associated Press that his advisers would be releasing a tax plan by the following Wednesday, or "shortly thereafter."

Some aides working on the plan were stunned, caught unaware of the expedited timeline.

Still, they reasoned, maybe "shortly thereafter" meant they could unveil the plan a week or two later. But hours after the AP interview, during an appearance at the Treasury Department, Trump stood beside Mnuchin and told reporters that the tax plan would come out Wednesday.

The proposal unveiled that day offered some specifics — cutting the corporate tax rate to 15 percent and collapsing seven tax brackets down into three — but was vague in other areas, including just how the government would pay for it. Critics seized on the one-page printout the White House distributed Wednesday with details of the tax plan as the flimsy embodiment of its lack of depth.

"It was a restatement of bullet points that Larry Kudlow and Stephen Moore drafted on the back of a cocktail napkin at the 21 Club," quipped one longtime Washington Republican in contact with the White House.

But the tax proposal — unveiled with great fanfare in a midday briefing with reporters — achieved several of Trump's key objectives, garnering him a day of largely positive headlines; laying at least a baseline marker for a top policy goal; and reassuring Americans, many of whom voted for the promise of a businessman commander in chief, that pocketbook relief would be arriving by next tax season.

"The president was being ill-advised that he had to repeal Obamacare before passing taxes," said Sam Nunberg, a former Trump adviser. "The two are mutually exclusive."

Kudlow spent Wednesday at the White House, chatting with top officials following the rollout of a plan that many credited him with helping to spur.

"If we helped, I'm very pleased," Kudlow said. "I think the president has set a terrific tax reform, economic growth marker."

Still, he dismissed the suggestion that he was the impetus for Trump's swift action on taxes.

The president, Kudlow said, "just wants to move. He's been tied in knots on health care, and he had an impulse to get it together on taxes."

'Ambush'

Canada and Mexico were blindsided Wednesday as news of Trump's planned NAFTA withdrawal spread north and south of the border.

Arturo Sarukhan, a former Mexican ambassador to the United States, described the news as a “my way or the highway ambush” from the White House, especially coming amid what has been weeks of steady and amicable discussions among the three countries about revamping the trade agreement.

But Mexico — which was already on edge following Trump’s brief flirtation with attaching border-wall funding to a must-pass, short-term spending bill — quickly leapt to action. Two cabinet-level officials in Mexico reached out to their U.S. counterparts to deliver a blunt message: If Trump officially announced the U.S. intention to withdraw from NAFTA, Mexico would not return to the negotiating table.

Mexico would not, the officials warned, negotiate with “a gun to its head.”

The president, meanwhile, was hearing a similar message from some of his own senior advisers. Ross, the commerce secretary, and Jared Kushner, the president’s son-in-law, scrambled to persuade Trump to back down.

The United States can only trigger the six-month clock to withdraw from NAFTA once, they said. They told the president that he had strong leverage to renegotiate the trade deal but that once he publicly signaled his intent to leave, the situation would become so politically fraught for Canada and Mexico that they would not be able to return to negotiations, even if they wanted to.

In the Oval Office interview, however, Trump repeatedly insisted

that he was ready to pull out of NAFTA. At one point, he turned to Kushner, who was standing near his desk, and asked, “Was I ready to terminate NAFTA?”

“Yeah,” Kushner said, before explaining the case he made to the president: “I said, ‘Look, there’s plusses and minuses to doing it,’ and either way he would have ended up in a good place.”

Perdue, the agriculture secretary, and Secretary of State Rex Tillerson also cautioned Trump against moving ahead, while two of the White House’s populists, trade adviser Peter Navarro and chief strategist Stephen K. Bannon, urged him to stay the course, announcing his intention to withdraw in a splashy prime-time rally Saturday night in Harrisburg, Pa.

The administration also received pressure from hundreds of business executives from around the country, many of whom called the U.S. Chamber of Commerce, asking what was going to happen, before calling the White House directly, urging Trump not to sign the order.

Tom Donohue, the chamber’s chief executive, also relayed the message to senior White House officials.

The complaints pouring in from agriculture groups were even more apocalyptic, warning White House officials that withdrawing from NAFTA could devastate the U.S. agriculture industry, allowing Mexico to reinstate high tariffs against U.S. exports.

The Mexican government, meanwhile, had “several” contacts with its Canadian counterparts throughout the day Wednesday to

share reactions and map out a joint strategy, including separate phone calls between their countries’ leaders and Trump that evening.

“We had the same position,” said Mexican Foreign Minister Luis Videgaray on Thursday in an interview on Mexican television.

Trump publicly claimed Thursday that his phone calls with Peña Nieto and Canadian Prime Minister Justin Trudeau persuaded him to give negotiations a chance.

But a senior administration official said Trump had already decided to hold off on signing the NAFTA termination letter before his phone calls with Mexico and Canada.

In the interview, Trump recounted his internal deliberations: “In one way, I like the termination. In the other way, I like them — a lot, both of them. We have a very good relationship. And it’s very hard when you have a relationship, it’s very much something that would not be a nice act. It would not be exactly a friendly act.”

But, the president added, he reserves the right to change his mind. “I can always terminate,” Trump said. “They called me up, they said, ‘Could we try negotiating?’ I said, ‘Absolutely, yes.’ If we can’t come to a satisfactory conclusion, we’ll terminate NAFTA.”

Promises unfulfilled

A few doors from the Oval Office, Bannon works out of what he calls “the war room,” a West Wing hideaway adjoining the chief of staff’s spacious suite, from which

Karl Rove and David Axelrod once worked.

Upon moving in, Bannon cleared out most of the furniture, save for a standing desk and chairs, and plastered the walls with lists of Trump’s campaign promises — scores, even hundreds of them, with green check marks or giant red X’s over those that have been met.

A list of 10 major pieces of legislation that Trump promised in his “Contract with Voters” hangs from near the ceiling down to the floor. None is crossed out yet.

On Wednesday evening, around the time Trump was talking with his Canadian and Mexican counterparts, one whiteboard contained an ominous marking: “NAFTA” and “April 29.” It underscored Bannon’s hope that on Saturday night, Trump would sign the paperwork initiating the withdrawal from NAFTA.

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Indeed, that same whiteboard contained other trade-specific actions, many boasting already checked-off promises.

Withdrawing from the Trans-Pacific Partnership? Check. Action on the aluminum and steel industries? Check and check.

One of the few unfulfilled, so far, was NAFTA.

Robert Costa and Karen Tumulty contributed to this report.

The Washington Post

In Canadian lumber town, real fears over a trade war with Trump (UNE)

QUESNEL, B.C. — Brett Gosselin, a lumberjack like his father before him, lives his life in solitary 12-hour shifts in the vast pine forests that stretch across the Canadian north, master of a gigantic whirling buzz saw that can fell several 100-foot trees in a single crashing roar.

The isolation, or risk of injury, holds no terror for him. But on an afternoon when the future of North America’s globalized economic order appeared to hang in the balance, Gosselin — a tall, heavyset man in a black hooded sweatshirt — retreated to the bar of a local hotel and admitted something: He was very worried.

In Washington, some 2,300 miles away, the Trump administration was venting its frustration with the tangled trade agreement among the

United States, Canada and Mexico, forged a quarter-century ago, that it was now threatening to unravel.

Gosselin was letting off some anger of his own — fretting about the possibility of layoffs, cursing President Trump and stewing about the iniquity of being just one small figure in a great supply chain to the world’s most powerful economy.

[Trump says Canada’s been ‘very rough’ on the U.S. Is he right?]

(Daron Taylor/The Washington Post)

On the campaign trail President Trump spoke out aggressively against NAFTA, calling it “the worst trade deal maybe ever signed anywhere.” Economists have a more nuanced view of the deal struck in the early 1990s. On the campaign trail President Trump spoke out

aggressively against NAFTA, calling it “the worst trade deal maybe ever signed anywhere.” (Daron Taylor/The Washington Post)

“You don’t know what’s going to happen. That’s what I’m scared of,” Gosselin said, huddled over a white porcelain pot of tea in the bar of the Cariboo Hotel. “I’m just a low-class little guy that runs a machine, until the mill says that’s enough.”

Quesnel (pronounced Kwe-nel), a town of just 10,000 in the rolling hills of British Columbia, may be spectacularly remote in ordinary times, but it is ground zero in the escalating trade war between the United States and Canada.

The dispute burst into the open this week with Trump accusing the Canadians of trying to keep U.S. dairy products out of their markets while dumping cheap lumber on the

United States, and with the Commerce Department slapping tariffs of up to 24 percent on the country’s lumber industry.

The Canadians punched back. Prime Minister Justin Trudeau said he would “vigorously” defend the country’s economic interests. British Columbia’s premier, Christy Clark, who is facing a tough fight for reelection on May 9, called for a ban on U.S. coal shipments from provincial ports. And industry leaders urged Canada to ship its lumber west to growing markets in Asia instead of its giant neighbor to the south.

On Wednesday, the White House went so far as to signal that it might scrap the North American Free Trade Agreement altogether, before eventually concluding the United States would not exit the treaty “at this time.”

[Trump says no plan to pull out of NAFTA 'at this time']

But while that ominous outcome, for now, has been avoided, Quesnel is still an early casualty.

President Trump said he was planning on pulling the U.S. out of NAFTA until he was called by the presidents of Mexico and Canada. President Trump said he was planning on pulling the U.S. out of NAFTA until he was called by the presidents of Mexico and Canada. (The Washington Post)

(The Washington Post)

The logging hub — whose rugged beginnings in the gold rush are symbolized by a giant mining pan on the road out of town — is home to three of the five Canadian lumber companies named in the Commerce Department's complaint.

This is a town that runs on lumber hewed from the surrounding lodgepole pine forests. At the West Fraser sawmill, one of the biggest in the world, the logs are piled so high they rival the tallest buildings downtown.

The mill's vast machinery comes to life late Sunday night and runs without stopping through the Friday graveyard shift. The entire building shakes with the motion of the massive conveyors required to move the logs across the seven-acre production line.

Trade with the United States is so crucial that Quesnel flies a U.S. flag at its visitors center, alongside the maple leaf. On Tuesday, the mayor said that an angry constituent asked him to take it down.

The two countries have had several eruptions over softwood lumber over the past 30 years. Disputes have typically played out with the United States imposing tariffs and Canada challenging those measures in long, expensive court battles. Such periodic spats were even immortalized in a "West Wing" episode.

This week brought the latest installment of the saga.

"We affectionately call it 'Lumber 5,'" joked Bob

Matters, the chair of the United Steelworkers Wood Council, which represents local lumber workers. "It's like a bad action movie that keeps coming back again and again."

But as Gosselin spent the afternoon commiserating with the bartender and other customers, there was a sense that this time around things are different. Behind the bar, Sid Cyca, who sold lumber for West Fraser before retiring to take over the family restaurant, said Trump had gone too far.

"It's not a proper way of doing business between countries," Cyca said. "We don't have that problem with any other country, like China or Japan. The price is the price, and they pay it. It sort of rubs everybody the wrong way."

Gosselin told him Trump did not fully realize the impact a trade war would have on towns such as Quesnel.

"It's not good," Gosselin said. "It's going to hurt a lot of people. Jobs, families, people going bankrupt. People will be living on the street. He doesn't seem to realize that. He doesn't give a s---."

Cyca argued that the whole rationale for NAFTA was to avoid disputes such as this — although softwood lumber is one of the many products exempt from the treaty.

"That's why we put NAFTA in there, so there wouldn't be no dogfighting," he said.

Trump on trade

The Trump administration came into office promising harsh treatment for countries that cheat the United States on trade, including renegotiating or withdrawing from NAFTA and slapping tariffs on China, Mexico and U.S. companies that relocate abroad.

Instead, the president withdrew the United States from the Trans-Pacific Partnership — a largely symbolic move, given that Congress was unlikely to ratify it — and announced executive orders directing his Cabinet to study trade-related matters.

But as he nears the close of his first 100 days in office, Trump has moved more forcefully on trade. The Commerce Department announced last week that it was undertaking an investigation into whether steel imports compromise U.S. national security — an accusation that, if supported by Congress's findings, could lead to tariffs or other punitive trade measures.

Then on Monday came the new tariffs on softwood lumber.

U.S. lumber companies argue that Canada unfairly subsidizes its exports, since almost all the trees Canadian companies cut are on government land. The Canadians say that their operations are just more efficient and that American claims are a naked effort at protectionism.

Those claims are backed up by a major U.S. construction industry group that argues that the biggest loser in the trade tiff will be the American consumer. Much of Canada's high-grade lumber goes to build new U.S. homes.

"Clearly, protectionist measures to prop up domestic lumber producers at the expense of millions of U.S. home buyers and lumber users is not the way to resolve the U.S.-Canada trade dispute or boost the U.S. economy," Granger MacDonald, the chairman of the National Association of Home Builders, argued in a statement Tuesday.

Timber tensions

The two countries had managed to keep those tensions in check for roughly a decade under an agreement in which Canada voluntarily limits exports and the countries promise not to sue each other. But the pact expired in October, and the complaints and lawsuits from the U.S. timber industry resumed.

"Everybody expected there would be duties — the question was just how much," said Kris Hayman, the president and chief executive of C&C Resources, a family-owned company that makes wood paneling and other products.

D'Arcy Henderson, a regional manager for West Fraser, said the company is diversified enough to ride out the new tariffs. The company is pushing into growing consumer markets in Japan, China and India, and it is acquiring mills throughout the American Southeast, where the growing season is longer.

But Hayman said the tariffs would be a challenge for small companies such as his. C&C supplies its products to U.S. stores such as Lowe's and Home Depot, which are in a position to find cheaper sources.

The town is still scarred by the shutdown of the logging and milling operation that came as a result of the 2008 global financial crisis — when Gosselin was forced to move back in with his parents.

Residents fear another shuttered mill could send more away from the town and sap its vitality.

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Then there is the additional threat posed by climate change. While the forests that surround Quesnel appear almost endless, they are actually running out.

Years ago, mountain pine beetles moved into the surrounding forests, nesting in the trees and cutting off their flow of nutrients. The epidemic killed roughly 80 percent of the area's lodgepole pines, the species the town's lumber industry depends on.

For people such as Gosselin, the tariffs — and the further threat of a trade war — are just too much, a reminder that workers are operating in an environment where there are powerful outside forces.

"What can we do? We're just a tiny little speck of dust on a map. We just go with the flow," he said. "Yeah, Trump, he's the man. ... What can you do? Hold on for the ride. I just hope it turns out better for us."

**THE WALL
STREET
JOURNAL.**

Editorial : Nafta in Neverland

The North American Free Trade Agreement among the United States, Canada and Mexico was on its way out Wednesday morning. Until it wasn't. Meet Donald Trump's trade policy.

Nafta. The Mexican peso fell immediately, followed by you-cannot-be-serious howls of panic from American exporters of agricultural products and beef and by Members of Congress from Massachusetts to Arizona.

Early Wednesday a leak from the White House said a Trump decision was imminent to pull the U.S. out of

The leak that Nafta was about to die is known in some quarters as jumping the gun, and by day's end

the White House had walked it back, adding that Mr. Trump had productive phone calls through the day with the leaders of Mexico and Canada.

On Thursday morning President Trump tweeted out his account of the goings-on. The two trading partners had asked for a negotiation instead of U.S. withdrawal. Mr.

Trump said: "I agreed subject to the fact that if we do not reach a fair deal for all, we will then terminate Nafta. Relationships are good-deal very possible!"

Getting tough on trade, notably over Nafta, was central to the Trump presidential campaign. With the abstraction known as his first 100 days pending Saturday, Mr. Trump

this week has begun trade actions against Canadian lumber, Nafta and foreign aluminum producers.

Mr. Trump may think this is all part of a negotiation to get a better "deal," but it isn't clear there's much better to get. Mexican tariffs on imports of U.S. agricultural products,

THE WALL STREET JOURNAL.

Peter Nicholas in Washington, Paul Vieira in Ottawa and José de Córdoba in Mexico City

President Donald Trump was prepared to end the North American Free Trade Agreement deal, which had governed trade relations for the past 23 years, with a dramatic announcement Saturday at a Pennsylvania political rally marking his 100th day in office.

As rumors spread of the possible action, Mexican President Enrique Peña Nieto called the president urging him not to pull out of the accord. "Let me think about it," Mr. Trump said. Within a half hour a call came in from Canadian Prime Minister Justin Trudeau with a similar request.

After the talks, Mr. Trump was convinced "they're serious about it and I will negotiate rather than terminate," the president said in an interview with *The Wall Street Journal* on Thursday.

Meanwhile, Sonny Perdue—the agriculture secretary who took office two days earlier—and Commerce Secretary Wilbur Ross met with Mr. Trump and showed him a map indicating the states where jobs would be lost if the pact collapsed, according to a person familiar with the matter. Many were farm and border states that voted heavily for Mr. Trump.

Those conversations, along with a flood of calls to the White House from business executives, helped steer Mr. Trump away from an idea that some of his own advisers feared was a rash and unnecessary threat to two trading partners who fully expected to renegotiate the agreement anyway.

But Mr. Trump wanted to show dramatic action on key campaign promises before he hits his 100 days in office on Saturday, and the threat would have showed his supporters that he was willing to take steps opposed by the establishment to upend American trade policy.

Mr. Trump insists the talks will take place amicably among allies he likes and respects—though he also reminded them that he was willing to entertain an extreme option in

and most other goods, are nearly zero. U.S. agriculture's three biggest export markets are China, Canada and Mexico.

Other U.S. exporters to our Nafta partners similarly benefit from nominal tariffs on their products. That is why an official of the

service of rewriting American trade policy, and insisted that he could put the option back on the table if the coming talks don't proceed the way he would like.

At the same time, the gyrations risked weakening the U.S. position—by unifying Canada and Mexico in their strategies to counter the U.S., irking key lawmakers he needs to back him, and exposing his inability to overcome the strong domestic support for Nafta that he has helped rally.

"I expect the administration to closely consult with Congress before such major trade-policy decisions are made," said Utah Republican Sen. Orrin Hatch, chairman of the Senate Finance Committee, which oversees trade, archly reminding him of the need to take the time to work with Capitol Hill. "Withdrawing from Nafta would have significant effects on the America economy."

"It was a trial balloon, but it didn't work," said Mexican economist Luis de la Calle, a trade expert who had been a senior negotiator on the pact. "Next time, nobody will believe it. People start to figure things out."

But Mr. Trump said in the interview that he still holds his strongest card. "We'll terminate Nafta if we're unable to make a deal, but hopefully we won't have to do that."

The Trump administration jolted markets and stoked panic among business leaders as multiple aides sent signals that officials were considering issuing an order that would begin the six-month process of having the U.S. withdraw from the three-nation trade agreement. It was floated as a possible stick Mr. Trump would wield to force a quick renegotiation on terms he wants. He has blamed the agreement for encouraging manufacturers to relocate to Mexico, and for expanding U.S. trade deficits with its border neighbors.

But by 10:30 p.m. Wednesday, the White House issued a statement saying Mr. Trump had decided "not to terminate Nafta at this time."

Meanwhile, a lobbyist for one big business group said he urged member companies to "have your CEOs call the highest-ranking administration officials they can

National Cattlemen's Beef Association said Wednesday that terminating Nafta "is one of the most dangerous moves we can make at this time."

Mr. Trump has his reasons for disliking Nafta, none of which are good. And if he isn't careful, he

reach." Tom Donohue, the veteran president of the U.S. Chamber of Commerce, made at least three calls to the White House during the afternoon, a person familiar with the matter said.

Mexican and Canadian officials, who for months have been comparing notes on how to deal with the volatile new leader situated between them, reached out to each other throughout Wednesday to coordinate how to approach Washington, Mexican Foreign Minister Luis Videgaray told a Mexican television news program early Thursday. "Mexico's and Canada's positions are very similar, if not the same," he said.

Mexican officials also spent the day working their Washington contacts to try to verify the rumors and press reports.

"We spoke with a lot of members of the U.S. government and they confirmed that the possibility existed but wasn't a firm decision," Mr. Videgaray said.

Late in the afternoon, "after a day that generated a lot of doubts," the Mr. Videgaray said, Mr. Peña Nieto called Mr. Trump directly. The Mexican leader made the case that, rather than acting as a constructive prod for negotiations, an official threat by the U.S. to pull out of Nafta "would frankly have a very negative impact on Mexico and would practically cancel the possibility of a constructive negotiation."

Mr. Trudeau separately reached out to Mr. Trump to make a similar argument. In a press conference on Thursday, Mr. Trudeau said that when Mr. Trump told him he was considering terminating Nafta, he warned the president that would put at immediate risk hundreds of firms and thousands of jobs that rely on an integrated continental economy for their livelihood.

"A disruption like canceling Nafta—even if it theoretically might lead to better outcomes—would cause a lot of short- and medium-term pain for an awful lot of families," said Mr. Trudeau, speaking in the western Canadian province of Saskatchewan, when asked about his conversation with the president.

could do great damage to much of the U.S. economy.

While Mr. Trump has in the past few months spoken harshly about the trade practices of both Mexico and Canada, his aides told the Mexicans that the big-stick threat was really aimed at Congress, which has slowed the process of launching the Nafta renegotiation.

Trump aides told the Mexican officials "that they were considering this as an alternative, or a form of accelerating the process before Congress," Mr. Videgaray said in the television interview. "You have to remember that the trade renegotiation with the U.S. has not begun because of a delay in certain processes in the U.S. Congress."

The Canadian and Mexican governments have actually been saying openly for months that they are eager to start the renegotiations Mr. Trump has long demanded, concerned that the uncertainty about Nafta's future has damped economic activity in both countries.

Canadian Foreign Minister Chrystia Freeland and the country's chief envoy in Washington, David MacNaughton, have been in frequent touch with Mr. Ross, Mr. Trump's point man on Nafta, and had signaled privately—as well as publicly in media interviews—that Canada was ready to start talks on changes to the continental trade pact, Canadian officials said.

Canadian officials are aware that uncertainty over U.S. trade policy has become an overhang on its economy, as businesses in Canada—in particular the nonenergy sector—remain reluctant to increase their capital-spending plans until things settled down. The Bank of Canada has continued to highlight that U.S. trade policy remains "significant" headwind to growth, and warns economy won't be firing on all cylinders until business investment picks up momentum.

Mexican officials have also been eager to complete the talks before campaigning intensifies for their presidential election next year, where the Nafta talks and Mr. Trump's harsh words on Mexico have fueled the popularity of a nationalist candidate.

The holdup in starting Nafta negotiations has actually been the

Why Donald Trump Decided to Back Off Nafta Threat

U.S. Congress, which jealously guards its authority to shape U.S. trade agreements. The 2015 fast-track trade law requires the president to send Congress a 90-day notice before he can begin trade talks—and it also requires his U.S. trade representative to brief Congress before submitting that letter. Congress has yet to confirm Mr. Trump's trade representative nominee, Robert Lighthizer, and so he has been unable to start talks. Lawmakers say Mr. Lighthizer may finally win confirmation in early May. That would push the start of the Nafta renegotiation to August at the earliest, or well past Mr. Trump's first 100 days in office.

Mr. Trump has repeatedly blasted Congress over the delays. "We filed a 90-day notice 60 days ago, but it hasn't started because they're holding it up," Mr. Trump told *The Wall Street Journal* in a mid-April interview. "We have to get this ridiculous 90-day rule."

But lawmakers—even leaders of Mr. Trump's own Republican Party—are pushing back against Mr. Trump's rush.

"I know there's a bit of frustration now from the Trump trade team, and they're eager to get moving," Texas Rep. Kevin Brady, chairman of the House Ways and Means Committee, which runs that

chamber's trade policy, told *The Wall Street Journal* in an interview on Wednesday. "But at the end of the day, the time spent now listening to members of Congress...is time well spent."

The confusion this week over Nafta highlights one of the questions surrounding Mr. Trump: whether the deal-making skills he employed in the business world translate to the presidency.

In his first 100 days, it isn't so clear that his methods have paid off. He and White House aides have at times sent conflicting messages about what they intend to do.

While negotiating with Congress over a spending bill aimed at keeping the government up-and-running, some of Mr. Trump's advisers insisted that any deal include money that would go toward a wall along the Southern border.

"I don't think it's an exaggeration to say that the wall is one of his top if not his top priority," Mr. Trump's budget director, Mick Mulvaney, said in an interview on April 21. Three days later, Mr. Trump backed off, saying he was open to waiting until later in the year for border-wall money.

This month, Mr. Trump said he wouldn't reveal any details about his tax plan until Congress passes a

health-care overhaul. Mr. Trump backtracked, putting out a tax blueprint on Wednesday.

Watching events play out, veterans of past White Houses say Mr. Trump needs a more consistent, unified message. Part of the trouble may be that his White House is split into factions: a nationalist wing symbolized by chief strategist Steve Bannon that is wary of multinational treaties and trade deals, and a more mainstream group that is comfortable with the trend toward globalization.

That mainstream group has been actively sending reassuring signals to business leaders in other countries, even as they have been locked in internal battles in Washington.

One senior Toronto bank executive said Gary Cohn and Steven Mnuchin—former Goldman Sachs Group Inc. executives now serving as chairman of the White House National Economic Council and as Treasury Secretary, respectively—have on a few occasions reached out to senior Canadian business officials in recent weeks to counsel them that despite the internal Trump administration divides over trade policies, they expect no significant Nafta changes.

"This is a disputatious White House and we have to understand this is

going to spill out into the public," the Canadian banker said.

Atop the pyramid is Mr. Trump, who in his 1987 book, "The Art of the Deal," wrote that he values flexibility above all: "I never get too attached to one deal or one approach," he said.

Craig Fuller, who served eight years in former President Ronald Reagan's White House, said in an interview: "The trouble here is I don't see how you get a course correction when there isn't a course. It's just erratic.

"He needs to go look at the two factions inside the White House and get rid of one of them. You can't operate that way in the White House."

Mr. Trump dismissed talk about a split inside his White House between aides with a nationalist or globalist orientation. "Hey, I'm a nationalist and a globalist," he said. "I'm both. And I'm the only one who makes the decision, believe me."

—Jacob Bunge in Chicago and William Mauldin in Washington contributed to this article.



Pletka : On foreign policy, Trump has become — gasp — a normal president

Danielle Pletka is senior vice president for foreign and defense policy studies at the American Enterprise Institute.

The presidency of the United States is a mighty office, and the weight of it has shaped many men. The best among them have had the breadth of mind to set aside fixed tropes, face the world as it is and allow both the exigencies of leadership and the potential for America to do good to guide them. Others have been prisoners of their own dogma and bequeathed to their successors a world of trouble.

The question, then, is which man is Donald Trump?

On foreign policy, candidate Trump promised little ideology and plenty of anecdote-driven reactionism. Not enough jobs? Get 'em back. Terrible Iran deal? Tear it up. Allies free-riding on U.S. defense largesse? Send 'em a bill. Fighting unnecessary wars? Stop. Far from a doctrine, Trump offered a smorgasbord of retorts and one-liners that added up to what many worried would be a dangerous

isolationist, protectionist era in U.S. politics.

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But 100 days into his term, President Trump has been far more conventional than many dared hope. Many of his promises, from labeling China a currency manipulator to staying out of Syria to making nice with Russia, appear to be on hold — which should surprise no one.

[President Trump's first 100 days: In his words and ours]

Consider each recent president and contrast the candidate with the man in office: George H.W. Bush promised a more "realist" global posture than Ronald Reagan but ended up proclaiming a "new world order." Bill Clinton rejected that, insisting it was "the economy, stupid," but ended his tenure with his secretary of state arguing that the United States is "the indispensable power." George W. Bush promised a more "humble" presidency but after 9/11 invaded Afghanistan and Iraq, inaugurating a

far-from-humble "freedom agenda" to promote democracy in the Middle East. Barack Obama promised to "end this war" in Iraq and wrap up conflict with the Taliban, but joined NATO in invading Libya, recommitted troops to Iraq after withdrawing them, continued the war in Afghanistan and sent Special Operations forces and others to Syria and Yemen.

In short, the foreign policy promises of presidential candidates are rarely gospel. The world has a way of upending even the best-laid campaign platforms. And so, despite telling Obama to "stay the hell out of Syria," Trump blasted an air base used for a chemical weapons attack on Day 76 of his presidency. He has overturned Obama's non-policy of "strategic patience" with North Korea, recognizing that Pyongyang has used the past eight years to advance its nuclear and missile programs to the point of threatening the continental United States.

Trump has sent his secretary of state to tell Russian President Vladimir Putin to drop Syrian dictator Bashar al-Assad, recommitted to NATO in the face of growing

Russian predations, confirmed Iranian compliance with the Joint Comprehensive Plan of Action and otherwise behaved like — dare we say it? — a normal president. And though Trump has stuck by his pledge to withdraw from the Trans-Pacific Partnership, he also indicated he will pursue bilateral trade agreements, a far cry from a reversion to Smoot-Hawley some feared.

Where Trump has neither flipped nor flopped is on his strident anti-refugee, anti-immigration posture. The president followed through on pledges to limit immigration from states of terrorism concern, to put in place "extreme vetting" and to ban refugees from Syria. While implementation of those executive orders is suspended pending litigation, the White House appears bent on staying true to that campaign promise. Similarly, Trump seems as uninterested as president as he was as candidate in picking personal fights with foreign despots such as Russia's Putin or Turkey's Recep Tayyip Erdogan.

[Trump has learned a lot. But he's neglecting a huge part of American leadership.]

So after nearly 100 days, what more do we know about Donald Trump, commander in chief? Is he settling in to a more nuanced security policy, guided by the likes of Cabinet members Jim Mattis and Rex Tillerson and advisers Gary Cohn

and H.R. McMaster? Or is this only a temporary blip before other factions in the White House pull the clearly mercurial, impulsive leader back to fulfilling his hyperbolic campaign agenda?

All we know now is what we see and don't see. What we have seen from Trump in his early days as president is a man who is owning his burdens,

one who wants to rebuild the deterrent power of the United States, one who is shocked by the horrors of war and one who is game to push back on enemies. All to the good.

But what we don't see is a man who is game to threaten other leaders' personal power, viz. Putin and Erdogan. Nor, most important, do

we have a sense of his worldview or the policies that underpin his initial tactical steps. On national security, at least, it will be those policies, and not the occasional phone call or airstrike, that will make or break this president in the world.

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Editorial : 100 days of Trump selling his presidency

One month after President Trump's inauguration, we decided that too much had happened to wait for the traditional, 100-day milestone to assess the performance of a new president. In a few short weeks Trump made a series of false or bizarre assertions, botched his appointment of a national security adviser, offended key allies and pushed a counterproductive travel ban.

Having weighed in then, we were tempted to let the 100-day marker go without further comment. But that is not possible, as Trump's next 70 days have been at least as noteworthy and eventful as his first month.

As with most job evaluations, we'll start with the positives.

Trump's Supreme Court nominee, Neil Gorsuch, had stellar credentials and warranted confirmation. After Trump ditched the wholly unsuitable Michael Flynn as

national security adviser, he continued assembling an impressive national security team. The U.S. missile attack on Syria was an appropriate, measured response to the Assad regime's use of chemical weapons. His many flip-flops — on NATO, China's currency manipulation, the Iran nuclear deal, the Export-Import Bank, NAFTA and jailing Hillary Clinton — have generally been in the direction of sane policy and constitutionality.

These successes, however, have been overshadowed by continuing displays of incompetence and flat-out destructive policy proposals. The main focus there would have to be Trump's ongoing effort to rid 24 million people of the burden of medical insurance coverage for no reason other than to fulfill a Republican campaign pledge to repeal and replace Obamacare.

Then there are his head-scratching budget and tax cut proposals. Trump's budget would gut many

programs, especially environmental ones, that have bipartisan support. His tax plan would add trillions of dollars in new borrowing and give business owners a lower tax rate than some of their employees. Neither has the level of support in Congress that would suggest a reasonable likelihood of passage. Both, nonetheless, were unveiled with great fanfare.

So many shiny objects and blaring noises, so little governing. Trump's presidency is a chaotic and haphazard affair. He tweets up a storm but doesn't bother to fill key positions in government. He obsesses over how he is covered on cable television while letting U.S. relations with allies deteriorate.

If there's any kind of coherent vision or moral purpose, it's hard to discern. As president, Trump seems mostly focused on keeping the Republican base in his corner and creating moments that allow him to claim a "win" in that day's news cycle.

Trump spent his entire career selling himself as the smartest businessman with the best properties for sale. And now he can't stop the selling. He has spent roughly one in three days in office at a Trump-branded property, continuing his frontal assault on ethical government, and has continued spouting exaggerations and outright falsehoods.

Lately, he has offered a new selling point: that no administration has accomplished more in its early days in office. If the benchmark is turmoil at home, doubts about America abroad, a degradation of public discourse and dogged efforts to deprive citizens of health coverage, then he is right. By more common standards, he is dead wrong.

So far, Mr. President, we're not tired of winning.



Editorial : Trump's first 100 days were alarming — and relieving

ONE HUNDRED days into the Donald Trump presidency, we have neither achieved the nirvana he promised nor entered the dystopia critics, including us, feared. Since nirvana was never likely, it may be more productive to examine why we have, so far, avoided the worst. Preliminary thanks are owed to Congress, judges, the Congressional Budget Office, the American citizenry, and voters in the Netherlands and France.

And, to a highly limited extent, to the president. He did not, on Day One, tear up the North American Free Trade Agreement, the Iran nuclear treaty or the Paris climate change accord. He has not abandoned NATO or embraced Russian President Vladimir Putin. He has appointed sober-minded advisers to important positions,

notably defense secretary and (on his second try) national security adviser. When Syrian dictator Bashar al-Assad used chemical weapons against defenseless civilians, Mr. Trump responded with appropriate force.

On the other hand, Mr. Trump's early record also offers cause for alarm. His inexperience and ideological drift have been evident in his administration's slow and lurching start. Though a consistent foreign policy has yet to emerge, there is reason to fear that he will diminish U.S. economic, political and moral leadership in the world: his early withdrawal from a pan-Pacific trade agreement, for example, and the chilling moral equivalence in his response to Bill O'Reilly's question about Russia's killing of dissidents and journalists. "There are a lot of killers," Mr.

Trump replied. "You think our country's so innocent?" His bombing of Syria has not been followed by any discernible strategy to address that nation's horrific civil war.

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Mr. Trump has reversed a generation-old trend toward openness, becoming the first president in modern times to conceal his tax returns and scrapping an Obama-era policy of publishing a list of White House visitors. He and his spokesmen frequently ignore facts and embrace misinformation. If he gets his way on policy, the nation will plunge more deeply into debt, global warming will accelerate and millions of vulnerable Americans will lose

access to health care while the wealthy are further enriched.

But some of these policies are meeting resistance. When the nonpartisan CBO estimated that 24 million Americans would lose health coverage under Mr. Trump's plan, even Republicans in Congress balked. Opposition bloomed at town hall meetings across the country. There have been women's marches and scientists' marches — and some politicians have listened. Federal judges have slowed Mr. Trump's efforts to go after immigrants and immigration, efforts that at least in their early versions were closer to demonization than serious policy. Meanwhile, voters in Europe, perhaps sobered by what they see in the United States, have been choosing centrist internationalism and rejecting the kind of ethno-nationalist politics that

animated the most dangerous of Mr. Trump's supporters.

No conclusions can be drawn from any of this. Will Mr. Trump allow his team to shape a more traditional foreign policy, with a dose of trade belligerence, or will he undermine long-standing alliances — or will he

jump from one stance to another day by day? We don't know. How will the White House respond when tested by a crisis, as it surely will be? Will Congress and the FBI seriously investigate Mr. Trump's connections to Russia and that

nation's interference in the 2016 election?

Until that last question is answered, it is surely too soon to say the system has worked. But the system is at work, and — designed by the Founding Fathers, shaped and tested over time, pushed and pulled

by millions of engaged Americans — it remains an impressive piece of machinery.

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Klain : Three huge failures that will haunt Trump's presidency

Ronald A. Klain, a Post contributing columnist, served as a senior White House aide to Presidents Barack Obama and Bill Clinton and was a senior adviser to Hillary Clinton's 2016 campaign.

nonetheless took a chance on him to create jobs, "drain the swamp" and get results — and those who didn't vote for him but were willing to give him a chance. From that perspective, three gigantic failures of the early Trump presidency will haunt the rest of his tenure.

Trump has displayed a penchant for golf, the only member of Congress invited to play with him has been conservative Sen. Rand Paul (R-Ky.). He offered negotiations to Republicans on health care, but only threats to Democrats.

Third, Trump has been stunningly blasé about staffing his administration. His victory was a surprise, so his transition was understandably less prepared. Republicans may be less easily enticed than Democrats into taking government jobs. But no president has done so little to staff so much of the government so far into his term as Trump.

The 100-day milestone for a presidency is overblown: In what other endeavor is so much emphasis placed on the score just 7 percent of the way into a contest? What does actually matter at this early stage in Donald Trump's presidency is which of the flashpoints from this action-packed start will recede in significance as the rest of his presidency unfolds — and which events from the first 100 days are of enduring consequence?

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First, as the candidate least beholden to a major political party to win the White House in decades, Trump chose — surprisingly — to eschew bipartisanship and tightly align himself with partisan Republican leaders. He ran a campaign opposed to both parties' establishments. On primary nights, he devoted large chunks of victory speeches to describing how he would bring together Democrats and Republicans to hammer out compromise job-creating plans. Immediately after the election, a caravan of Democrats was invited to Trump Tower. And during the transition, some Democrats, even liberals, sent out feelers on infrastructure spending.

Second, Trump badly erred by putting fights about immigration, health care and cultural issues on the front burner — while neglecting and betraying the economic populist message that propelled his victory. True, he began his transition with a high-profile announcement about jobs at Carrier, and recently issued a largely hortatory "Buy American" executive order, but otherwise he's largely been AWOL from (or affirmatively hostile to) his own campaign's economic agenda since taking office.

This failure presents a long-term problem for Trump. Delays in filling higher-level jobs mean delays in filling mid-level jobs, and so on. Luckily for Trump, his administration has not had to face a major crisis. That string will break at some point. A hurricane will devastate a city, an offshore oil well will explode, an epidemic will threaten our shores. And a government without appointees in key posts will be woefully ill-equipped to cope. The inevitably inadequate response will have a lasting impact, not least for Trump.

At the outset, as a harsh critic of the president, I must acknowledge that for some constituencies, Trump's first 100 days have been a success. For those who backed him to wrestle a Supreme Court vacancy from the Democrats, he delivered the most conservative nominee in a quarter-century. For those who want to reverse the increasing diversity of our country, Trump put out an unmistakable "not welcome here" sign. For those who craved fiercer firepower in the Middle East, Trump rained Tomahawks on Syria and the "mother of all bombs" on Afghanistan.

But in his first 100 days, Trump has governed as a hard-baked partisan. Unlike George W. Bush or Barack Obama, Trump did not choose any elected official from the opposing party for his Cabinet. He openly belittled Senate Minority Leader Charles E. Schumer (D-N.Y.) and fired racial epithets at Sen. Elizabeth Warren (D-Mass.). Bipartisan infrastructure spending was delayed in favor of a direct assault on Obamacare. While

Candidate Trump promised to declare China a currency manipulator on Day One — and then President Trump balked. He said he'd stick it to Wall Street — but hired more Goldman Sachs executives than any president in history. Candidate Trump said that he would "fight to pass" within the first 100 days a cornucopia of economic legislation: the End Offshoring Act, middle-class tax reform, affordable child care and elder care, a \$1 trillion infrastructure plan, an educational opportunity act. Not one of these bills has been put forward, let alone fought for, and certainly not passed. No president meets all of his ambitious promises for action in the first 100 days — but no president has done less to even try to deliver on his economic promises than Trump.

Anyone who has underestimated Trump has learned a painful lesson. So the fate of his presidency is far from sealed. But in his first 100 days, the new president has dug a deep hole from which he will have to extricate himself in the next 1,361.

However, these hardcore Trumpers are not an electoral majority. So it is through the lens of other voters that the lasting impact of Trump's first 100 days should be considered. This includes those who were dubious about him but who

Ronald A. Klain, a Post contributing columnist, served as a senior White House aide to both Presidents Barack Obama and Bill Clinton and was a senior adviser to Hillary Clinton's 2016 campaign.



Robertson : Trump is being shaped by power

Nic Robertson is CNN's international diplomatic editor. The opinions in this article belong to the author.

His Twitter spat in January with the Enrique Pena Nieto, the Mexican President, over who would pay for the border wall ended with the Mexican canceling his visit to Washington. They subsequently they both resolved to talk off Twitter.

First, during her visit in April he ignored her request for a handshake in the Oval Office. Then at their joint press conference he joked, "As far as wiretapping, I guess, by this past administration, at least we have something in common perhaps," in reference to the Obama administration's tapping of German phones.

It's not clear if the lesson has been learned yet, but it is symptomatic of the uncertainty and lashings of chaos Trump has brought to international diplomacy.

(CNN)It is possible, even probable, that Donald Trump will leave office smarter than when he went in -- even if he still insists he is often the smartest one in the room.

Trump will also have learned why hanging up on major allies like Australia's Prime Minister Malcolm Turnbull is not a good idea, or that embarrassing guests, as he did twice with German Chancellor Angela Merkel, is counterproductive.

Merkel was left looking uncertain as others in the large room collapsed in laughter. It was awkward and cringeworthy and no way to host friends.

His top-tier appointees -- Vice President Mike Pence, Secretary of Defense James Mattis and Secretary of State Rex Tillerson -- have spent a good part of their first 100 days traveling the world picking up after the President's missteps.

He'll have learnt that Twitter is not the best forum for high-stakes diplomacy.

Collectively, they might be finally catching up to where previous

administrations had been on day one, but their commander in chief still has a long way to go.

His first 100 days have taught him some of the basics that most modern Presidents already appreciated before coming to office.

On NATO for example, he came to office saying that it was "obsolete" and not doing enough on fighting terrorism.

A few days into office, he greeted British Prime Minister Theresa May at the White House. She seemed to surprise him at the press conference following their meeting, telling Trump "Mr. President, I think you said, you confirmed that you're 100 percent behind NATO."

He didn't deny it, and sent Pence and Mattis to Europe to tell European leaders the same. However it would be another two-and-a-half months before he would bring himself to say it publicly.

That finally came when hosting NATO chief Jens Stoltenberg at the White House in April: "I said it (NATO) was obsolete, it's no longer obsolete". That's what his allies really wanted to hear.

Even so, Trump couldn't bring himself to say he was wrong. He went on to claim credit for

refocusing the alliance on terrorism, something it has been doing for over a decade, most notably by deploying troops to Afghanistan in 2002 to support the US take down of al Qaeda.

On China, Trump has been on another steep learning curve. In the early days in office he branded President Xi Jinping a "currency manipulator." Yet by the time he was hosting the Chinese President at Mar-a-Largo in Florida, he'd come to realize this enemy could be a friend.

And with US national security facing an even more implacable enemy, North Korea's Kim Jong-un, Xi has gone from foe to favorite. "I have great respect for the President of China," Trump said last week, apparently pleased that China is putting pressure on the hermit kingdom to end its nuclear weapons ambitions.

It's fluidity in thinking that Trump believes is a virtue: "I'm proud of my flexibility," he said a few weeks ago. Yet to many watchers he seems not so much flexible as impressionable.

He seems to take his lead from the last leader to whom he has spoken. Whether it's Merkel on trade with Europe or Xi on the history of the Korean peninsula, it somewhat

highlights his grasp of global detail that given a few facts, he thinks he's fixed the knowledge deficit.

In the overall arc of his first 100 days, North Korea has been one of the principle accelerants to the President's flexibility, teaching him that an enemy will pick the worst time to act up.

Kim decided to test missiles while Trump was having lunch with Japanese Prime Minister Shinzo Abe at his club, Mar-a-Largo.

A side lesson he may have taken on board was not to do national security on a public patio between the salad and main course. Trump was pilloried when photos emerged showing him and his national security team dealing with their first major security issue -- at dinner, in public. Many of these lessons are only pulling Trump towards what many would have considered entry level for the job.

On Syria, however, he seems to have caught up to the Obama administration's position. By bombing Assad for using chemical weapons, he may have now surpassed it. But, as with Korea, he still lacks a coherent strategy on the war-ravaged nation that takes him diplomatically beyond Obama's position.

There was another significant lesson for Trump in the aftermath of his dropping bombs in Syria: friends can become enemies overnight.

Until recently he touted Putin as a possible ally, early this year saying that "if Putin likes me, I consider that an asset, not a liability."

But Putin, Assad's biggest sponsor, has fast become a foe.

Where he promised so much coming in to office -- "My number one priority will be to dismantle the deal with Iran" -- Trump has little to show for it.

And on another sound bite that this time last year sounded easy to deliver -- "Bomb the s**t out of them (ISIS)" -- Trump has been learning the limits to his power.

While he enabled MOAB, the mother of all bombs, to be dropped on ISIS in Afghanistan, it amounts to a pinprick in the over all battle and not a sea change in tactics.

In his book "The Art of the Deal", Trump defines his business style as a tough negotiator creating uncertainty. As President he has yet to finesse the tactic so only his enemies don't know his next move.

POLITICO The White House's invisible man

Matthew Nussbaum

House's director of legislative affairs.

In the first 99 days of Donald Trump's drama-filled presidency, one prominent administration official seems to have done the impossible.

Vice President Mike Pence has delicately sidestepped the infighting, scandals and staff shakeups that have dragged down many of Trump's aides, instead taking his cues from the president as he shapes one of the most consequential jobs in the world.

Story Continued Below

While many vice presidents angle for power inside the West Wing, Pence has defined his role narrowly. His thinking, according to those close to him, is that the vice president has only two constitutional duties — to serve as president of the Senate and to be prepared in case of the worst. The rest is up to Trump.

"I think that Mike has said many times that he serves at the pleasure of the president and that he looks to support the president and help the president get the job accomplished," said Marc Short, a former Pence aide who now serves as the White

Pence's approach has allowed him to artfully navigate the warring fiefdoms that have emerged in the West Wing and stay in Trump's good graces — even if it means he's hasn't amassed the influence, as many had hoped, to pull the president in a more conservative direction.

The former Indiana governor speaks with Trump multiple times a day and is a regular presence in the Oval Office, senior administration officials say. He has cultivated good relationships with Ivanka Trump and son-in-law Jared Kushner, remains close with chief-of-staff Reince Priebus and senior adviser Kellyanne Conway, has developed a bond with economic adviser Gary Cohn, and even has a good rapport with Steve Bannon, the combative chief strategist who has alienated many in Trump's inner circle.

"He's so calm and low-key he doesn't become one of the soap opera stars," said former House speaker and Trump confidant Newt Gingrich. "He hasn't gotten any scars in the first 100 days. ... In a

place this controversial, I'd say that's pretty good."

Or, as one person close to Pence put it: "He hasn't stepped in it."

But staying above the fray has come at a cost. Interviews with more than half a dozen current and former senior Pence aides as well as several administration officials and friends of Pence who spoke on the condition of anonymity offer a portrait of a vice president who has earned the president's trust, but hasn't yet capitalized on it inside the West Wing — and who has thus far racked up few tangible accomplishments.

Indeed, some close to him say he has hung back intentionally, modeling himself more like a loyal staffer than a first among equals in the Trump cabinet. By contrast, Vice President Dick Cheney — on whose tenure Pence has said he wanted to model his own — angled to be the last person to speak to the president before he made a consequential decision, never shielding him from uncomfortable facts.

Pence is cutting a different figure than his stated role model, sidestepping confrontations with the

president where other cabinet members have not. In December and January, he and his staff interviewed Elliott Abrams, the former Bush administration national security aide who was critical of Trump during the campaign, to be his national security adviser. Pence instead tapped a little-known Army colonel for the post, and it was Secretary of State Rex Tillerson who ultimately pushed to bring on Abrams as his deputy, though Trump overruled him at the last minute.

"Pence didn't even want to have the fight" with the president, said one senior Republican operative, who cited it as an instance of the vice president preemptively avoiding a confrontation with Trump — and of taking on a less experienced aide instead.

Pence has also been quick to table his own preferences once the president has made up his mind. At times, that has meant swallowing hard: He did not love every aspect of the health care bill but pushed hard for its passage, holding late-night meetings and hitting the road to rally support.

That sort of loyalty, however, hasn't translated into clout within the administration or a position within Trump's inner circle, occupied by Priebus, Kushner, and Bannon, plus ambitious and influential aides like Cohn, deputy national security adviser Dina Powell, and National Security Adviser H.R. McMaster.

Nor is it clear Pence has tried to place himself there. "If he isn't ineffectual, he sure is invisible," said one prominent Republican. Another — a longtime friend of the vice president — said that it's "not clear that he has any more influence than any other senior staffer."

Others pushed back on the notion that Pence has been edged out by bigger personalities in Trump's orbit.

"He's afforded the chance to have a weekly lunch with the president and that gives them the chance to have a more private discussion," said Short. "I don't think that he lacks an opportunity to share his views with the president. They often start the day together with a call. I think they've developed an incredibly close relationship."

"In these first 100 days they've been together quite a lot during office hours," Short added.

"He is legitimately the president's peer in the West Wing," said Conway, counselor to the president.

Pence's office declined to make him available for an interview, and has generally declined to cooperate with any profile requests, out of a desire to not upstage Trump. Chris Ruddy, a friend of the president's and CEO of the conservative media company Newsmax, called him "the perfect vice president for Donald Trump" in part because he "lets the president glow without distraction."

And while he may not be Trump's go-to adviser during tough deliberations, the president has still handed him a sizeable portfolio ranging from repealing and replacing Obamacare to representing America abroad while the president remains in the comfort of Washington and his resort in Florida.

Pence has been globe trotting to reassure allies and represent Trump's muscular foreign policy, telling NATO allies that the U.S. will continue to stand as a check on Russian aggression, and touring the Pacific signaling that the Obama-era focus on the region will not disappear under Trump.

And, of course, the one Trump loyalist to put Pence in a tenuous spot — former national security adviser Michael Flynn — was quickly shown the door, though he

was kept in the White House for weeks after senior administration officials learned he had misled the vice president about his meetings with Russian ambassador Sergey Kislyak and, in fact, Pence only found out about Flynn's misdirection through media reports.

Many lawmakers, particularly on the Republican side, were hopeful that Vice President Mike Pence, who served as a congressman from Indiana for more than a decade, would bring his experience to bear on Capitol Hill. | Getty

Many lawmakers, particularly on the Republican side, were hopeful that Pence, who served as a congressman from Indiana for more than a decade, would bring his experience to bear on Capitol Hill, serving as an indispensable liaison between Republicans in Congress and White House aides with less policy experience.

"If you look at the last administration, Biden played a very critical role because Barack Obama had absolutely no idea how a bill became a law. So Biden played a very constructive role in trying to communicate to the Hill when they were trying to get something done," said Josh Holmes, former chief of staff to McConnell. Pence, he said, has an opportunity to fill the same void, given that the administration is otherwise filled with "an awful lot of New York people."

"That just doesn't work," Holmes said.

Yet several White House aides expressed frustration that the bulk of the work for selling a flawed Obamacare repeal bill fell to Pence, rather than to House Speaker Paul Ryan and other House leaders. Pence's initial foray on Capitol Hill left him frustrated, associates say, and though he was in frequent contact with Ryan in the early days of the administration, often dropping in on him announced, their communications have dropped off.

Pence has been particularly frustrated with the House Freedom Caucus, a group that he says he would be a member of were he still in Congress.

"He's been disappointed. He's been disappointed in their lack of fortitude, in their lack of solutions," said one person close to Pence. "He doesn't think it should be this difficult to do the right thing and the obvious thing. He knows he's bent over backwards and the president's bent over backwards and he's been shocked."

He's even told associates that he's gained some empathy for the George W. Bush administration officials who tried to wrangle his

vote years ago. (Bush strategist Karl Rove in particular was a frequent adversary.) Indeed, Pence spent the bulk of his time as a legislator casting protest votes against the Bush administration's major initiatives, from No Child Left Behind to the Medicare Part D prescription drug plan. And, as one former Hill staffer said, Pence "knew when to take yes for an answer."

If Pence was a successful oppositionist, he's finding it more difficult to cobble together a governing coalition. At times, he has also wondered why it is he — and not Ryan or Majority Leader Kevin McCarthy, with whom he enjoys strong relationships — who is trying to corral a splintered conference and to twist arms on votes.

"Many of us have advised him against that," a Pence confidant said. "He's not the conference chairman anymore. He's the vice president of the United States. They have asked him to frequently do what many around Mike knew was their job."

But as the face of the administration's second act on Obamacare repeal, Pence's first major victory may now be on the horizon. The vice president was crucial in restarting negotiations with the House Freedom Caucus and the moderate Tuesday group ahead of what the administration hopes will end in redemption.

He has taken a gentler approach than the president, who singled out Freedom Caucus chairman Mark Meadows in a closed-door meeting and threatened lawmakers by telling them that a vote against the bill would imperil their reelection chances in 2018. And he has gotten results: The House Freedom Caucus on Wednesday announced its support for a new version of a repeal bill that includes an amendment from New Jersey Rep. Tom MacArthur, a prominent moderate, moving Pence a step closer to his first significant win, though the bill's prospects in the Senate remain uncertain.

And as the administration closes in on its first 100 days, Pence enjoys a higher favorability rating than Trump — last clocked at 49 percent by Morning Consult, while Trump hovers in the low 40s — and has stayed in good standing with the president. That's in part because he possesses in equal measure two of the traits Trump values most in those around him: loyalty and deference.

While he initially said he would vote for Ted Cruz in the Indiana primary, that endorsement was halfhearted, and he endorsed Trump a week later. He also stood steadfastly by

the Manhattan businessman through the campaign's darkest moments. Pence, an evangelical Christian, preached forgiveness in the wake of revelations that Trump bragged on tape about groping women by the genitals, while others nudged Trump to drop out of the race.

Sold as a conservative stalwart who could bridge the gap between Trump's populist base and rank-and-file Republicans, Pence was a success on the campaign trail, standing by Trump when other Republicans prepared to jump ship, and telling conservatives it was "time to come home" down the final stretch.

"The vice president has been steady, consistent, high energy, high impact and involved in every major decision and major conversation that the president has made," Conway said. "He's a trusted co-pilot."

Known for his humility — Pence's longtime aides still call him "Mike" — he goes out of his way to give Trump credit whenever possible. After his vice presidential debate with Sen. Tim Kaine (D-Va.), Pence repeatedly stated that his debate's real winner was Trump. Since being sworn in, Pence has made it clear that he views his job as whatever the president wants it to be — be it foreign trips and Capitol Hill deal making or, if their relationship goes south, attending funerals and keeping quiet.

His decision to define the job narrowly also has some wondering whether he is working to avoid controversy in an attempt to lay the groundwork for a future presidential bid of his own.

"He would obviously be a favorite for a future presidential campaign after Trump has been president, and that's unusual for somebody who didn't run himself in what was a very crowded and talented field this year," Conway told National Review during the campaign.

But the posture of vice president as staffer has some wondering why Pence isn't doing more to capitalize on his goodwill. One senior administration official said Pence's affability allows some top aides to treat him like one of their own, but that doing so is a "huge mistake." Unlike Bannon, Priebus and even Kushner, after all, Pence cannot be fired.

"He should be the most powerful vice president in recent history," said one person close to him, noting that when it comes to dealing with Congress, "He's got credibility up there that nobody else in the White House has."



Strassel : Trump's Finest Moment (So Far)

Kimberley A. Strassel

Here's how to know a Republican president has scored big on a proposed tax reform: Read the New York Times —and chuckle.

The newspaper's headline Wednesday lectured: "White House Proposes Slashing Tax Rates, Significantly Aiding Wealthy." The story said that Donald Trump had offered a "radical reordering of the tax code," though one that he "rushed" so as to "show progress before the 100-day mark of his presidency." The proposal was but a "skeletal outline" and "less a plan than a wish list." It contained "no explanation of how the plan would be financed." And, oh, it would "richly benefit Mr. Trump" personally. This was a news article, by the way, not an editorial.

The president's tax proposal—a big, swashbuckling vision for enacting pro-growth principles—offends many on the left by its very nature. Within a few minutes of its release, liberal economists, politicians and pundits were ripping it as a payoff to the wealthy, a deficit buster, regressive, unrealistic. That alone is proof Mr. Trump is getting the policy right.

Yet what Mr. Trump may be doing best is the politics of tax reform. The president's proposal marks not only a triumph of ideas, but a savvy acknowledgment of the Washington

landscape. After a rocky first few months, Mr. Trump is playing to win.

Start with the fact that this proposal is substantive. It didn't have to be. In the wake of the health-care meltdown, Republicans on Capitol Hill began debating whether they ought to throw out messy, complicated tax "reform" in favor of easy, straightforward tax "cuts." That wasn't what they campaigned on; they had promised to slay the tax-code beast. Moreover, targeted rate cuts wouldn't deliver for the economy. But this crew argued to the White House that a slimmed-down approach would at least deliver a quick, symbolic legislative victory.

Mr. Trump's plan rejects that retreat. Instead of going weaker, it goes stronger, compiling into one document all the tax-reform ideas that most inspire conservative movers and shakers. Simplify the brackets? Check. Lower rates? Check. Harmonize rates between corporations and small businesses? Check. Move to a territorial corporate-tax system? Check. Kill off the estate tax, the alternative minimum tax, itemized deductions, and corporate loopholes? Check. This is the sort of stuff that think tanks, congressional reformers and business groups have been salivating over for years.

Good policy makes for good politics. The Trump proposal has galvanized all those groups that wield influence

with Republicans. "Trump Plan Will Turbocharge the Economy," crowed Americans for Tax Reform. "This is What Pro-Growth Tax Reform Looks Like," declared the Club for Growth. It's also a proposal to inspire voters, since it offers relief to nearly every category of taxpayer. Congressional Republicans can move ahead knowing they have support, even as they feel pressure to get the job done.

Big is also smart. Mr. Trump chose not to start on the 50-yard line—a mistake too many administrations make. His call for a 15% tax on both corporations and pass-through entities is aggressive, but it leaves room for negotiation and increases the likelihood that even a compromise bill will still look like real tax reform.

Yes, the proposal was "bare bones"—but that's deliberate and designed to help get a win. The media will spend the coming weeks attempting to drag this debate into the minutiae, highlighting every GOP disagreement over every teensy provision. The Trump plan's broad principles are an attempt to keep everyone focused on the ultimate prize, as well as to set markers for what counts as achievement. Besides, it upsets feelings when a president micromanages Congress.

Right now the bad feelings are all emanating from Democrats, who whine that Mr. Trump's proposal

contains no concessions for them, no reasons for them to support it. This, too, was smart politics. The White House had been under pressure to pursue a very different strategy—to enact only corporate tax reform and bring in Democrats with infrastructure spending. Yet there was no guarantee Democrats would play ball. That approach also would have robbed Republicans of the first opportunity in a generation for holistic tax reform. It risked fracturing GOP votes.

The Trump plan is instead a blunt acknowledgment that Democrats have no interest in working with him to harmonize, simplify and reduce rates for both corporations and individuals. It is instead pitched directly at Republicans, since it will take a united GOP conference to get it done.

That might be the smartest piece of all. The president has dramatically raised the stakes by laying out a giant challenge to his congressional allies. All eyes are on the Freedom Caucuses, the Tuesday Groups, the Ted Cruzes and Tom Cottons—all those who helped kill the health-care bill. If they fail to deliver this time, if they descend into bickering over deficits or state tax deductions, they will lose their majorities. It's as simple as that.

President Trump has made it all about them. There are no excuses this time.



Rampell : The dumbest part of Trump's dumb tax plan

Credit where credit is due: President

Trump's tax plan is only one page long and yet contains volumes' worth of dumb ideas. And there's fierce competition for which part is dumbest.

Maybe it's White House economic adviser Gary Cohn's peculiar claim that reducing the number of tax brackets is how you simplify the tax code. The complicated part of doing your taxes is figuring out what counts as income and what's deductible, not looking up the tax rate afterward in a table.

Maybe it's the bullet point that promises to "eliminate targeted tax breaks that mainly benefit the wealthiest taxpayers," immediately followed by three bullet points pledging tax breaks that would

almost exclusively benefit the wealthiest taxpayers.

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Maybe it's Treasury Secretary Steven Mnuchin's declaration that the plan will "pay for itself," even though similar versions of Trump's tax plan were projected to cost trillions of dollars.

Maybe it's the suggestion that we need a multitrillion-dollar, deficit-financed tax cut — a.k.a. stimulus — when unemployment is 4.5 percent.

But probably the dumbest part of this entire presentation was the proposal to more than halve the tax rate on "pass-through" income.

This is the loopholiest of loopholes. It would further enrich

the rich, unleash a major tax-sheltering bonanza, and impoverish Medicare and Social Security.

It also is unlikely to do anything to kick-start economic growth, as Kansas learned the hard way.

For those unfamiliar, pass-through income refers to business income that gets paid at individual income tax rates rather than corporate ones. Income earned by partnerships, sole proprietorships and S-corporations — the vast majority of all companies — falls into this category.

Lots of people, including White House officials, associate pass-through entities with small businesses. But plenty of ginormous companies get taxed this way, including hedge funds, big law firms, publicly traded partnerships and even — coincidentally? — the

Trump Organization. In fact, according to the Treasury Department, more than 80 cents of every dollar earned by pass-throughs come from big firms (defined as companies with more than \$10 million in income).

Because taxes on pass-through income are paid at the individual level at individual rates, the top rate for such income today is generally 39.6 percent. Trump's plan would lower the rate for all pass-through income to 15 percent.

This would be a huge giveaway to the rich, despite Mnuchin's earlier promises that the rich wouldn't get a tax cut. Two-thirds of pass-through income is earned by the top 1 percent of Americans, according to researchers at the Treasury Department, the University of California at Berkeley and the University of Chicago.

Among those many rich beneficiaries, by the way, are people who use the "carried interest" loophole, a preferential tax rate associated with Wall Streeters that Trump loves to say he's closing. The income these private equity and hedge-fund partners receive, after all, is pass-through income; Trump would let them trade one juicy tax break for an even juicier one.

More important, if income from pass-through entities is taxed at less than half the top rate for personal income, that's a huge incentive for millions of people who are currently employees to start calling themselves "companies" —

The New York Times

Binyamin Appelbaum, Alan Rappeport and Nicholas Fandos

Mr. Trump's proposal, while short on details, calls for cutting taxes on corporations and individuals, including reducing the corporate tax rate from 35 percent to 15 percent and doubling the size of the standard deduction for individuals. Analysts estimated that it could add as much as \$7 trillion over a decade to the federal debt, depending on what Congress eventually packs into a tax bill.

That is particularly notable because the debt has already increased sharply over the last decade, growing from 34.8 percent of the nation's annual economic output at the end of 2006 to 76.5 percent at the end of 2016. Prominent figures like Janet L. Yellen, the chairwoman of the Federal Reserve and a Democrat, have urged lawmakers to curb that growth.

The prospect that the debt might balloon again instead is stirring anxieties within a range of well-financed groups that have long regarded Republicans as their natural allies.

"Right now, we are all about trying to figure out how to offset the cost of this framework and coming up with pro-growth tax reform ideas that won't worsen our really dire fiscal situation," said Maya MacGuineas, president of the nonpartisan Committee for a Responsible Federal Budget. "If the president pursues this proposal of seeing through the largest-ever tax cut rather than reform, he will also be the president who oversees the largest expansion of our country's debt — and that's probably not the legacy he's looking for."

Ms. MacGuineas said that her group had already started pulling together specific proposals to make the tax legislation less costly. The

for example, to become a sole-proprietor "consultancy." A Tax Policy Center analysis of an earlier version of Trump's plan assumed that about half of high-wage workers would eventually become pass-through entities.

And self-incorporating (or self-LLC-ing) would allow people to reduce not just their income taxes. It would also let them shave down their payroll tax obligations, which fund Medicare and Social Security. That's because once they turn themselves into a personal holding company, they could shift more of their pay from wage and salary income to corporate profits.

White House plan, for example, has thus far only made passing reference to proposals for closing loopholes and broadening the tax base, she said.

"It will be all hands on deck to try to come up with ideas," Ms. MacGuineas said.

Mr. Peterson created the Peterson Foundation in 2008, with an endowment of \$1 billion, to raise public awareness of what he saw as an alarming increase in federal borrowing. The federal debt increased sharply during the early years of the Obama administration, largely because of programs that automatically disburse more money during economic downturns. When unemployment increases, so does federal spending on unemployment benefits.

Michael A. Peterson, the chief executive of the foundation and the son of its founder, warned lawmakers against forgetting that the nation is already deeply in debt.

"Reforming taxes in a way that worsens our fiscal condition is counterproductive because adding to our national debt hurts economic growth," he said in a statement Wednesday. "Tax changes that increase the deficit would harm the economy by raising interest costs, reducing wages and crowding out public and private investments in our future."

Conservative lawmakers, advised by conservative economists, once regarded government debt as a public health problem. The government is borrowing money that might otherwise be available to private businesses, which is bad for economic growth. The money must be repaid eventually, which requires higher taxes, which is also bad for economic growth. And higher debt leaves less room for government borrowing during a genuine emergency.

That sound you hear is the nation's tax attorneys licking their lips.

Maybe you don't care about all the rich people who stand to benefit from this, because you believe cutting taxes on pass-through income will spur job creation and economic growth. Trump officials have argued as much.

Kansas already tested this hypothesis, though, and is paying dearly for it.

In 2012, the state undertook a huge suite of tax cuts, including eliminating taxes on pass-through income. That overhaul, too, was supposed to "pay for itself."

But Reagan, advised by economists like Milton Friedman, argued that taxation was a more important economic problem, and Republicans began to prioritize tax cuts.

This was, at the least, very good politics. President George H. W. Bush was not re-elected in 1992 in part because he did not join the revolution. He continued to advocate fiscal rectitude, famously agreeing to raise taxes because he wanted to reduce the federal debt. His son did not repeat that mistake during his presidency, and passed a tax cut.

The nation's financial situation was markedly different in 2001. The government was running a hefty annual surplus; it was actually on course to pay off its debts completely.

Democrats have been quick to accuse Republicans of ideological inconsistency. "The Republican plan is just steeped in hypocrisy," Senator Chuck Schumer of New York, the minority leader, said Thursday.

"For the last eight years, all we heard from our Republican colleagues was that Obama was raising the deficit, and we need to cut programs that benefit the poor and middle class," Mr. Schumer said. "All of a sudden, now, with a Republican president and a proposed tax cut for the wealthy, we're hearing from the other side of the aisle, 'Deficits don't matter.'"

Others still hold the view that deficits matter. Josh Gordon, the policy director of the Concord Coalition, another group that advocates fiscal discipline, said it was heartening that Speaker Paul D. Ryan and Senator Mitch McConnell, the majority leader,

Instead, many more people took advantage of the loophole than expected, the state economy and tax receipts slowed to a crawl, and a gaping budget hole forced legislators to close schools early. The state's credit rating has been downgraded multiple times.

Our "laboratories of democracy" have already proven what a daft, damaging idea this pass-through proposal is. Yet the White House pushes it still. The only question is whether it's being kept alive by ideologues or incompetents.

have expressed a commitment to changes that are "revenue neutral."

Representative Peter Roskam, the Illinois Republican who is chairman of the Tax Policy Subcommittee of the Ways and Means Committee, warned that his party should resist taking the easy route and passing temporary tax cuts in favor of making deeper changes to the tax code.

"The best thing to do is to create a tax policy that's permanent, and permanent means paid for," Mr. Roskam told MSNBC on Wednesday. "So that's the new fault line that is developing."

But some Republicans see an important difference between deficits caused by more spending and deficits caused by tax cuts. They insist that tax cuts will encourage economic growth sufficient to compensate for lower rates. The government will get a smaller piece of a larger pie.

Senator Jeff Flake, Republican of Arizona, said that he was committed to balancing the federal budget and that tax cuts could help achieve that goal. "I'm a supply-sider. I recognize the dynamic value of the nature of some tax cuts," Mr. Flake said. "Not all tax cuts are created equally. Corporate tax cuts should be very stimulative."

Representative Dave Brat, Republican of Virginia, who spent most of his career as an economics professor, said, "You've got to come clean with people that this is not optimal, but tax cuts are a way to drive productivity." The pain of a short-term increase to deficits, he said, was pain worth enduring for the sake of growth.

"The one thing you make an exception for is tax cuts."

Trump Tax Plan Would Shift Trillions From U.S. Coffers to the Richest (UNE)

Julie Hirschfeld Davis and Patricia Cohen

Repealing the estate tax, for example, would affect just 5,300 or so fortunes a year. For 2017, couples can shield up to \$11 million of their estates from any taxation, leaving only the largest inheritances subject to taxation. Repealing the estate tax alone would cost an estimated \$174.2 billion over a decade, the nonpartisan Tax Policy Center said.

Reducing the rate on capital gains, noncorporate business taxes and those in the highest bracket, as well as repealing the alternative minimum tax, would also ease the burden on wealthier Americans. So would the repeal of the Affordable Care Act's 3.8 percent surtax on the investment income of high earners, put in place to subsidize health coverage for low-income Americans.

"These are all afflictions of the affluent," Mr. Kleinbard said.

There is no way to know how the mathematics of the proposal would work, since the White House offered no cost estimates, no detail about which incomes would be taxed at what levels and no information about tax deductions or other breaks that might be eliminated to make up for the lost revenue.

On Thursday, Sean Spicer, the White House press secretary, suggested that tax benefits for retirement savings would be rolled back to mitigate the cost of the tax cuts, the kind of tough decision that makes a rewrite of the tax code so politically difficult. But within minutes, White House officials said Mr. Spicer had misspoken.

Officials instead said specifics would come later, as negotiations unfolded with members of Congress to draft legislation.

The administration's silence on many crucial details of the proposal was by design, to leave room for what promise to be intense negotiations with lawmakers in Congress, said Rohit Kumar, the leader of PwC's Washington

National Tax Services and a former senior Republican Senate aide.

Yet without specifics, he added, "you can't make anything but a wild guess on what the distributional effects of the proposal would be."

"What the administration put out yesterday is all of the good news," Mr. Kumar said. "They've withheld on the bad news."

But estimates of the impacts for some of the cuts that were outlined Wednesday, such as the estate tax and alternative minimum tax repeals, can be made, and they run directly counter to the populist themes that animated Mr. Trump's campaign. He has often stated his concern for ordinary working men and women who he contends were forgotten under previous administrations but have risen to the top of the priority list under his leadership.

Many economists who analyzed a similar plan Mr. Trump proposed during his presidential campaign found that it would have disproportionately helped the richest. William G. Gale, an economist at the Brookings Institution in Washington, estimated that just over 50 percent of the benefits of that proposal would have gone to the top 1 percent of taxpayers.

The new proposal "loses probably something in the neighborhood of \$5 trillion in revenue over 10 years with regressive tax cuts that exacerbate the inequalities that already exist in our economy," said Jared Bernstein, a senior fellow at the Center on Budget and Policy Priorities who was a top economist in the Obama administration.

Mr. Trump's economic team argues that there is no disconnect; the tax reductions they are seeking, they argue, will ultimately help all Americans, including the poorest, by spurring growth that will translate into more jobs and better wages.

Still, it seems almost inevitable that the blueprint, should it eventually yield legislation, would violate the vow Steven Mnuchin, the Treasury

secretary, made that the administration would provide "no absolute tax cut for the upper class."

That axiom, uttered by Mr. Mnuchin in November and quickly named the "Mnuchin rule" by skeptical Democrats, was based on his insistence that any tax reductions at the top would be matched by the elimination of deductions and loopholes.

"It is hard to know what the overall effects would be, but a plan that is intended to reduce taxes on business income and investment income is going to provide substantial benefits to wealthier individuals, and the bulk of the benefits in this plan would go to them," said Ed Lorenzen, a senior adviser for the nonpartisan Committee for a Responsible Federal Budget, a fiscal policy education group. "It would probably work out to be a significant shift in the distribution of the tax code."

One major reason is Mr. Trump's idea to allow the income of owner-operated companies, including his real estate concern, hedge funds and large partnerships, to be taxed at a 15 percent rate — the same rate corporations would pay under his plan — rather than at the individual income tax rate, which now tops out at 39.6 percent and would be set at 35 percent by Mr. Trump.

That would potentially allow doctors, lawyers and others who are part of such firms to structure their compensation as business rather than personal income and effectively enjoy a substantial tax cut. The Tax Policy Center estimated last year that the proposal would cost \$1.5 trillion over a decade.

Higher earners also appear likely to reap the greatest benefit from repealing the alternative minimum tax, which is set at a marginal rate of 28 percent and falls most heavily on those who earn between \$250,000 and \$1 million. In 2013,

President Barack Obama and Congress reached agreement on a "fix" that shielded middle-class families from the tax. So any repeal now would benefit wealthier taxpayers.

Only a fifth of taxpayers who earn above \$1 million were affected by the provision, a parallel tax system that limits the deductions and other tax breaks available to them, in part because interest and investment income are exempt.

A glimpse of Mr. Trump's 2005 tax returns revealed that the alternative minimum tax cost him roughly \$31 million by setting a floor that even a stack of individual loopholes could not reduce. Repealing it would cost \$412.8 billion over a decade, the Tax Policy Center has estimated.

At the same time, lower- and middle-income families could be in a worse position. The White House proposes to reduce the number of tax brackets from seven to three: 10, 25 and 35 percent. But no one yet knows where the income cutoff lines are being drawn. People who end up being pushed into a lower bracket would be better off, but those kicked into a higher bracket would not be.

Families with after-tax income between roughly \$19,000 and \$76,000, for example, are now in the 15 percent marginal tax bracket, which is slated for elimination.

"That's where the middle of America is," Mr. Kleinbard said. While some may drop into the new 10 percent bracket, others could be nudged up into the 25 percent range.

Increasing the standard deduction to about \$24,000 for couples might also appear to help most families, but that is not necessarily the case, Mr. Kleinbard pointed out. Larger families, which now benefit from being able to add a deduction for every additional member of their household, could lose out.

"At the bottom end, the typical family will be worse off if personal exemptions go away," he said.

Next Tax Battle: Trump's Bid to Ax a Favorite Blue State Deduction (UNE)

Richard Rubin

WASHINGTON—A big tax break skewed toward Democratic-controlled blue states is the next major battleground as President

Donald Trump and congressional Republicans attempt to rewrite the tax code.

The tax policy outline Mr. Trump unveiled Wednesday proposes

repealing the deduction for state and local taxes, which lets individuals subtract their home-state levies from their federal taxable income. That move was a major shift for Mr. Trump, who previously

had called for capping deductions but not killing the break.

What makes the latest proposal politically divisive—and could lead to a split inside the Republican

Party—is that it would shift the tax burden from low-tax states such as Texas and Florida to high-tax states such as New York and New Jersey. Blue-state Democrats criticized the proposal, as expected, but Republicans from those states don't like it either.

Congressman Peter King (R., N.Y.), who represents part of Long Island, says he is on board with the GOP's philosophy of eliminating tax breaks and cutting rates, right up to the point where it thwarts his constituents and their ability to subtract \$12,000 annual property-tax bills from their federal income.

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TRUMP'S FIRST 100 DAYS

"I am a Jack Kemp Republican," he said in a recent interview. "I believe in supply-side economics. I'm all for that. But again, this has a unique hit on Long Island."

In the weeks leading up to the White House's announcement, Mr. King, New York Democrats and business groups had been urging Republican leaders in Congress to back off their proposal to repeal the deduction. Instead, the administration—in which the president and his two top economic advisers are high-income residents of blue states—chose repeal.

"I never thought I could leave New York and go to a state that had higher taxes, but I did when I moved to California," Treasury Secretary Steven Mnuchin said at a Wednesday morning briefing before justifying an end to a major break for New Yorkers and Californians. "We want to get the federal government out of the business of what's the states' business."

Republicans focused on lowering marginal tax rates have been targeting the deduction unsuccessfully for decades. They contend that it props up bloated state and local governments with support from federal taxpayers. Repealing it, they argue, could put pressure on states to limit or reduce spending and taxes.

Removing the deduction could raise more than \$1 trillion over a decade, according to independent estimates, which would help offset the cost of GOP rate cuts.

The deduction, one of the largest breaks for individuals, saves taxpayers about \$103 billion this year, according to the congressional Joint Committee on Taxation. That is \$38 billion more than the mortgage-interest deduction and \$46 billion more than the deduction for charitable contributions.

Without repealing the deduction, Republicans would have to settle for smaller tax-rate cuts, higher budget deficits or temporary tax policies. They will be constrained by congressional rules that prevent them from passing a tax plan on a party-line vote in the Senate unless they refrain from increasing budget deficits beyond a decade.

Democrats mobilizing to defend the deduction are in the awkward position of standing up for a tax measure that helps some of the highest-income Americans—the same people they typically say don't pay enough in taxes. To win, they will need to transcend party politics by appealing to hometown interests. During the 1986 tax-code overhaul, a coalition of business groups, state

officials and blue-state Republicans protected the same tax break.

Administration officials argued this week that it isn't the federal government's job to be subsidizing states, though the federal government does redistribute money from high-income states to low-income states.

"We also think about being fair. We're being fair," Gary Cohn, the director of Mr. Trump's National Economic Council, said at the briefing with Mr. Mnuchin. "And there are those that argue that allowing state and local taxes to be deductible is not fair because certain states are subsidizing other states, and this is a field-leveler."

At the center of the fight is New York, home of Mr. Trump, Mr. Cohn and Senate Democratic Leader Charles Schumer, who says killing or scaling back the break would be "devastating for middle-class families in New York and elsewhere."

In New York, the deduction equals 9.1% of adjusted gross income, the highest in the nation, according to an analysis of government data by the Tax Foundation, a Washington group that favors a simpler, flatter tax system. New York residents thus face a particularly heavy state tax burden, which gets mitigated by the deduction.

The Republican tax plan is "very anti-New York in many ways," says Rep. Joseph Crowley, a Democrat from Queens. "It's going to cost more for New Yorkers. It's going to be more federal taxes for them. And that simply isn't right."

Repealing the deduction, before taking into account other changes in the GOP plan, would raise taxes on about 27% of New York households, increasing their federal bills by an average of \$4,250, says the Tax Policy Center, a joint project of the Urban Institute and Brookings Institution. In New Jersey, 32.9% of households would see their federal taxes go up if the deduction were repealed, with an average increase of \$3,522. Similar increases would happen in Maryland, Connecticut, California and Massachusetts.

The proposed reduction of individual tax rates and repeal of the alternative minimum tax would temper those hits. High-income households subject to the alternative tax already can't take the state tax deduction. Overall, the Trump plan would mean big tax cuts for many high-income Americans, but some households might still see tax increases. Congress and the White House haven't released enough details to make full calculations.

Rep. Kevin Brady, the Republican chairman of the House Ways and Means Committee, contends that repealing the break leads to equal treatment of residents of high-tax states and low-tax states. He hails from Texas, which doesn't have a state income tax and where individual deductions for property and sales taxes make up just 2.5% of income, near the bottom of the pack.

"It is a sort of a fresh approach to moving away from having deductions for some, usually wealthy, or those in high-tax states," he says. The goal, he says, is to make sure that "Washington doesn't reward or punish you based on where you live or choose to live."

Defenders of the deduction have a different view. Though blue states benefit from the deduction, they contend that red states get a disproportionate share of federal spending on the military and government benefits for elderly and poor households.

Kathryn Wylde, chief executive officer of the Partnership for New York City, a group that represents the city's biggest businesses, says the tax break helps the broader economy by supporting an agglomeration of media, finance, accounting and professional-services jobs. She worries about a populist backlash against "clusters of very high earners in the nation's economic centers."

The state and local tax deduction is one of the oldest breaks in the U.S. income tax, dating back to an 1862 tax on incomes imposed by the federal government to finance the Civil War. It has proven resilient, reappearing with the 1913 imposition of a federal income tax and surviving the last tax-code shake-up in 1986, when President Ronald Reagan tried to repeal it.

Democrats controlled the House in 1986, and Ways and Means Chairman Dan Rostenkowski of Illinois forged an alliance with New York Republicans.

James Baker, who was Mr. Reagan's chief of staff and then Treasury secretary, said the deduction was the only subject that caused Mr. Rostenkowski to hang up on him.

"We had a little shouting match, and it was just one of the deductions that they were damn well determined to protect," Mr. Baker said in a recent interview. "We ended up having to let it go."

The break is an itemized deduction. That means most households don't use it. To claim an itemized deduction, total deductions—largely for mortgage interest, charity and

state and local taxes—must exceed the standard deduction of \$6,350 for individuals and \$12,700 for married couples. Mr. Trump wants to double the standard deduction, so many middle-income households might not feel the pinch of the lost break because it would be covered by the bigger standard deduction.

Just 30% of U.S. households itemize their deductions. Those who do—people who benefit from the state and local tax break—are concentrated in high-income, high-tax states. More than 90% of filers with incomes over \$200,000 claim the deduction, according to the Tax Policy Center. Overall, 38% of the deduction's value goes to California, New York and New Jersey, which have 21% of U.S. households, the center says.

The top nine states for the deduction, measured as a percentage of income, all voted for Hillary Clinton, and they have 18 senators, all Democrats. In the House, those same states have 33 Republicans, a number that exceeds the party's overall

governing margin. That means they have the numbers to protect the break—if they all agree on the policy and use their leverage.

New York and New Jersey Republicans already resisted the GOP leadership's health-care bill in March. Rep. Dan Donovan of Staten Island, N.Y., says losing the deduction would “crush” his constituents, and Rep. John Faso of Kinderhook, N.Y., says it would be “double taxation.” Rep. Tom Reed of Corning, the lone New York Republican on the tax-writing Ways and Means Committee, says he intends to fight to protect the break.

Mr. King of Long Island says he spoke out against repeal during House Republicans' January retreat in Philadelphia. His district, he says, is full of police officers and firefighters whose biggest asset is their house, and losing the ability to deduct property taxes could hurt home values.

“This is really bread and butter. This is blood and guts,” he says. “The Democrats will run wild with it.”

The New York Times Health Law Repeal Will Miss Trump's 100-Day Target Date (Une)

Thomas Kaplan and Robert Pear

“We're going to try and measure three times and saw once,” Representative Pete Sessions, Republican of Texas and the chairman of the House Rules Committee, said late Thursday. “A lot of people around this town have tried their best to try and rush it, rush it, rush it.”

He urged patience, saying the health bill “will find its time.”

The lost opportunity was perhaps the biggest blow to the future prospects of Reince Priebus, Mr. Trump's chief of staff, who has a long relationship with Speaker Paul D. Ryan of Wisconsin. Mr. Priebus had pushed aggressively for the House to schedule a vote this week, according to several people who spoke with him within the West Wing and on Capitol Hill.

Earlier on Thursday, Mr. Ryan appeared to shy away from pushing for a fast vote. “We're going to go when we have the votes,” he said, adding that Republicans would not be constrained by “some artificial deadline.”

House Democrats, sensing an advantage, pressured Republicans to once again back away from the bill, just as they did a month ago in an embarrassing defeat for Mr. Trump and Mr. Ryan. Democratic leaders threatened to withhold votes from a stopgap spending measure to keep the government open past

Friday if Republicans insisted on trying to jam the health care bill through the House on Friday or Saturday, which is Mr. Trump's 100th day as president.

The House Democratic leader, Nancy Pelosi of California, said Mr. Trump was “really making fools of the members of Congress of his own party” by asking them to support a health bill that is unpopular with the public.

“If they vote on it, the minute they cast that vote, they put doo-doo on their shoe,” she said.

Republican leaders in both chambers plan to pass the stopgap measure to give lawmakers another week to work out a spending package to fund the government for the remainder of the fiscal year, which ends Sept. 30.

The longer-term spending deal is expected to provide more funding for the military and for border security, although Mr. Trump backed off his demand that lawmakers provide money for the wall he wants to build along the border with Mexico.

Mr. Ryan brushed off the threat from Democrats. “I would be shocked that they would want to see a government shutdown,” he said.

But Mr. Trump was not so dismissive. He unleashed a torrent of Twitter posts on Thursday accusing Democrats of wanting to

New York, in a 2013 report by Democratic Gov. Andrew Cuomo on the “tax threat” to the state, called repeal of the deduction and other potential federal changes an “unfair double taxation scheme” that would adversely affect New York. State residents who are used to taking the tax break would have to pay the full New York tax—with a top rate of 12.7% in New York City and 8.82% for the state outside the city—on top of their federal income taxes.

For the very highest-income New York households—think Wall Street bonuses—loss of the deduction would make the full cost of being a state resident more apparent than ever. That could increase the incentive for individuals to move away and for businesses to pick another state.

“If you talk to the very wealthy and hear them talk about their tax burdens, they're conscious of the difference between being here and being there,” says E.J. McMahon, research director of the Empire Center for Public Policy, a

shut down the government. The posts accused Democrats of putting the needs of health insurance companies, Puerto Rico and undocumented immigrants over the military, visitors to national parks and coal miners — claims that Democrats called absurd.

The latest House plan to repeal and replace the health law would include an amendment drafted by Representative Tom MacArthur, Republican of New Jersey and a leader of a centrist bloc of lawmakers called the Tuesday Group.

Mr. MacArthur's amendment would allow states to opt out of certain provisions of the Affordable Care Act, including one that requires insurers to provide a minimum set of health benefits and another that prohibits insurers from charging higher premiums based on a person's health status.

Republicans say the federal mandates drive up costs, but Democrats say they provide important protections for consumers.

Under Mr. MacArthur's amendment, states could obtain waivers letting them redefine the “essential health benefits,” which now include maternity care, emergency services, mental health care and drug addiction treatment.

Republicans say their bill maintains protections for people with pre-existing conditions. But Democrats

conservative policy think tank in Albany.

There isn't much evidence that high-income households move because of state taxes on individuals, says Kim Rueben of the Tax Policy Center. The exceptions are retirees who don't need access to high-paying jobs in states like New York and may be looking to move to a state without an estate tax.

The lawmakers to watch in coming weeks are the blue-state Republicans in the House, including Rep. Chris Collins of New York, an early supporter of Mr. Trump. He said Wednesday that repeal is a “big concern” for GOP lawmakers from New York, New Jersey and California.

“Ever since our proposal first came out in January, I said I will fight to keep those deductions,” he said.

say the waivers would severely weaken these protections because insurers could charge higher premiums to sick people who wanted to buy insurance after a gap in coverage.

Republicans say their bill offers billions of dollars that states could use to operate high-risk pools or other programs to provide or subsidize insurance for people with pre-existing conditions.

The American Medical Association and AARP, the lobby for older Americans, oppose the latest version of the Republicans' health care bill.

“Although the MacArthur amendment states that the ban on pre-existing conditions remains intact, this assurance may be illusory, as status underwriting could effectively make coverage completely unaffordable to people with pre-existing conditions,” said Dr. James L. Madara, the chief executive of the American Medical Association.

Mr. MacArthur said Thursday that his amendment had won over some of his Republican colleagues, though not enough to pass the bill. “But we are closer today than we've ever been,” he said. “We're getting there.”

At the same time, his amendment highlighted the gulf between hard-line conservatives and more

moderate Republicans when it comes to how to go about repealing and replacing the Affordable Care Act.

For the Freedom Caucus, which shouldered much of the blame for the House bill's failure last month, the amendment functioned as a way to shift any finger-pointing to a different bloc of members.

But the latest version of the House bill seemed to offer little that would entice anyone with reservations other than the hard-line conservatives.

"The proposed changes to this bill would leave too many of my constituents with pre-existing conditions paying more for health insurance coverage, and too many of them will even be left without any coverage at all," Representative Ileana Ros-Lehtinen, Republican of Florida, said Thursday.

It also gave pause to some Republicans who were ready to vote in favor of the measure last month.

Representative Mario Diaz-Balart, Republican of Florida, planned to support the bill last month before it

was pulled. But on Thursday, he acknowledged "a lot of red flags," including what would happen to people with pre-existing conditions. "How are they treated?" he asked. "What options do they have?"

The House plan had already faced deep skepticism in the Senate, where other policy concerns are certain to be debated, like the future of Medicaid in states that expanded eligibility under the Affordable Care Act.

The Senate Democratic leader, Chuck Schumer of New York, argued on Thursday that the core of

Mr. MacArthur's amendment would violate the budget rules that Republicans must follow in order to sidestep a Democratic filibuster.

Mr. Schumer warned House Republicans against voting for a flawed bill "to save face for the president in the first 100 days."

"Why," he asked, "would you risk voting yes for a bill that is devastating to your constituents and has no chance of becoming law?"

POLITICO House delays Obamacare vote, denying Trump 100-day win

By Joanna Weiss

GOP leaders are still struggling to round up enough moderates to get their repeal-and-replace bill through the chamber.

House Republican leaders on Thursday delayed a vote on their Obamacare repeal bill until next week at the earliest, denying President Donald Trump a major legislative victory during his first 100 days in office.

Speaker Paul Ryan and his top lieutenants decided during a late-night huddle in the Capitol that they still do not have the votes to pass the stalled health-care legislation. At least 15 House Republicans remain solidly opposed to the bill, with another 20 leaning no or still undecided, according to GOP lawmakers and aides.

Story Continued Below

House Republicans can only lose 22 votes.

"We are not voting on health care tomorrow," Majority Leader Kevin McCarthy (R-Calif.) told reporters upon emerging from the meeting. "We're still educating members."

White House officials, after striking a deal with conservatives, had publicly raised expectations that the vote would occur this week. And they privately pushed Ryan (R-Wis.) to hand Trump something he could tout as a major legislative victory before Saturday, his 100th day in office.

But GOP leaders are still struggling to secure the votes, though some are hopeful they can vote next week. More than 15 lawmakers publicly declared their opposition in recent days, though most of those members also rejected the original draft that Ryan yanked from the floor last month. More foreboding for House leaders, Republicans who backed earlier versions of the proposal, including Reps. Mike Coffman of Colorado and Adam

Kinzinger of Illinois, said they were now undecided. Some even came out against the bill.

"Protections for those with pre-existing conditions without contingency and affordable access to coverage for every American remain my priorities for advancing health care reform, and this bill does not satisfy those benchmarks for me," said Rep. Ryan Costello, a centrist Pennsylvania Republican who voted for an earlier version of the bill in committee. "I remain a no vote on this bill in its current form."

Multiple senior House Republican sources said Ryan and his top lieutenants have made progress and are increasingly confident that they'll eventually garner enough support to force the bill through the chamber. They've locked down the most recalcitrant conservatives in the 238-member House GOP conference. And they say they're making headway with some moderate Republicans wary of a constituent backlash if they support the health care overhaul.

Case in point: Three senior House Republican sources sounded confident Thursday that they've now secured a "yes" vote from House Appropriations Chairman Rodney Frelinghuysen, who came out against the bill several weeks ago. The influential New Jersey Republican's office did not return multiple requests for comment.

But leadership still has a ways to go until they hit 216, the number of votes Ryan needs to pass the bill. Since no Democrats are expected to support the measure — which would gut some of Obamacare's central consumer protections, repeal its taxes and phase out its massive expansion of Medicaid — Ryan can afford to lose only 22 members.

Moderates appeared to be the biggest headache for GOP leaders on Thursday.

Coffman told POLITICO that if the vote on the measure were called today, "I'd vote no." Coffman said he has serious concerns about whether the latest draft does enough to protect coverage for people with pre-existing conditions, concerns echoed by just about every centrist opponent of the bill.

Reps. Pat Meehan of Pennsylvania, Jamie Herrera Beutler of Washington state and John Katko of New York also came out against the bill in statements Thursday, with Meehan specifically citing concerns about those with pre-existing condition as the reason for his opposition.

Meanwhile, a slew of House GOP moderates steadfastly refused to reveal their position on the measure. Rep. Elise Stefanik of New York, told a reporter to "contact my office" when asked about her position. Rep. Darrell Issa of California, who represents a district Hillary Clinton won handily in November, paused outside the House chamber for a reporter's question only to ignore it and walk away when asked about the health care bill.

Moderates aren't the only problem for leaders. A small number of staunch conservatives are also holding their ground against the latest plan despite Wednesday's endorsement by the conservative House Freedom Caucus. Caucus member Andy Biggs of Arizona said he was a "no." Rep. Rod Blum of Iowa said he was waiting to decide how to vote until he had read a study about how the legislation would affect premiums for group health insurance.

Meanwhile, other conservatives not in the Freedom Caucus, including Rep. Walter Jones, also said they'd vote against the bill Thursday. The North Carolina Republican said he couldn't back something that had not been scored by the Congressional Budget Office.

"I'm still going to vote no," Jones said. "I don't see how anybody, with our nation going financially broke, can vote for a bill of such consequences without knowing the score."

The Congressional Budget Office is not expected to release the latest score of the new draft for a few weeks, congressional sources said Thursday. The CBO score for an earlier version of the text estimated that 24 million more people could go uninsured over the next 10 years.

House leaders spent almost all Wednesday and Thursday buttonholing members, attempting to round up every vote possible. House vote counters such as deputy whip Patrick McHenry of North Carolina were seen roaming the chamber, corralling members who opposed the health care measure — including even Rep. Justin Amash of Michigan, one of the most ardent opponents of earlier versions of the health care plan. Amash, a Freedom Caucus member, has told reporters he's still reviewing the bill despite the Freedom Caucus' endorsement.

Some mainstream and moderate Republicans stewed that the White House had rewarded what they see as bad behavior by the Freedom Caucus. After trying to work in good faith with leadership, the skeptics said they're now being pressured to vote for a more conservative bill.

At the heart of the revised health care measure are changes negotiated by Freedom Caucus chairman Mark Meadows or North Carolina and New Jersey Rep. Tom MacArthur, a second-term lawmaker and co-chair of the Tuesday Group. Under the proposal, states would be permitted to waive some of Obamacare's minimum coverage requirements and consumer protections, so long as they certified that they could offer an alternative that reduces premiums, enhances competition or

increases the number of people with coverage.

Though the measure would technically preserve Obamacare's guarantee of coverage for people with pre-existing conditions, it also allows insurers in those states to jack up premiums for sick people if they have a gap in coverage. To

The New York Times

House Republicans have revised their proposal to destroy the Affordable Care Act in an effort to win the support of far-right legislators who opposed the first version. In so doing they have made it much worse.

The original Trumpcare bill, whose spectacular failure embarrassed the White House, had a public approval rating of just 17 percent because it would have taken health insurance away from 24 million Americans, many of them poor, sick and elderly. The new version would further tighten the screws on vulnerable Americans by letting insurance companies charge older people and people with pre-existing conditions much higher premiums than they charge younger and healthier people. It would also give insurers the freedom not to cover essential health services like maternity care and cancer treatment.

The lawmaker who proposed these changes is Representative Tom MacArthur of New Jersey, who says he wants to reduce premiums. The nasty new twist in his version is a

offset that risk, the bill includes a \$130 billion fund meant to help keep premiums down for people with pre-existing conditions. But advocates like the American Medical Association, AARP and the American Hospital Association worry that it isn't enough to do much good.

provision that, in effect, frees states from having to provide many of the protections now guaranteed by the A.C.A., or Obamacare. States will be permitted to ask the federal government to waive these requirements, and there is a real danger that many lawmakers will cave to pressures from insurance companies that see a way to save money by providing fewer protections.

States might also decide that they have to seek waivers to show voters that they're doing all they can to lower premiums, even if that means putting policies out of reach or making the coverage less comprehensive. Like the original, the bill slashes Obamacare subsidies, making insurance much more expensive for many individuals and families. The premium for a 40-year-old earning \$30,000 living in Chattanooga, Tenn., would increase by \$3,000 under the bill, according to the Kaiser Family Foundation.

Economic considerations aside, right-wing legislators might seek waivers simply because they dislike

MacArthur said Thursday his goal in negotiating with the Freedom Caucus was to "make sure everybody has health insurance" and make sure health care "costs are under control."

"I'm simply looking at which Republicans can we get to support a compromise that is helpful for

government intervention in the private market and recoil from spending money on what they consider wasteful welfare programs. That's one big reason 19 states, including Florida, Georgia and Texas, have refused to expand Medicaid under the A.C.A. even though the federal government pays a vast majority of the cost of providing that coverage.

Obamacare has flaws; the law does not do enough to make premiums and deductibles affordable. But affordability is not what Mr. MacArthur cares about. The AARP says that 40 percent of those between the ages of 50 and 64, or about 25 million people, have the kinds of pre-existing medical conditions that would put them at risk of losing affordable health insurance under the House bill. The American Medical Association is even more pessimistic, predicting that the MacArthur amendment "could effectively make coverage completely unaffordable to people with pre-existing conditions."

Republican lawmakers claim that states could help anybody hurt by

moving along health care reform, which is desperately needed," he said.

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their bill by creating high-risk pools with the help of federal grants. But this is a disingenuous argument. Many states operated high-risk pools before the A.C.A., but they ran up large losses and benefited few people.

Republicans who thought they could rush this dreadful bill to give President Trump a first-100-day achievement to gloat about seem oblivious to what most Americans want. A recent Pew poll found that 60 percent of people say that the government has a responsibility to make sure everybody has health care.

The hopeful news is that many centrist Republicans, including members of Congress and governors from swing states like Ohio, have expressed grave reservations about the House bill, in particular the attack on people with pre-existing conditions. It will be up to them to stop their party from jumping off the deep end and jeopardizing the health care of millions of Americans.

The Washington Post

Thursday that the House would consider a new Obamacare replacement bill "when we have the votes." Given the legislation that's being drafted, that ought to be never. Any politician who pledged to protect people with preexisting conditions would betray that promise by supporting this bill.

The amended American Health Care Act (AHCA) is much the same as the old repeal and replace, which the Congressional Budget Office found would erode insurance plan quality and push 24 million off coverage. But this version also would allow states to rescind some of Obamacare's central protections, most notably that insurance companies cannot charge sick people more than healthy ones. This "community rating" provision is at the core of Obamacare's guarantee of meaningful access to

Editorial : Repeal and replace just got even worse

SPEAKER PAUL D. RYAN (R-Wis.) said

health-care coverage to people with preexisting conditions.

"There is no question that the amendment to the AHCA lets states end guaranteed access to insurance for people with pre-existing conditions," the Kaiser Family Foundation's Larry Levitt tweeted Thursday. "Insurers would be required to offer insurance to people with pre-existing conditions, but could charge them unlimited premiums."

Opinions newsletter

Thought-provoking opinions and commentary, in your inbox daily.

States that wanted to revoke these protections would create high-risk pools for sick insurance-buyers or establish reinsurance programs that would help insurers defray large medical costs. But federal grants would provide "nowhere near enough ... to address the needs," Linda Blumberg, a health economist at the nonpartisan Urban Institute,

wrote in an email. Even if they did, "the AHCA includes no requirements for high-risk pool eligibility, premiums, or benefits," Mr. Levitt explained. "So, there is no guarantee for people who are sick." Reinsurance programs could be even worse: Ms. Blumberg explained that reinsurance "could lower premiums for those that are buying at 'standard' rates, but it might do absolutely nothing to make coverage affordable for those that are sick and rated up."

Coverage among the young and healthy might increase, since insurers free to pick and choose their customers would set low, attractive premiums for people who do not need much care and prohibitively high premiums for people who do. Mr. Levitt predicts that the result might be somewhat more people covered than the original AHCA's abysmal numbers. Or, Ms. Blumberg argues, the amendment could still increase the

number of uninsured by forcing more sick people out of the system.

Either way, looking simply at the number of uninsured underestimates the misery this policy would cause. Replacing sick people with healthy people on the insurance rolls means less help for those who really need it.

The bill has the support of the hard-right Freedom Caucus and at least one prominent House centrist, Tom MacArthur (R-N.J.), putting the responsibility on others to halt it. As of Thursday afternoon, nearly enough had said they oppose the new bill, though the GOP's centrists could be in for some intense arm-twisting.

The bill is breathtakingly unpopular, as is the whole repeal-and-replace effort, and deservedly so. Do Republicans really want to risk their House majority for this?

Opinions newsletter

House will not vote on Affordable Care Act rewrite, smoothing way for government to stay open (UNE)

White House press secretary Sean Spicer addressed President Trump's tweet blaming Democrats for a looming budget deadline on April 27, saying that "the Democrats, at the last minute, have come in and thrown a lot of monkey wrenches into" negotiations. Sean Spicer said on April 27, that "the Democrats, at the last minute, have come in and thrown a lot of monkey wrenches into" negotiating a spending bill. (Reuters)

Despite pressure from the White House, House GOP leaders determined Thursday night that they didn't have the votes to pass a rewrite of the Affordable Care Act and would not seek to put their proposal on the floor on Friday.

A late push to act on health care had threatened the bipartisan deal to keep the government open for one week while lawmakers crafted a longer-term spending deal. Now, members are likely to approve the short-term spending bill when it comes to the floor and keep the government open past midnight on Friday.

The failure of Republicans to unite behind the new health-care measure was a blow to White House officials, who were eager to see a vote ahead of President Trump's 100-day mark. Congressional leaders were more focused this week on securing a spending agreement, according to multiple people involved in the discussions who spoke on condition of anonymity because they were not allowed to talk publicly.

It was also evidence of just how divided Republicans are about how to overhaul Obamacare, despite seven years of GOP promises to repeal and replace the 2010 law. Conservatives and moderates have repeatedly clashed over the contours of such a revamp, most sharply over bringing down insurance premiums in exchange for limiting the kind of coverage that is required to be offered.

As many as 15 or so House Republicans have publicly said they will not support the latest GOP proposal, which was crafted among the White House, the hard-line House Freedom Caucus and a leading moderate lawmaker. That leaves House Speaker Paul D. Ryan (R-Wis.) and the White House an incredibly narrow path for passage. The speaker can lose only 22 Republicans on a health-care vote because Democrats have

fiercely opposed any attempt to repeal the ACA.

(Peter Stevenson/The Washington Post)

The federal government will shut down unless Congress passes a bill by midnight on April 28. The Fix's Amber Phillips explains why a government shutdown is unlikely this time. Will the federal government avoid a shutdown? (Peter Stevenson/The Washington Post)

Exiting a roughly 90-minute meeting in Ryan's office late Thursday night, House Majority Leader Kevin McCarthy (R-Calif.) said there would be no health-care vote Friday and that the main focus of the impromptu huddle was to ensure that the leadership had the votes to pass the one-week funding bill.

"We are not voting on health-care tomorrow," McCarthy said Thursday, denying that leaders had ever wanted to vote by Friday.

"We're still educating members," McCarthy said, adding: "We've been making great progress. As soon as we have the votes, we'll vote on it."

Trump weighed in on the spending negotiations on Thursday, tweeting that Democrats wanted to shut down the government to "bail out insurance companies."

"As families prepare for summer vacations in our National Parks — Democrats threaten to close them and shut down the government. Terrible!" Trump tweeted.

But the failure to make progress on health care is a good sign for smooth passage of the government funding bill — at least the version that will keep the government's lights on through May 5. Lawmakers are still finishing negotiations on a longer-term spending deal to fund the government through September. Republicans have stated that they need Democratic support to pass that measure, which they expect to consider next week.

The Senate stands ready to approve the one-week spending bill, but only once the broader spending agreement is complete. Senators in both parties told reporters they were instructed not to leave Washington on Thursday night.

Senate Minority Leader Charles E. Schumer (D-N.Y.) on Thursday blocked a measure to allow the Senate to approve the stopgap budget without a formal vote. He

has indicated that he will drop his objections once he is assured that a long-term budget agreement is in place, according to Senate Democratic aides.

"Instead of rushing through health care," Schumer told reporters, "they first ought to get the government funded for a full year — plain and simple."

The White House tried to jump-start talks on health care after House Republicans failed to pass a previous attempt at an ACA rewrite at the end of March.

But Democrats fiercely oppose any effort to repeal the ACA and threatened to pull their support from the short-term bill if Republicans moved forward with that effort.

"If Republicans pursue this partisan path of forcing Americans to pay more for less and destabilizing our county's health-care system," said House Minority Whip Steny H. Hoyer (D-Md.), then "Republicans should be prepared to [keep the government open] on their own."

House Minority Leader Nancy Pelosi (D-Calif.) told a meeting of Democratic whips on Thursday that she had called Ryan and told him there were two conditions for Democratic support of the short-term funding bill, according to aides in the room. Democrats would only sign off on the emergency spending measure to allow lawmakers time to pass the longer-term spending deal, and they would not back the measure if doing so would allow Ryan time to set up a vote on a GOP rewrite of the Affordable Care Act.

The sudden turmoil was yet another sign of Congress's inability to meet deadlines for its most basic function: keeping the government's lights on. And it presages fights among Congress, the White House and both parties over spending priorities, despite the one-party rule that gave some observers hope that the gridlock would cease.

But it was Republicans who this week jettisoned money for Trump's border wall because of widespread agreement that it should not be tied to the spending deal. Trump has also agreed to pay the cost-sharing subsidies for low-income people who get their insurance under the ACA — something he threatened to withhold if he did not get money for the wall.

Ryan on Thursday also blamed Democrats for "dragging their feet"

on negotiations in an apparent preparation to blame Democrats if their deal falls through.

"I would be shocked if they would want to see a government shutdown, that the Democrats would want to do that," Ryan told reporters at his weekly press briefing. "The reason this government funding bill is not ready is because Democrats have been dragging their feet."

The standoff is the first in what could be several budget battles between Congress and the White House this year. Trump has called for massive hikes to defense spending and harsh cuts to domestic agencies in his 2018 budget, a proposal that many Republicans have rejected out of hand. He is also likely to revive calls for money to begin constructing the border wall — which by some estimates would cost as much as \$21 billion — in future budget negotiations.

Ryan and Senate Majority Leader Mitch McConnell (R-Ky.) were forced to negotiate with Democrats on the budget after it became clear that Republicans lacked enough votes to pass a long-term spending bill on their own. As a result, the GOP leaders have had the uncomfortable task of writing a measure that ignores nearly all of Trump's priorities, including money for the border wall.

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Schumer also sought to refocus blame on the GOP, arguing that the only thing standing in the way of a long-term agreement was Trump himself. Congressional leaders were nearing a final deal several weeks ago, but the talks were derailed when Office of Management and budget director Mick Mulvaney announced that Trump would demand that money for the border wall be included in the funding bill.

"Unfortunately the president stood in the way for quite a long time," Schumer said. "That's why we're a little delayed."

Congressional leaders had hoped to finalize a spending deal by midweek, but the talks were stuck on a small number of unrelated policy provisions, known as riders. Democrats complained that GOP leaders were trying to use the spending bill to cut abortion access

and scale back Wall Street reforms passed under President Barack Obama.

Robert Costa and Ed O'Keefe contributed to this report.

**The
New York
Times**

Pentagon Inquiry Seeks to Learn if Flynn Hid Foreign Payment (UNE)

Emmarie Huetteman and Matthew Rosenberg

The April 11 letter from the inspector general did not specify what payment from a foreign government was at issue. But Mr. Flynn is known to have been paid more than \$45,000 by RT, the Kremlin-financed news network, to give a speech in Moscow in December 2015.

More than two months after Mr. Flynn was fired as national security adviser, his links to Moscow continue to bedevil the Trump administration, which itself has been dogged by reports of ties between Russian officials and the president's associates. The Senate and House Intelligence Committees and the F.B.I. are investigating allegations that Mr. Trump's associates colluded with Russia before and after last year's presidential election.

Mr. Flynn, an unconventional and often contentious former three-star Army general, is at the center of the inquiries. Apart from the paid speech in Moscow — a trip during which he was photographed dining at the elbow of President Vladimir V. Putin of Russia — there are questions about conversations he had last year with the Russian ambassador to the United States. He was fired for misleading Vice President Mike Pence and other top officials about those conversations.

It is not clear whether Mr. Flynn is cooperating with any of the investigations. But last month, he offered to sit down with congressional investigators in exchange for immunity, a deal that lawmakers say was declined, at least for now.

**The
New York
Times**

Krugman : Living in the Trump Zone

Paul Krugman
4-5 minutes

Meanwhile, the document said something about eliminating tax breaks, but didn't say which. For example, would the tax exemption for 401(k) retirement accounts be preserved? The answer, according to the White House, was yes, or maybe no, or then again yes, depending on whom you asked and when you asked.

So if you were looking for a document that you could use to

The White House has so far declined requests from both congressional Republicans and Democrats to provide the House Oversight Committee with internal documents related to Mr. Flynn.

White House officials argued that they did not have all the documents, and that those they did have were too sensitive and were irrelevant to congressional investigators.

"I honestly don't understand why the White House is covering up for Michael Flynn," Representative Elijah E. Cummings of Maryland, the top Democrat on the House panel, said at a news conference on Thursday.

Mr. Cummings released both the Pentagon inspector general's letter to the committee and the October 2014 letter from the Pentagon instructing Mr. Flynn to seek approval before taking any payments from a foreign government.

Democrats decided to release the documents on Thursday without approval from Representative Jason Chaffetz of Utah, the committee's Republican chairman, according to a House aide. Mr. Cummings also chastised Mr. Chaffetz for his decision not to demand that Mr. Flynn appear before the committee for questioning, a move the chairman said was unnecessary because of a parallel investigation by the House Intelligence Committee.

Mr. Chaffetz announced late Wednesday that he would be away from Washington for a few weeks, recovering from a medical emergency.

Bruce Anderson, a spokesman for the Defense Department's inspector general, said on Thursday that the

office had opened its own investigation on April 4. In February, The New York Times reported that the Army was looking into whether Mr. Flynn had received money for his speech in Moscow around the time he left the Trump administration.

Mr. Chaffetz and Mr. Cummings announced this week that it was likely that Mr. Flynn had violated federal law by failing to fully disclose his business dealings with Russia. They made that assertion after viewing classified documents that included a form seeking to renew his security clearance in January 2016.

Mr. Cummings also distributed an unclassified version of a document that had prompted his joint announcement with Mr. Chaffetz: a letter dated April 7 from the Defense Intelligence Agency informing lawmakers that Mr. Flynn neither sought approval nor reported income from a foreign source. That letter, Mr. Cummings said, contradicts a claim by Mr. Flynn's lawyer that the general consulted with the agency about his trip to Moscow.

The lawyer, Robert Kelner, said on Thursday that a partly redacted section of the April 7 letter confirmed that Mr. Flynn had given the D.I.A. information about his speech in Moscow. That section of the letter refers briefly to information Mr. Flynn provided to Pentagon officials on a thumb drive, but does not appear to challenge the agency's findings that Mr. Flynn did not report receiving money from the Russian government.

According to the Defense Department letter cautioning Mr. Flynn to seek permission before accepting payments from foreign

governments, the penalty for failing to do so is the suspension of one's military retirement pay.

The penalty for "knowingly falsifying or concealing" information on the form Mr. Flynn filled out to renew his security clearance, apparently without disclosing his speaking fee from RT, is fines and up to five years in prison.

The latest development fueled questions about how thoroughly the Trump administration had vetted Mr. Flynn before he was named national security adviser. Sean Spicer, the White House spokesman, sought on Thursday to deflect blame to the Obama administration, claiming that officials had full knowledge of Mr. Flynn's trip to Moscow when his security clearance was issued. That directly contradicted the D.I.A., which said it had no record of Mr. Flynn's reporting details of his compensation there.

Mr. Flynn's most recent clearance was issued last year, when President Barack Obama was still in office. But security clearances are issued by the Defense Department, not the White House, and are not subject to direct political oversight.

After being forced out of the Trump administration, Mr. Flynn belatedly filed paperwork as a foreign agent for his work lobbying on behalf of Turkey's interests in the United States. He had been hired by a firm owned by a Turkish-American businessman with ties to the Turkish government. The firm paid him more than \$500,000.

estimate, even roughly, how much a given individual would end up paying, sorry.

It's clear the White House is proposing huge tax breaks for corporations and the wealthy, with the breaks especially big for people who can bypass regular personal taxes by channeling their income into tax-privileged businesses — people, for example, named Donald Trump. So Trump plans to blow up the deficit bigly, largely to his own personal benefit; but that's about all we know.

So why would the White House release such an embarrassing document? Why would the Treasury Department go along with this clown show?

Unfortunately, we know the answer. Every report from inside the White House conveys the impression that Trump is like a temperamental child, bored by details and easily frustrated when things don't go his way; being an effective staffer seems to involve finding ways to make him feel good and take his

mind off news that he feels makes him look bad.

If he says he wants something, no matter how ridiculous, you say, "Yes, Mr. President!"; at most, you try to minimize the damage.

Right now, by all accounts, the child-man in chief is in a snit over the prospect of news stories that review his first 100 days and conclude that he hasn't achieved much if anything (because he hasn't). So last week he announced the imminent release of something he could call a tax plan.

According to The Times, this left Treasury staff — who were nowhere near having a plan ready to go — “speechless.” But nobody dared tell him it couldn’t be done. Instead, they released ... something, with nobody sure what it means.

And the absence of a real tax plan isn’t the only thing the inner circle apparently doesn’t dare tell him.

Obviously, nobody has yet dared to tell Trump that he did something both ludicrous and vile by accusing President Barack Obama of wiretapping his campaign; instead, administration officials spent weeks trying to come up with something,

anything, that would lend substance to the charge.

Or consider health care. The attempt to repeal and replace Obamacare failed ignominiously, for very good reasons: After all that huffing and puffing, Republicans couldn’t come up with a better idea. On the contrary, all their proposals would lead to mass loss of coverage and soaring costs for the most vulnerable.

Clearly, Trump and company should just let it go and move on to something else. But that would require a certain level of maturity — which is a quality nowhere to be

found in this White House. So they just keep at it, with proposals everyone I know calls zombie Trumpcare 2.0, 3.0, and so on.

And I don’t even want to think about foreign policy. On the domestic front, soothing the president’s fragile ego with forceful-sounding but incoherent proclamations can do only so much damage; on the international front it’s a good way to stumble into a diplomatic crisis, or even a war.

In any case, I’d like to make a plea to my colleagues in the news media: Don’t pretend that this is normal. Let’s not act as if that thing

released on Wednesday, whatever it was, was something like, say, the 2001 Bush tax cut; I strongly disapproved of that cut, but at least it was comprehensible. Let’s not pretend that we’re having a real discussion of, say, the growth effects of changes in business tax rates.

No, what we’re looking at here isn’t policy; it’s pieces of paper whose goal is to soothe the big man’s temper tantrums. Unfortunately, we may all pay the price of his therapy.