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# FRANCE - EUROPE

**Bloomberg**

## Editorial : Macron's Work Has Barely Begun

Emmanuel Macron is nothing if not persuasive. He's built a political movement from scratch and won enough votes from France's established parties to take the keys to the Elysee Palace. He'll need those skills and more to carry out an essential reform that has eluded all his predecessors -- freeing up France's labor market.

Just last year, France debated the latest of many attempts to make its labor laws less rigid. After furious protests, the plan was diluted down to not much -- and even then was implemented only by using a special constitutional provision that let the government bypass Parliament. This struggle pretty much sealed the fate of Macron's predecessor, Francois Hollande. Macron cannot be under

any illusions about the challenge he faces.

The famed 35-hour working week is not the main problem, at least in the private sector. Many workers put in much longer hours (and are paid generously for it). The real issue is that labor laws leave almost no room for individual company-level negotiation. Terms are governed by complex regulations and collective bargaining that is highly centralized. Over 95 percent of employees are covered by such agreements -- even though less than 8 percent of workers (even fewer in the private sector) are actually union members.

The El-Khomri law, as the 2016 effort was called, did make it a bit easier for companies to dismiss workers for economic reasons. It liberalized working hours some. But

it fell a long way short of what was promised or needed. The permitted criteria for dismissal remain vague and their application can vary from local tribunal to local tribunal. If the French subsidiary of an international firm is in trouble, it can't fire staff if the parent firm is doing fine -- hardly a draw for foreign investors.

Clear thinking from leading voices in business, economics, politics, foreign affairs, culture, and more.

Share the View

A system designed to protect workers has become a huge obstacle to growth and employment. And the labor code isn't the only thing keeping people out of work. France also needs education reform. There are too few opportunities to acquire workplace skills, creating a permanent class of

unemployed and underemployed. France's apprenticeship system is more complex and much less effective than Germany's.

These failings have hit young people especially hard. The stresses have helped to fuel a rise in populism, leaving foreigners and free trade out of favor and even weakening support for the European Union.

Macron is aware of the stakes and apparently unafraid to confront the unions, which is encouraging. But winning the presidency wasn't enough. He now needs to convince voters to give his party a majority in parliament. Even with that, he'll have his work cut out. Without it, the prospects for the reforms France needs aren't bright.

**Bloomberg**

## Fox : The Elitist Experts May Just Save France

Across the Western world, the elite and the experts are under attack. This is especially true of economic experts, whose credibility took a deserved beating during and after the global financial crisis.

France is no exception to this tendency. In the first round of the country's presidential elections in May, 45 percent of the vote went to anti-establishment candidates 1 -- just shy of the 46 percent of the popular vote that Donald Trump got in the U.S.

Yet France is now led by not a populist rabble-rouser but by President Emmanuel Macron, a polished, centrist product of elite educational institutions, the civil service and Rothschild & Co. who was the country's economy minister from August 2014 to August 2016. Macron's new En Marche! party is rapidly gaining ground in the polls for next month's legislative elections, giving him the strong prospect of taking full control of the government over the summer. If that happens, or even if he has to build a coalition with the center-right, Macron will then push for a set of expert-designed economic reforms aimed at getting France out of its long economic funk.

This is, first of all, an object lesson in how different electoral systems can process similar public attitudes into dramatically different political results. It is also going to be a fascinating test of whether those elite experts can actually get something right.

I'm guessing that in France they probably will -- in large part because the conditions are so ripe. For the past few years, the country has been a leading candidate for the venerable title of "sick man of Europe." Economic growth has been excruciatingly slow, unemployment stubbornly high. Yet some key fundamentals are strong: French workers are among the most productive in the world, with output per worker trailing only the U.S. among major economies. And, in sharp contrast to the situation in neighboring Germany, Italy and Spain, France's working-age population is actually expected to grow over the next few decades.

The basic problem is that France hasn't been putting enough of its people to work:

### Losing Ground in Employment

Employment-to-population ratio, ages 25 through 54

Source: Organization for Economic Cooperation and Development

The standard economic-expert explanations for this (the European Commission issued a useful roundup earlier this week) are that French labor markets are too rigid, there's too little competition in the economy, and taxes on business and labor are too high. During his stint as economy minister, Macron pushed for reforms aimed at fixing some of these problems, with limited success. Now he's president, elected on a platform of reform. Presumably that means he'll get further this time.

How much further he'll get is of course the big question -- France is notoriously resistant to market-oriented reforms. But while in past decades such efforts could be derided as forays into Anglo-Saxon cowboy capitalism, the models Macron can point to these days tend to be Teutonic or Nordic. The continental European countries to France's north all have strong labor unions, well-developed welfare states, and usually some kind of job security for workers -- and (with the exception of Belgium) they've all been doing a much better job of putting people to work in recent years than either France or the U.S.

has. The keys seem to be flexibility and a focus on investing in the future instead of trying to preserve the status quo.

Again, it seems a tall order to think France can suddenly become as nimble as Denmark or Sweden. But it probably doesn't have to. As is apparent in the above chart, France actually had a pretty healthy prime-age employment-to-population ratio at the time of the financial crisis. But the aftermath, and the drawn-out euro crisis, hit France especially hard. Now most signs are that those headwinds are easing and French economic growth is beginning, fitfully, to accelerate. In other words, Macron may turn out to be quite lucky in his timing. Cutting back on job protections would be less of a political minefield if companies are hiring, and growth would make it appear that his reforms are succeeding even before they really start having an effect.

There are two deeper labor market problems that seem harder to fix but could drive growth for years if Macron and his experts can find solutions. One is the large number of immigrants who are disconnected from the French job market. The employment gap between native-born and foreign-born is bigger in

France than almost anywhere else in Europe. There's no reason this has to be the case -- in the U.S., immigrants are *more* likely to be employed than the native-born -- but bringing more immigrants into the workforce could require big changes in labor-market regulation, vocational training programs and attitude. 2

The other issue is the huge number of educated, ambitious French people who have sought their fortunes elsewhere during the past

two decades. As Philip Delves Broughton put it in the Wall Street Journal earlier this month:

Some time after the opening of the Channel Tunnel in 1994, during the long drear of the Jacques Chirac years, they began to leave. All those graduates of Paris's famed *lycées*, Henri IV and Stanislas, and the products of its vaunted grandes écoles looked at what France had to offer and hoofed it, some for New York, a few for Silicon Valley, and a great thundering herd for London.

Clear thinking from leading voices in business, economics, politics, foreign affairs, culture, and more.

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With Brexit, London is likely to become a tougher place for French nationals to make a living. The U.S. has recently become less welcoming to immigrants as well. Which means this is a moment of opportunity. French authorities are already working hard to persuade financial firms to move operations to

Paris -- an effort that was assisted greatly by Macron's election victory. Reversing the brain drain will be tough, but even just slowing it would be a huge victory. A few tax cuts here, a few signs of momentum there, and maybe the tide could start to turn.

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**THE WALL  
STREET  
JOURNAL**

## France's Safran Cuts Offer for Zodiac Aerospace by About 15% to \$8.2 Billion

Robert Wall and Ben Dummett

French aerospace supplier Safran SA on Wednesday said it cut its bid price for Zodiac Aerospace SA about 15% to €7.3 billion (\$8.2 billion) after renewed profit headwinds came to light at the beleaguered plane cabin-interior specialist.

Safran in January announced a plan to buy Zodiac Aerospace to become the world's No. 3 aerospace supplier to Boeing Co. and Airbus SE behind United Technologies UTX 0.01% Corp. and General Electric GE -1.59% Co.

The deal quickly drew fire from hedge fund TCI Fund Management, which said Safran was overpaying. TCI urged Safran to abandon the deal and attacked the complicated transaction that it said gave preferential treatment to the Zodiac's family shareholders and two institutional investors in the company.

Safran said in March that it was reviewing its offer after Zodiac issued a profit warning amid new problems in its seat-building business. The company already had been struggling to produce business class seats for Boeing and Airbus

and other cabin interior items, such as toilet doors.

Safran on Wednesday said it would pay €25 a share for 100% of Zodiac shares. Safran originally had said it would pay €29.47 a share for Zodiac in a tender offer.

It also adjusted other elements of the complex deal.

The new structure offers an alternative to the cash offer for some Zodiac shares. Safran is offering preferred shares in exchange for Zodiac stock in a structure with an implied value of around €24 for each Zodiac share. This component is

capped at 31.4% of Zodiac's total outstanding the stock. The preferred shares carry the same rights as ordinary shares but have to be held for at least three years after the completion of the tender offer.

The deal's completion is in part contingent on 50% of Zodiac shares with voting rights being tendered.

To placate investors such as TCI who were looking for Safran to return more capital to shareholders, Safran said if the deal goes through it would undertake a €2.3 billion share buyback over two years.

**The  
Washington  
Post**

## As European leaders sit with Trump, relief that meetings are happening at all

BRUSSELS — President Trump arrived in Belgium on Wednesday for an audience with the nation's king, a day ahead of meetings with leaders of alliances he once derided as irrelevant — and many top officials here say they will count it a success if there are no blowups during the visit.

From a European Union hit by populists to a NATO filled with concern over U.S. security guarantees, the city in which the U.S. president touched down Wednesday will be on its best behavior over the course of his 29-hour visit. The mere fact that Trump has agreed to visit a city filled with international organizations he once called "obsolete" is a victory, some here say.

E.U. leaders plan a simple meet-and-greet on Thursday morning, with a focus on "connecting the synapses" about a handful of European priorities such as trade and security, according to a senior E.U. official involved in the planning. France's new president, Emmanuel Macron, will press Trump on U.S. environmental commitments over lunch.

NATO leaders have arranged an itinerary to appeal to the former real estate magnate: a ribbon-cutting of the alliance's glassy new headquarters, followed by a dinner where leaders will be held to a lightning-round speaking schedule to save time.

And at a summit of the leaders of the Group of Seven world powers in Sicily on Friday and Saturday, Trump will be pressed to reaffirm the U.S. commitment to free trade and to keep the United States in the Paris agreement on climate change. The White House has said a decision on the climate deal will come shortly after the visit.

Trump plans to press NATO leaders on defense spending, continuing a line of attack he started as a candidate last year, Secretary of State Rex Tillerson said Wednesday.

"You can expect the president to be very tough on them," Tillerson said, saying that he expected Trump to tell them: "The American people are doing a lot for your security, for our joint security. You need to make sure you're doing your share for your own security as well."

Although Trump had initially been expected to make an announcement on Afghan troop levels at the NATO meeting, Tillerson said that a policy review has not been completed and will take at least a few weeks.

At the G-7 meeting, Tillerson said that no trade deal was in the offing. Instead, he said, European leaders should expect "a very frank discussion and exchange on why these trade unbalances exist."

Endorsing an Obama-era position on Russia's exclusion from the group, the secretary of state said that the Kremlin would have to ensure progress on peace in eastern Ukraine and restore "Ukrainian sovereignty" over its territory before it could return.

Trump's meetings with European leaders come after months of anxiety from nations that for generations have been the United States' closest partners but that the president has sometimes appeared to view as free riders. Worries have calmed since their January heights. But many Europeans say they still are unsure what to expect Thursday.

"There's still a high degree of uncertainty when it comes to the

aims and objectives of the Americans," said Cornelius Adebahr, an associate fellow at the German Council on Foreign Relations. "One of the main objectives is to convince the Americans of the value of these formats."

With Russia-related chaos enveloping Washington and Trump sharing sensitive intelligence with the Kremlin that he has apparently held back from European allies, many here say their confidence is fragile.

Nervous NATO members also hope to hear Trump's personal commitment to the alliance's security guarantees after he called them into question on the campaign trail.

Trump is "someone who doesn't believe in the whole idea of engaging with European allies," said Tomas Valasek, who until April was the Slovakian ambassador to NATO and is now the head of the Carnegie Europe think tank. "At least part of the European countries' strategy for dealing with Trump is essentially to hunker down and wait until he goes away."

Even for the brief meetings on Thursday, significant effort was being exerted on how to communicate with Trump, officials said.

At Trump's hour-long morning meeting with European Council President Donald Tusk and European Commission President Jean-Claude Juncker, the two European leaders plan to push Trump to endorse free trade and will highlight the work that European nations are doing to fight terrorism, according to a senior E.U. official who spoke on the condition of anonymity to discuss internal planning. The message gained more urgency after Monday's Islamic State-claimed terrorist attack in Manchester.

At NATO, leaders are being coached to keep their statements crisp, muscular and under four minutes, a standard time limit for such meetings that is being enforced with special vigor this year to avoid upsetting the notoriously

## The New York Times

# European Leaders Hope to Win Trump's Favor (UNE)

Steven Erlanger

When Mr. Trump was running his extraordinary campaign for the presidency, the European Union was in a more urgent crisis, with the British voting to leave the bloc and anti-European Union parties making inroads in countries like France, Germany, the Netherlands, Italy and Spain.

But Europe seems to be emerging from its crisis, though problems persist, while it is Mr. Trump who seems to be at risk. He is facing serious challenges at home from the fallout of his campaign's reported connections to Moscow and his firing of the F.B.I. director, James B. Comey, who was heading the Russia investigation.

"The bar for success at this meeting, which NATO is not even bothering to call a summit, is incredibly low," said Derek Chollet, a former Obama administration assistant secretary of defense for international security affairs who is now at the German Marshall Fund. "This is an ambitionless summit; it's about showing up. The people preparing it define success as Trump shows up, there's no drama, the right things are said and everyone gets out cleanly."

For NATO, facing "a president less engaged and less friendly to NATO than his predecessors, the emphasis is on getting the first impression right," said Tomas Valasek, who recently was Slovakia's ambassador to NATO

impatient U.S. president.

Trump will christen the alliance's new headquarters, dedicating a memorial that includes a fragment of Manhattan's destroyed World Trade Center. The only time NATO's collective defense pledge has been invoked was by the United States after the terrorist attacks of Sept. 11, 2001, which resulted in the years-long NATO operation in Afghanistan.

The meeting will deliver a "strong message of unity and solidarity," NATO Secretary General Jens Stoltenberg said Wednesday ahead of the gathering.

At the meeting, leaders are expected to agree to create plans by the end of the year to achieve NATO defense spending goals, a spur for the 23 of the alliance's 28 countries that do not currently meet the target.

Trump's 2018 budget proposal, unveiled Tuesday, would increase U.S. military spending in Europe by \$1.4 billion, a 41 percent bump that is a departure from earlier

and now directs Carnegie Europe, a Brussels-based research institution.

So, as NATO officials freely admit, there will be severe time limits, especially at a dinner Thursday night where 29 heads of state and government, plus NATO's secretary general, Jens Stoltenberg, are all expected to speak — but only for less than five minutes each. Even at that, it could be as much as two and a half hours of speechifying. There is likely to be some discussion of Afghanistan and the fight against the Islamic State, but no decisions will be made.

Before the dinner, there will be a ceremonial unveiling of two monuments in front of NATO's costly new building, which will be dedicated but is not yet ready for occupancy. That will give Mr. Trump a chance to say some public, scripted words that NATO officials, who asked not to be identified before the event in keeping with diplomatic practice, hope will contain the magic words "Article 5."

As Thomas Wright of the Brookings Institution has pointed out, "the crucial nuance" is that Mr. Trump has never said that "NATO's original mission of countering Russian power in Europe is no longer obsolete." Nor has he openly committed to the defense of the Baltic nations, for example, under Article 5, though both Vice President Mike Pence and Jim Mattis, the defense secretary, explicitly endorsed Article 5 at the Munich Security Conference in February.

warnings that the White House could dial back its commitments. Stoltenberg said the significant increase was a sign that NATO allies were convincing the White House that they were sincere about increasing defense spending.

Leaders may also agree that NATO would formally join the global coalition fighting the Islamic State, a mostly symbolic step that would nevertheless give the alliance a permanent voice in coalition decisions. Tillerson said Wednesday that the step was a U.S. goal.

France is now the lone holdout, NATO officials said, because it is worried that counterterrorism is better addressed through policing and intelligence. The issue will be addressed at the lunch with Macron.

### World News Alerts

Breaking news from around the world.

Despite Europe's overall nervousness about the visit, European officials and

business leaders have said in recent weeks that they have grown somewhat more optimistic on at least a few fronts.

"It was a decision of the citizens of the United States to expressly not elect a president with political experience," said Jürgen Hardt, the foreign policy spokesman for Germany's ruling Christian Democratic Union and a close ally of Chancellor Angela Merkel. "The outcome is that U.S. policies are not clear at the moment," he said.

But he said that Merkel's visit in March had paved the way for smoother relations between Europe and the United States.

Faiola reported from Berlin. Karen DeYoung and Stefano Pitrelli in Rome and Stephanie Kirchner in Berlin contributed to this report.

NATO officials hope Mr. Trump's chance will come when he unveils a piece of twisted metal from the World Trade Center, destroyed on Sept. 11, 2001, which was the only time the alliance ever invoked Article 5 — and that to defend the United States. More than 1,000 non-American NATO soldiers have died fighting in Afghanistan.

Chancellor Angela Merkel of Germany, Europe's most powerful figure, will unveil a chunk of the Berlin Wall, which came down in 1989, to symbolize how NATO kept the peace during the Cold War.

But bearing in mind Mr. Trump's criticisms, the NATO meeting will feature two main points — an agreement to better specify how each member will meet the goal of spending 2 percent of gross domestic product on defense by 2024, and some enhancement of the alliance's role in counterterrorism, especially in the war against the Islamic State.

The last is slightly awkward for NATO because the United States decided to command the war against the Islamic State at the center of a global alliance, leaving out NATO.

NATO will not fight in the Middle East, but it is already training Iraqi troops there, and is likely to expand that training mission and discuss better intelligence cooperation against terrorism.

"To the extent there is substance," Mr. Valasek said, "the allies are

going out of their way to say they've heard him loud and clear, and will spend more on defense and focus more on counterterrorism."

It is not a new message, he noted — fighting among allies about burden-sharing is as old as the alliance itself. "But there will be an effort to make sure Trump feels comfortable with the alliance and give him no reason to break with it," Mr. Valasek said.

Nor will NATO leaders remind Mr. Trump that commitments to more military spending and counterterrorism were already underway before he took office, including the recent appointment of an assistant secretary general for intelligence and security.

R. Nicholas Burns, a former American ambassador to NATO, has some larger concerns, pointing out that "for any other president this would be a first trip to assume leadership of the West — but Trump is the first U.S. president whom Europeans don't see that way."

Mr. Trump's "continued begrudging and backhanded support of NATO and his denigration of the E.U., and his positive comments about Brexit and Marine Le Pen annoy Europeans," Mr. Burns said. "Trump needs to speak and act on this trip to inspire respect from his peers. They will be wondering if he is reliable, and can they trust his word, or is he handicapped by scandal."

As important, Mr. Burns said, other NATO leaders wonder, "Will he

stand up to Russia, especially at a time of increased Russian military activity in Ukraine?"

For the European Union, which Mr. Trump has disparaged but now says is fine with him if it makes the

**THE WALL  
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Donald Trump's election as president in the U.S. and Britain's vote to leave the European Union presented the conservative parties in both countries with a once-in-a-generation choice. They had rejected open borders in favor of a nationalist approach to immigration and trade. Would they revert to small-government conservatism on everything else, or reach across traditional divides by appealing to workers who still treasure activist government?

With his budget this week, Mr. Trump chose the first option. With its promise of balanced budgets, lower taxes and deep cuts to social programs, it is more aligned with the Republican party's right-wing Freedom Caucus than the blue-collar workers who are disillusioned with Democrats.

By contrast, British Prime Minister Theresa May has chosen the second. Last month she launched an election with a call to reject "the socialist left and the libertarian right and instead embrace the mainstream view that recognizes the good that government can do."

It is early days, but there are signs Mrs. May's approach is paying off where Mr. Trump's isn't.

In his march to the Republican nomination last year, Mr. Trump made it clear he wasn't a traditional Republican, not just in opposing free trade, but also in his commitment to

**THE WALL  
STREET  
JOURNAL.**

Drew Hinshaw in Warsaw, Laurence Norman in Brussels and Felicia Schwartz in Washington

European officials have tried for months to learn whether to take seriously a euroskeptic American who presented himself as President Donald Trump's preferred pick for ambassador to the European Union.

Now officials in Washington say that he is not and never was a candidate.

Since Mr. Trump took office, top officials and journalists in Europe have sought out Ted Malloch, a university professor who has asserted he is Mr. Trump's likely choice for the Brussels post.

Europeans happy, the task will be easier. On Thursday morning, Mr. Trump is scheduled to have a brief meeting with Donald Tusk, the European Union council president, and Jean-Claude Juncker, the

keep intact the entitlements that Americans love but put relentless pressure on the budget: Social Security, Medicare and Medicaid. That those commitments didn't align with his promised tax cuts didn't much bother voters.

In this week's budget, the president had to make actual choices, and it looks like he sided with the Freedom Caucus, which prioritizes limited government, personal liberty and low debt. How did the two reconcile their agendas? Mick Mulvaney, the former Freedom Caucus member who is Mr. Trump's budget director, "went in to the president with a list of proposed entitlement reforms—some reductions, some eliminations," Mr. Mulvaney said this week. "And we went down the list. Yes, yes, no, no, yes, no, yes, no, no."

Mr. Mulvaney advances solid, nonideological reasons for some of the cuts: Programs that don't meet their goals shouldn't exist, and some services are best delivered by states, not Washington.

But he also advocates a change in mind-set. The budget, he says, should be looked at from the viewpoint of those who pay for benefits: taxpayers. The catch is that many Americans also see themselves as beneficiaries of those programs, if not now, then some day. That's why cuts to entitlements are deeply unpopular. At Mr. Trump's insistence, the budget doesn't touch Social Security

commission president, before meeting Mr. Macron for lunch.

"Trump's views can be shaped," Mr. Chollet said. "NATO leaders will try to convince him about the

importance of NATO and that he's winning. I believe it will all be fine."

## Trump's Nationalism Veers Right While May's Shifts to Center

Greg Ip

retirement benefits or Medicare for retirees. But his proposed cuts to Medicaid already face bipartisan resistance. Though aimed at the poor, more than half of the program's recipients work. A Kaiser Family Foundation poll in February found that 57% of respondents had at some point been covered by Medicaid, or had a child, relative or friend who was once covered by Medicaid.

On taxes, too, Mr. Trump's proposals don't align with popular opinion. The lion's share of the benefits of his proposed personal and business tax cuts go to the 20% most affluent households, according to the Tax Policy Center, a think tank. From a Freedom Caucus point of view, this is logical: The rich bear most of the cost of the welfare state, so if that state shrinks, so should the bill. But working and middle class Americans are quite content to draw more in services than they personally pay in taxes.

Under former Prime Minister David Cameron, Britain's Conservatives cut corporate tax rates while restricting welfare benefits. Since taking over, Mrs. May has steered the party in a less austere direction. Her government pushed back the date of a balanced budget from 2019 to the middle of the next decade, shelved the party's previous promise never to raise personal, payroll or value-added tax rates, and even tried, unsuccessfully, to raise a payroll tax on the self-employed. She proposed requiring affluent

seniors to contribute more of their own wealth to finance long-term care, though had to back down, and may weaken the guarantees of how much their pensions will grow. She has proposed modest boosts to spending on prisons, schools and adult social care.

In the broader budget, such gestures are small. The bigger change is "the political tone," says Paul Johnson, director of the Institute for Fiscal Studies, a think tank. It signals "a willingness for the state to...protect the citizen rather than leave the citizen at the mercy of market forces."

For now, this is working politically. Mrs. May is leading in the polls for the June 8 election, though her lead has narrowed. She is much less polarizing than Mr. Trump: Her approval rating is 52% compared with Mr. Trump's 39%, according to polls this month by YouGov. Among those who voted Labour or Liberal Democrat in 2015, her approval is 25% and 47%, respectively; Among Democrats, Mr. Trump's is 13%.

Mrs. May may not ultimately reshape British politics or even her own party. Moreover, like Mr. Trump, her greater legacy is likely to rest on how much she claws national sovereignty back from the forces of globalism. Meanwhile, she has offered the world an alternative vision for conservative nationalism.

## U.S Clarifies That Self-Declared EU Envoy Candidate Isn't Up for Post

Drew Hinshaw in Warsaw, Laurence Norman in Brussels and Felicia Schwartz in Washington

EU officials regarded his prospective candidacy as a real—and troubling—possibility. Mr. Malloch has urged every EU country to vote on leaving the bloc.

Officials in Washington said nothing, fanning speculation.

EU foreign policy chief Federica Mogherini broached the issue Feb. 9 in Washington during her first meeting with U.S. Secretary of State Rex Tillerson, then on Feb. 20 in Brussels upon the visit of Vice President Mike Pence, senior EU officials say. She was told that no decision on a new ambassador had been taken, according to a senior EU official. No further information was ever communicated.

The European Parliament's main political parties declared him persona non grata.

Speaking in Poland last week to the country's top politicians, who called him "Mr. Ambassador," Mr. Malloch pledged to convey their concerns to Mr. Trump.

"I think he's a candidate to be a candidate," said Robert Winnicki, a Polish member of parliament who met with Mr. Malloch. "I think it's a serious idea."

"Everybody here thinks he's a representative of President Trump," said Rafal Pankowski, a political-science professor at private university Collegium Civitas in Warsaw.

This week Mr. Malloch addressed a gathering in Brussels that billed him as "the possible new U.S. Ambassador to the EU."

Mr. Malloch, told after the Brussels conference that the Trump administration denied he was a candidate, said: "I'm not aware of that."

The State Department said this week that Mr. Malloch isn't a candidate for the ambassadorship. A White House official said Mr. Malloch never was under consideration.

Mr. Trump is on his first visit to the EU's capital as president for meetings with top European and the North Atlantic Treaty Organization leaders. The new U.S.

administration has yet to fill dozens of important posts, including appointing ambassadors to the EU and NATO.

The State Department—the normal point of contact for foreign governments—has often been sidelined in both decision making and public communication, officials say.

In that void, countries like Poland say they're turning to outside sources on Mr. Trump's thinking. Sometimes those people do indeed have close links to the White House. Other times, not so much.

Mr. Malloch told reporters in Brussels he had interviewed twice

for the position at Trump Towers and maintained close contacts in the White House.

He acknowledged he had not yet been nominated for anything but said the White House would eventually release a public announcement on the position: "I frankly thought this would come to fruition months ago," he said. "But I don't control that schedule."

A White House official said Mr. Malloch was never in consideration for any post, and never served in any capacity for the campaign.

Mr. Malloch has stirred controversy by appearing frequently in western media to attack the EU. He has encouraged some countries to drop

the euro, which he predicts will soon crash. He has said he could help the EU go the same way as the Soviet Union—a comment he said this week had been meant as a joke.

Those comments exacerbated mistrust between Washington and Brussels.

European officials have long worried about Mr. Trump's commitment to America's allies on the continent, after his pre-inauguration criticism of the EU and NATO and his pledge to pursue warmer relations with Russian President Vladimir Putin.

Mr. Malloch has worked at Henley Business School at the University of Reading, in Reading, England. In

the past, he has said he has been knighted, nominated for an Emmy, and appointed to the board of the World Economic Forum—all honors disputed by the institutions that award them.

Mr. Malloch denies he embellished his past, but said Tuesday he can't discuss the accusations further, because there could be "potential legal suits" over the accusations. The Financial Times earlier reported the alleged embellishments.

## THE WALL STREET JOURNAL.

# Police Investigate 'Network' in Connection With Attack on Ariana Grande Concert (UNE)

Jenny Gross in London, Wiktor Szary in Manchester, England, and Hassan Morajea in Tunis, Tunisia

A suicide bomber who killed 22 people at a Manchester pop concert likely had the help of a terror network, U.K. authorities said, and his brother confessed to a Libyan militia that the two of them belonged to Islamic State.

The allegations came as a portrait emerged of how Salman Abedi, the 22-year-old perpetrator of Britain's deadliest attack since 2005, grew up straddling middle-class Britain and the tumult of Libya, playing street soccer as a schoolboy before heading off as a teenager to fight alongside his father in their homeland.

Once he returned to Manchester, he nursed a strong sense of anger. Twice, for different reasons, he spoke of wanting revenge. "Whether he got that is between him and God," his sister, Jomana, said.

The suspected bomber's brother, Hashem Abedi, is in the custody of Radaa, one of several large militias responsible for security in the Libyan capital of Tripoli. Ahmed Dagdou, a militia spokesman, said Hashem Abedi confessed that he was in the U.K. during preparations for Monday's attack and aware of the plans.

Radaa said the younger Abedi was arrested late Tuesday in the city as he picked up a wire transfer of 4,500 Libyan dinar, or about \$3,260, sent by his late brother, Salman.

It was impossible to independently confirm Radaa's claim or to ascertain how such a confession may have been obtained. Libyan militias routinely resort to harsh tactics to extract information from terrorism suspects.

The group's spokesman, Mr. Dagdou, said it was also holding Abedi's father, Ramadan Abedi, to aid in the probe of the attack, which killed 22 people outside a concert by American singer Ariana Grande.

It wasn't immediately clear if the Libyan group was in contact with British investigators, who on Tuesday in Manchester arrested a man one Western official identified as 23-year-old Ismail Abedi, another brother of the suspect.

British intelligence agencies and police made raids on more properties on Wednesday and are piecing together how Salman Abedi came to use a sophisticated bomb to carry out Monday's attack.

"I think it's very clear that this is a network that we are investigating," said Ian Hopkins, chief constable of the Greater Manchester Police. "There's extensive investigations going on and activity taking place across Greater Manchester as we speak."

Five additional arrests were made across Greater Manchester Wednesday as part of the investigation, a Manchester police spokeswoman said, and another in Nuneaton, a town 80 miles southeast. That brought the total in custody in Britain on Wednesday to seven, including Ismail Abedi.

Salman Abedi lived in Manchester, long a destination for radical Libyan Islamists during Moammar Gadhafi's regime. In October his parents moved back to Tripoli, and Abedi was at their home there for about three weeks before he returned to Manchester and blew himself up, according to a relative and a close family friend. He told his parents he was leaving to go on a pilgrimage to the Muslim holy city of Mecca in

Saudi Arabia, despite having other plans, they said.

In 2011, when Abedi was still a teenager, he had traveled to Libya and fought alongside his father in a militia, known as the Tripoli Brigade, to oust Gadhafi's regime as the Arab Spring swept North Africa and the Middle East, a family friend said.

The militia battled in Libya's western mountains and played an important role in the fall of Tripoli to rebel forces that year.

Abedi and his mother returned to Britain in 2014, the family friend said. The young man enrolled at Manchester's University of Salford in 2015 to study business administration. He studied for a year before effectively dropping out, a university spokesman said.

In May 2016, an 18-year-old friend of Salman Abedi's, Abdul Wahab Hafidah, a Briton of Libyan descent, died after being run down by a car and stabbed in Manchester. Six men and a 15-year-old boy are on trial in a Manchester court this month charged with murder in connection with the killing, which prosecutors have argued was gang-related. The defendants deny wrongdoing.

Abedi viewed the attack as a hate crime, the family friend said, and grew angry about what he considered ill-treatment of Muslims in Britain.

"I remember Salman at his funeral vowing revenge," the Abedi family friend said.

Abedi became increasingly religious, family members said, and interested in extremist groups. A cousin, who declined to be named, said Abedi's parents worried he was headed toward violence.

"We knew he was going to cause trouble," the family friend said. "You could see that something was going to happen, sooner or later."

Abedi's sister, Jomana Abedi, said her brother was kind, expressing surprise over his act this week. She said she thought he was driven by what he saw as injustices.

"I think he saw children—Muslim children—dying everywhere, and wanted revenge," she said. "He saw the explosives America drops on children in Syria, and he wanted revenge."

Born in Manchester on New Year's Eve in 1994, Abedi grew up playing soccer with his brothers in the street and went to school at the local Burnage Academy for Boys.

In Manchester, neighbors remember a family that didn't mix much with others. On Fridays, they could be seen walking out of their house in traditional Muslim dress to attend a mosque in a converted church nearby.

Home Secretary Amber Rudd told the British Broadcasting Corp. Abedi was previously known to security services "up to a point." Officials believe he had recently returned from Libya, where his parents are believed to have lived after years in the U.K. British investigators told French authorities that Abedi had probably also traveled to Syria, according to the French interior minister. Investigators are looking into the possibility that Abedi went to Syria before the attack, one Western security official said.

"It seems likely, possible, that he wasn't doing this on his own," she said.

British and U.S. authorities caution that they haven't been able to verify

a link between Abedi and Islamic State.

A leading theory is that a technician in the U.K. constructed the bomb, a Western official said.

## THE WALL STREET JOURNAL

# Armed Troops Patrol British Landmarks After Manchester Attack

Robert Wall

LONDON—Rifletoting soldiers in camouflage took up positions around Buckingham Palace and patrolled Westminster on Wednesday, as Britain joined European neighbors in deploying military force against terrorism at home.

The U.K. government sent troops to the streets a day after raising the country's terror-threat alert to its highest level while investigating the bombing of a concert in Manchester, England. The Monday night attack, which killed at least 22, added to the catalog of recent terror that has bloodied some of Europe's biggest cities, including London, Paris, Berlin, Brussels and Nice, France.

Britain joins France and Belgium, which have also had high-profile military personnel deployments to bolster domestic police and security forces in the wake of attacks. For tourists, soldiers in military fatigues clustered at airports, train stations and museum entrances have been jarring and grim reminders of the heightened state of alert the continent has adopted.

For many Europeans, it has also become a part of life. Troop deployments in France and Brussels were initially seen as temporary measures. In both countries, soldiers are still patrolling alongside police more than a year after rolling out.

"It is easy to get soldiers on the streets," said Ben Barry, senior fellow for land warfare at the International Institute for Strategic

Studies. "Clearly, with the raids ongoing, it's a key part of the investigation. To cause this many fatalities it has to be a viable device of a certain level of sophistication," the official said, adding that it didn't seem like

France, which has suffered the brunt of recent attacks, has adopted a particularly visible domestic war-footing. Military troops carrying assault rifles patrol the boulevards of Paris. Security officials conduct bag checks in front of grocery stores and cinemas.

Security officers have set up cordons around tourist sites like the Louvre museum. The vast space under the Eiffel Tower, long a gathering place for tourists and locals alike, is now accessible only after passing through metal detectors. Temporary barriers erected around the structure are being replaced with a permanent, eight-foot-tall glass wall that will be finished by autumn.

French President Emmanuel Macron on Wednesday proposed extending France's state of emergency—in place since November 2015—for another five months. The emergency status allows warrantless searches and house arrest.

France has dispatched 7,500 troops across the country to augment police and other security forces. About half are in Paris. The home-front deployment involves about the same number of troops currently involved in France's various overseas commitments, including in places such as Iraq and Mali.

In Belgium, the government has sent troops to walk the streets of Brussels and bolster security at metro stops and police stations.

something Abedi could have done by himself.

—Jason Douglas and Tamer El-Ghobashy, Denise Roland, Robert

Wall, Mike Bird and Georgi Kantchev contributed to this article.

Security was high even in the months before a deadly attack there on the capital's airport and a metro station in March 2016. Fearing a copycat attack after Islamic State terrorists struck Paris in November 2015, the country ordered a five-day lockdown, closing subway lines and schools.

In Britain—where many regular police officers still walk their beats with billyclubs, not pistols—the deployment of armed soldiers is especially jarring.

"This is something people are going to have to get used to," said David Livingstone, a counterterrorism expert at Chatham House, a think tank in London.

It isn't a cure-all. Despite the troop roll outs in France and Belgium, attacks in those countries have continued.

Late Tuesday, British Prime Minister Theresa May ordered the country's terror-alert level to "critical," corresponding to the possibility of an imminent attack. It was the third time Britain invoked such a threat warning, and the first in a decade.

The Ministry of Defense said it was sending just under 1,000 uniformed and armed soldiers to bolster police forces around the country. It also canceled the daily guard-changing ceremony at Buckingham Palace. The Palace of Westminster, where the British Parliament sits, was closed to tours, and the Bank of England closed its museum. It wasn't clear whether any of those measures would be relaxed later in the week.

A spokesman for London Heathrow, the country's busiest airport and the principal point of arrival in the U.K. for Americans, warned of a "higher visibility of police patrolling and additional checks at the airport," though operations would continue as normal.

The Met, as the London police force is commonly known, said it was also deploying behavior detection specialists to help spot potential attackers. Security experts say those highly trained staff are critical to safeguarding difficult-to-secure areas, such as the large public spaces that have become a target for terrorist attacks.

In Germany, police security has tightened, too, but less visibly than elsewhere. Germany witnessed five attacks blamed on Islamist terrorists last year, including a deadly attack on a Christmas market in December. Armed regional and federal police officers patrol some airports and specific events, but the country's military is mostly barred from operating on home ground.

"We have to do a lot for security, including when it comes to public presence, but we also need to be careful not to compromise or suffocate the events themselves," said Andreas Geisel, Berlin's state interior minister. "That is a balancing act we try to get right."

—Jason Douglas in London, Nick Kostov in Paris, Valentina Pop in Brussels and Ruth Bender in Berlin contributed to this article.

## The Washington Post

# Manchester bombing probe expands with arrests on two continents (UNE)

MANCHESTER, England — The investigation into a suicide blast that killed at least 22 people at a pop concert dramatically widened Wednesday, with security services on two continents rounding up suspects amid fears that the bombmaker who devised the bolt-spewing source of the carnage remains at large.

The arrests stretched from the normally quiet lanes of a northern English town to the bustling streets of Tripoli, where Libyan officials said they had disrupted a planned attack by the suspected bomber's brother.

But by day's end, British authorities acknowledged that they remained vulnerable to a follow-up attack, with the nation's state of alert stuck at "critical" — the highest possible level.

The sight of soldiers deploying at London landmarks such as Buckingham Palace and 10 Downing Street underscored the gravity of a threat that was known in general terms before Monday night's explosion but has come sharply into focus in the 48 hours since.

*[Three seconds of silence, then a scream: How the Manchester suicide attack unfolded]*

The morning after the attack, police had said they believed that the suspect, 22-year-old Salman Abedi, a British citizen, had carried it out alone and had died in the blast he triggered.

But in their statements Wednesday, authorities expressed growing confidence that Abedi — who had recently returned from a trip to Libya and may have also traveled to Syria — had been only one part of a web

of plotters behind Britain's worst terrorist attack in more than a decade.

"It's very clear that this is a network we are investigating," Greater Manchester Chief Constable Ian Hopkins said.

Hopkins said police were moving quickly to disrupt the group, carrying out raids across the city and arresting four people, including Abedi's older brother, Ismail. A fifth suspect was later apprehended carrying "a suspicious package" in



the town of Wigan, about 20 miles west of Manchester.

On Wednesday evening, authorities arrested a female suspect in Manchester and a man in the English Midlands town of Nuneaton, bringing to seven the number of people detained in Britain in connection with the blast. A raid by balaclava-wearing police at an apartment in central Manchester spawned speculation that authorities may have uncovered the location where the bomb was built, although that appeared to have been unfounded.

Monday's explosion claimed victims as young as 8 and targeted fans of U.S. pop star Ariana Grande, who was performing at Manchester Arena.

*[The Manchester attack was exactly what many had long feared]*

In conflict-scarred Libya, counterterrorism authorities said they had arrested at least two additional members of Salman Abedi's family, including a younger brother suspected of preparing an attack in Tripoli.

Ahmed Dagdoug, a spokesman for Libya's counterterrorism Reda Force, said Hashem Abedi was arrested late Tuesday and is suspected of "planning to stage an attack in Tripoli."

Dagdoug said Hashem Abedi had confessed to helping his brother prepare the Manchester attack. "Hashem has the same ideology as his brother," Dagdoug said.

Abedi's father, Ramadan, was arrested Wednesday, although it was not clear on what grounds. Ramadan Abedi had earlier asserted that his sons were innocent, telling the Associated Press that "we don't believe in killing innocents. This is not us."

He said Salman sounded "normal" when they last spoke five days ago. The elder Abedi said his son had planned to visit Saudi Arabia and

then spend the Islamic holy month of Ramadan with family in Libya.

Dagdoug said Hashem Abedi had been in frequent contact with Salman Abedi and was aware of the plans to attack the concert. Dagdoug described Hashem Abedi as an operative of the Islamic State, which has asserted responsibility for Monday's blast.

It was unclear whether investigators believed that Salman Abedi's relatives were a key part of the network planning the Manchester attack. But authorities were increasingly exploring the emerging connections between Britain and Libya.

Salman Abedi, whose parents had emigrated from Libya to escape the rule of Moammar Gaddafi, was on the radar of British security services before Monday's attack.

*[Manchester shows the holes in even the tightest security measures]*

But Home Secretary Amber Rudd, the nation's top domestic security official, suggested that he was not a major focus of any inquiries, telling the BBC that authorities had been aware of him only "to a point."

Rudd said that Abedi had recently returned from Libya and that that was a focus of the investigators' inquiry.

In a highly unusual public rebuke, she also slapped down U.S. authorities for leaking information about the investigation, calling it "irritating."

But even as she did, key details about the investigation were emerging from other allied capitals.

Rudd's French counterpart, Interior Minister Gerard Collomb, told broadcaster BFMTV that Abedi may have also gone to Syria and had "proven" links with the Islamic State.

Abedi was reported on Wednesday to have been a college dropout who had recently become radicalized. Security experts said it was unlikely that he coordinated the attack, and

the BBC reported that he may have been "a mule" tasked with carrying out the bombing but had little role in creating the explosive or choosing the target.

Of particular concern to British investigators was the possibility that the bombmaker was still at large and may be planning to strike again.

Prime Minister Theresa May had cited the possibility of a broader network of plotters on Tuesday night when she raised Britain's alert level from "severe" to "critical" and announced the deployment of troops to guard key sites.

The impact on Wednesday was quickly visible.

In London, nearly 1,000 soldiers were sent onto the streets to help free up police. Cressida Dick, the police commissioner for Britain's capital, said the troops would stay until "we no longer need them."

*[In suburban Manchester, a search for what might have motivated the attacker]*

Hopkins said there were no plans to dispatch troops in Manchester. But armed police were more visible in the streets Wednesday than usual, and Hopkins said the deployment of soldiers in London would make more police available in other parts of the country.

"It's a very good thing. It's visibility, it's assurance," said Geanalain Jonik, a 48-year-old tourist from Paris who was peering through the railings of Buckingham Palace.

A similar military presence has brought reassurance in Paris since terrorist attacks there in 2015, he said. "We don't have enough policemen, and when you see soldiers and troops in the streets, it's better," he added. "It gives you the sense of feeling safe."

But despite oft-repeated statements of national resolve and a refusal to give in to terrorism, authorities were making some changes Wednesday in light of the security situation.

Parliament announced that all public tours of the Palace of Westminster would be stopped. The Changing of the Guard ceremony at Buckingham Palace — a popular tourist attraction — was canceled.

Chelsea, the title-winning soccer club in England's Premier League, called off a planned victory parade through London. The team said it "would not want in any way to divert important resources."

The cancellations came as Britain continued to mourn the dead, with moments of silence and memorial services in schools, town squares and other sites.

Hopkins said Wednesday that medical examiners had finished identifying all of the victims and that an off-duty police officer was among the dead.

Today's WorldView

What's most important from where the world meets Washington

Health officials said Wednesday that 20 people remained in "critical care" and were suffering from "horrific injuries."

Monday's attack has been condemned by leaders both global and local. The mosque where the Abedi family worshiped — and where Ramadan Abedi had once been responsible for issuing the call to prayer — on Wednesday denounced the blast and expressed hope that Manchester can heal.

"The horrific atrocity that occurred in Manchester on Monday night has shocked us all," said Fawzi Haffar, a trustee with the Manchester Islamic Center, also known as the Didsbury Mosque. "This act of cowardice has no place in our religion or any other religion."

Adam reported from London and Raghavan from Tripoli. Paul Schemm in Addis Ababa, Ethiopia, and Brian Murphy in Washington contributed to this report.

## The New York Times Hunt for Manchester Bombing Accomplices Extends to Libya (UNE)

Katrin Bennhold, Stephen Castle and Suliman Ali Zway

"It seems likely — possible — that he wasn't doing this on his own," said Britain's home secretary, Amber Rudd. Speaking to the BBC, she also said the bomb "was more sophisticated than some of the attacks we've seen before."

Chief Constable Ian Hopkins of the Greater Manchester Police said, "There's an extensive investigation

going on, and activity taking place across Greater Manchester."

Mr. Abedi detonated the bomb Monday night as fans were leaving a pop concert by the American singer Ariana Grande at Manchester Arena. The explosion killed 22 people, including a police officer and an 8-year-old girl. The bomber's remains were found at the scene, and the Islamic State claimed responsibility for the attack.

At least 64 people were wounded, a third of them critically. Many victims were teenagers and young girls, with parents in tow, who idolized Ms. Grande.

She officially canceled all concerts on her "Dangerous Woman" European tour through June 5 and asked fans to support "all those families affected by this cowardice and senseless act of violence."

The race to find co-conspirators and the place where the bomb had been

made appeared to be the main reasons behind the British government's decision on Tuesday to raise the terrorist threat warning to critical, its highest level since 2007, over fears that more bombs could be detonated in crowded places.

The Greater Manchester Police said early Thursday that eight men were in custody in connection with the investigation — including Mr. Abedi's older brother. A woman was

also detained, but she was released without charges, the police said.

In Libya, Mr. Abedi's father was arrested by a militia, the Special Deterrence Forces, which said it also had detained Mr. Abedi's younger brother, Hashem Abedi, 20.

In a Facebook post, the militia said that Hashem Abedi had been a member of the Islamic State, was tied to the Manchester plot and was en route to withdrawing 4,500 Libyan dinars (about \$560 on the black market) sent by the bomber when he was arrested on Tuesday night by the militia.

The militia said that Hashem Abedi had traveled from Britain to Libya on April 16, that he had been planning an attack in Tripoli and that he had been in daily contact by phone with his older brother.

The militia's claims about the younger brother could not be immediately verified. The militia is affiliated with the United Nations-backed Government of National Accord, one of three administrations vying for control of Libya, but it has been accused by human rights groups of abusing prisoners.

Besides the younger brother, the authorities were pursuing many leads. The BBC reported that officials believed Salman Abedi may have been a "mule," carrying a bomb made by someone else. The officials also said they were looking into Mr. Abedi's relationship with Raphael Hostey, a British recruiter for the Islamic State believed to have been killed in a drone strike in Syria last year.

In Washington, a senior American official said Mr. Abedi had links to a radical preacher in Libya identified as Abdul Baset Ghwela, whose son had joined the Islamic State in Libya

and had died fighting in Benghazi. The official, who spoke on the condition of anonymity to disclose intelligence information, said Mr. Abedi had not left Libya until May 17.

In addition, officials were looking into reports that people who knew Mr. Abedi — including an imam at his mosque — had contacted the authorities as early as 2015 with concerns that he may have been recruited by extremists.

The heightened warning of additional, possibly imminent attacks was visible nationwide. The government suspended public tours of Parliament and canceled the guard-changing ceremony at Buckingham Palace, a tourist favorite. Soldiers patrolled locations including Downing Street, where the home and office of the prime minister are, and foreign embassies.

Manchester, a city of half a million and the hub of Britain's second-largest metropolitan region, is home to a sizable community of people of Libyan descent. Many fled the regime of the longtime dictator Col. Muammar el-Qaddafi in the 1980s. The violent overthrow of Colonel Qaddafi in 2011 during the tumult of the Arab Spring created a power vacuum, and the Islamic State and other extremist groups have since gained support.

Many Libyan expatriates are clustered in Manchester, creating one of the largest Libyan communities outside Libya, according to Nazir Afzal, who until 2015 was the chief prosecutor for northwest England, based in the city.

Among them was the Abedi family, which moved to Britain in 1993. Salman Abedi was born there a year later.

Reached by phone in Libya on Wednesday, Ramadan Abedi, his father, expressed shock and denied that his son was the bomber.

"I don't believe that it was him," he said. "His ideas and his ideology were not like that."

Mr. Abedi confirmed that his son had been distressed by the murder of a friend, Abdul Wahab Hafidah, in May 2016 at the hands of suspected gang members. But he said it did not drive him toward radicalism.

The father's account was contradicted by several people who knew the family, including one quoted by the BBC who said Salman Abedi had expressed approval of suicide bombers a few years ago, leading neighbors to call an antiterrorism hotline.

The French interior minister, Gérard Collomb, said on Wednesday that Mr. Abedi had "most likely" gone to Syria and that he had "proven" links to the Islamic State.

Mr. Abedi's parents, who moved back to Libya after Colonel Qaddafi's downfall, had become worried about their son's radicalization, and they had even seized his British passport, according to a friend in Manchester who spoke on the condition of anonymity because he feared for his safety.

Mr. Abedi had told his parents that he wanted to visit the holy city of Mecca, so they returned his passport. But instead he returned home, the friend said.

The father denied that account. "He was a man and I trust the man that he was," he said. A short while later, the father was arrested in Tripoli, according to the same Islamist

militia that announced the younger brother's arrest.

A number of Libyans from Manchester have waged jihad abroad, according to Raffaello Pantucci, a terrorism expert at the Royal United Services Institute in London. The Qaeda-linked Libyan Islamic Fighting Group had a contingent in Manchester, Mr. Pantucci said. And in 2010 and 2011, as the anti-Qaddafi uprising in Libya intensified, a number of Libyan-Britons left Manchester for Libya as foreign fighters, he said. More recently, he said, a cluster left for Syria.

In Fallowfield, a neighborhood south of the Manchester city center, residents recalled Mr. Abedi as quiet, respectful and passionate about soccer, often wearing a T-shirt with a Manchester United emblem.

Officials at the Manchester Islamic Center, also known as Didsbury Mosque, where the Abedi family worshiped, have condemned the attack, but declined to talk about the family.

"The horrific atrocity that occurred in Manchester on Monday night has shocked us all," a mosque trustee, Fawzi Haffar, told reporters.

In 2015, according to a neighbor who spoke on the condition of anonymity over concerns about safety, an imam at the mosque, Mohammed Saeed, delivered a sermon condemning terrorism for political causes. The sermon prompted a heated discussion among congregants and some, including Mr. Abedi, objected to it.

"He was angry," the neighbor said. "He scared some people."

## THE WALL STREET JOURNAL

# Pope Francis and President Trump Mend Fences, Note Agreements and Differences

Carol E. Lee and Francis X. Rocca

VATICAN CITY—President Donald Trump and Pope Francis met Wednesday for a fence-mending encounter that balanced talk of stark disagreements on issues such as migration with accord on other topics, including abortion.

Seated across from each other in the pope's private study, Mr. Trump and the pontiff spoke for 30 minutes, aided by an interpreter. Before leaving the Vatican, the president told the pope, "Thank you, thank you. I won't forget what you said."

During his talks later with Italian Prime Minister Paolo Gentiloni, he

told reporters that his meeting with the pope was "fantastic."

"He is something," the president said of the pontiff, who during last year's presidential campaign criticized Mr. Trump's views on immigration and said the candidate's plan to build a wall along the U.S. border with Mexico made him "not Christian."

After Wednesday's meeting with the pope, the president tweeted effusively: "Honor of a lifetime to meet His Holiness Pope Francis. I leave the Vatican more determined than ever to pursue PEACE in our world."

In a short communiqué following the visit, the Vatican highlighted points on which Mr. Trump and the pope agree, including abortion and religious liberty, as well as their notable differences, including health care and immigration.

One longstanding point of contention the Vatican communiqué didn't mention was the environment. After their private conversation, however, the pope gave the president a copy of his encyclical on the environment, in which he argues that capitalism has contributed to the degradation of the environment at the particular expense of the poor. The president thanked the pope, saying he would read it.

The visit caps a whirlwind tour by Mr. Trump through countries that are home to the holiest sites for three of the world's leading religions: Islam, Judaism and Christianity. The president's trip to Saudi Arabia, Israel and Vatican City is intended to try to unify religious leaders around an effort to combat extremism.

From the relatively modest Vatican guesthouse where Pope Francis lives, he was driven to the Apostolic Palace in the used Ford Focus that was donated to him early in his papacy.

Soon after, Mr. Trump arrived in a motorcade of about 50 vehicles.

Inside the pope's private study, Mr. Trump told the pontiff it was "a very great honor" to meet him. The first lady, who wore a tea-length black dress as well as the black veil that is traditional for female guests meeting the pope, was part of the presidential entourage, as was the president's daughter, Ivanka Trump, also clad in black.

After the meeting, Mr. Trump gave Pope Francis a gift of first-edition copies of writings by Martin Luther King Jr., a nod to the pontiff's reference to the civil rights leader during his 2015 address to a joint session of Congress.

In addition to his encyclical on ecology, Pope Francis gave Mr. Trump copies of some of his other writings, including a message on nonviolence which he said he had personally signed for the president. He also gave him a medal bearing an olive tree, a sign of peace. "We can use peace," the president responded.

After his meeting with Pope Francis, Mr. Trump met Vatican Secretary of State Cardinal Pietro Parolin. Their talk lasted 50 minutes, an unusually long time that suggested the conversation was heavy on specifics.

In its communiqué on Mr. Trump's visit, the Vatican highlighted a "joint commitment in favor of life, and

freedom of worship and conscience" between the Holy See and the Trump administration.

Those were apparent references to abortion and to the demand by U.S. Catholic leaders for a religious exemption to the contraception mandate in the Affordable Care Act, which Mr. Trump has promised to provide.

The references were a significant concession to the White House, since the pope hasn't made such issues a priority.

But that point of agreement was offset by a call for collaboration on "health care, education and assistance to immigrants." U.S. bishops have said that Mr. Trump's plans to reform the health care law must ensure that no one loses coverage.

On international affairs, the communiqué highlighted an "exchange of views"—diplomatic parlance that typically suggests disagreement—over the "promotion of peace in the world through political negotiation and interreligious dialogue, with particular reference to the situation in the Middle East and the protection of Christian communities."

Wednesday's meeting was closely watched given the contentious history between the two leaders.

Mr. Trump's meeting with the pope comes as his White House debates whether to withdraw from the international climate change agreement to cap carbon emissions that world powers reached in Paris in 2015.

Mr. Trump was sharply critical of the accord and opposed it as a candidate. He had planned to decide the issue before his trip this week to the Middle East and Europe, but aides convinced him to delay it until after he returns.

Secretary of State Rex Tillerson later told reporters he didn't know if the president and the pope had discussed climate change, but that the subject had come up in the meeting with Cardinal Parolin, which Mr. Tillerson also attended. The cardinal encouraged the president to remain in the Paris accord, and Mr. Trump replied that he hadn't made a final decision, Mr. Tillerson said.

Mr. Tillerson said the president and pope had some "pretty extensive conversations around extreme terrorist threats and extremism, radicalization of young people."

On Sunday in Riyadh, Mr. Trump called on leaders of Muslim countries to oppose radicalism. And last month in Cairo the pope forcefully denounced killing in God's name.

The pope and the president have a common interest in Mr. Trump's effort to help the Israelis and Palestinians reach a peace agreement and to strengthen relations with the Muslim world, but the Vatican is wary of what it considers the president's pro-Israel tilt.

The White House said the two also discussed a shared desire to "promote human rights, combat human suffering, and protect religious freedom." During the first leg of his trip, to Saudi Arabia, Mr. Trump was criticized for failing to challenge the government there on its human rights record.

The White House said Mr. Trump had told the pope the U.S. would commit \$300 million to "anti-famine spending, focused on the crises in Yemen, Sudan, Somalia, and Nigeria."

After his meetings with the pope and Vatican officials, Mr. Trump met with Mr. Gentiloni, and President Sergio Mattarella.

In the afternoon, Mr. Trump departed Rome for Brussels, where he will meet the Belgian king and queen as well as the Belgian prime minister. On Thursday, Mr. Trump will participate in a summit of the North Atlantic Treaty Organization.

## INTERNATIONAL



### Are the U.S. and Iran on a Collision Course in Syria?

Dan De Luce,  
Paul McLeary

A U.S. air raid against Iranian-backed fighters in southern Syria last week represents a volatile new phase of the conflict that could trigger a wider confrontation between the United States and Iran — and their allies on the ground.

Until last week's strike, the United States and Iran had managed to steer clear of a direct confrontation in Iraq and Syria, where each has hundreds of military advisors on the ground, embedded with local forces. In Iraq, they share a common enemy in the Islamic State. In Syria, the two sides are waging different wars: U.S. aircraft and special operations forces are pushing to roll back Islamic State militants, while Iran is backing the Syrian regime against opposition forces in a multi-sided civil war.

But as the Islamic State's grip on territory weakens, the United States

and Iran are increasingly at odds as their local partners vie for control of key terrain along the Syria-Iraq border.

In the May 18 airstrike, U.S. F-16s hit a convoy of Iranian-armed Shiite fighters who failed to heed warnings to stay away from a base at al-Tanf, close to the Jordanian and Iraqi borders, which is used by American and British special forces to train local militias fighting the Islamic State. The airstrike marked the first time U.S. forces had targeted Iran's proxies in Syria. A few days later, the Iranian proxies returned to the area, and U.S. warplanes buzzed them in a clear warning to keep away, the Pentagon said Tuesday.

U.S. military officers played down the incidents, saying the airstrike was merely a matter of safeguarding American special operations forces in the country's southeast.

"This doesn't signal any change in strategy," said a senior U.S. military

officer, who spoke on condition of anonymity.

The U.S. strategy, under both President Donald Trump and former President Barack Obama, has concentrated on defeating Islamic State forces on the battlefield and depriving them of territory in Iraq and Syria. With the exception of missile strikes against Syria last month in retaliation for its use of chemical weapons, the Trump administration so far has chosen not to enter into a military confrontation with the Syrian regime of Bashar al-Assad, or its patrons — Iran and Russia.

Having pushed Islamic State back in much of northeastern Syria, U.S. commanders are determined to oust the militants from their last urban bastion in Raqqa. A U.S.-armed and trained force of Kurdish and Arab fighters has begun to encircle Raqqa, and once the city falls, American officers hope to hunt down the Islamic State in eastern Deir

Ezzor province and the Euphrates River Valley, where the group still exists in force.

But Iran has grown alarmed over the growing presence of U.S. special operations forces in southern Syria, and the progress of Syrian Kurdish and Arab troops on the battlefield. Iran is keen to secure a corridor linking Tehran and Baghdad to Syria and Lebanon, and Tehran state-run media have claimed the U.S. forces are in the border area to block any supply routes for Iran.

In response, Tehran has deployed thousands of Afghan and Iraqi Shiite fighters, and in recent weeks has sent 3,000 Lebanese Hezbollah troops to the southeastern region between al-Tanf and Deir Ezzor, according to reports from Fars news agency, affiliated with Iran's Revolutionary Guard Corps.

The Hezbollah troops were sent to the al-Tanf area "to prepare the Syrian army and its allies for

thwarting the US plots in the region and establish security at the Palmyra-Baghdad road," Fars wrote, just hours before the U.S. air raid. They could also serve as a blocking force to keep U.S.-backed fighters from moving north out of al-Tanf.

The escalating tensions between Washington and Tehran in Syria coincided with tougher rhetoric from President Trump directed at Iran. In a speech this week in Saudi Arabia, Trump labeled Iran as a source of "destruction and chaos," and called on countries in the region to form a united front against Tehran.

Although Trump has promised to adopt an aggressive stance with Tehran, the White House is still conducting a review of its policy toward Iran and the administration has yet to articulate U.S. goals along the Syria-Iraq border.

"It's not clear to me yet if the administration has a detailed strategy [on] how to manage its presence and its allies' presence in eastern Syria," said Robert Ford, former U.S. ambassador to Syria and now a fellow at the Middle East Institute.

"If the administration is not careful, it's going to be a slippery slope. It seems like there's a potential for more conflict."

The Trump administration has given

the U.S. military the authority to base about 1,000 troops — mostly special operations forces — in Syria, spread out among several small outposts in the Kurdish north, a Marine Corps fire base close to Raqqa, and at al-Tanf in the south. These small outposts are separated by hundreds of miles of territory where the Islamic State is steadily losing control, and which regime forces and their Iranian allies see as fertile ground to reestablish the Syrian government's control.

The U.S.-led coalition is keeping a wary eye on the militias. One U.S. defense official told Foreign Policy they are watching the militias inch their way eastward toward Deir Ezzor, where the Syrian government maintains a significant — and isolated — military outpost. The base has long been cut off from other areas of regime control and can only be resupplied by airdrops, but it was recently reinforced by about 1,000 Syrian soldiers, giving the regime in Damascus some fighting power in the area.

American military leaders have long said they expect the Islamic State to retreat into the Euphrates River Valley that connects Raqqa to the Iraqi border, and U.S. and coalition aircraft have been striking ISIS targets in the valley for months. U.S. warplanes carried out more air strikes in the area this week.

Some of the Iranian-backed militia fighters remain in place near al-Tanf, despite the U.S. airstrike and last weekend's warning. "If they resume their advance, coalition forces will defend themselves," Pentagon spokesman Capt. Jeff Davis told reporters on Tuesday.

Another military official added that "we have a good understanding they will want to continue moving east" toward Deir Ezzor, and the fighters are being closely tracked.

When the fight moves to the Euphrates valley in Deir Ezzor, the risks of an unintended conflict will grow. With U.S.-backed Free Syrian Army forces moving from the south, Kurdish and Arab Syrian Democratic Forces advancing from the north and west, pro-regime militias trying to push into the area and both American and Russian aircraft buzzing overhead, some worry that the crowded battlefield could lead to unwanted incidents.

The Iranian supported militias often operate in close proximity to U.S. troops, especially in Iraq. An FP reporter, visiting a U.S. military base south of Mosul earlier this year, saw a chart in the operations center with the flags of the major armed Shiite militias operating in the vicinity, so U.S. forces could identify what groups are operating close by,

often just on the perimeter of their base.

Last September, U.S. and coalition jets inadvertently struck a small outpost in the east of Syria, killing over 60 Assad regime soldiers in an incident that angered Moscow and highlighted how confused the battlefield there can be.

With American troops on the ground, and advisors moving around with small local units, there remains the danger of Iranian retaliation. During the U.S. occupation of Iraq, Tehran provided Shiite militias with deadly roadside bombs and rockets that claimed hundreds of American lives.

Already, Iranian-backed Iraqi militia groups have increased their anti-U.S. propaganda in Iraq, accusing Washington of "aiding the Islamic State and pressuring the Baghdad government to 'expel' American troops advising the Iraqi security forces in Mosul and across the country," Ahmad Majidyar, director of the IranObserved Project at the Middle East Institute, wrote recently.

"Any response from Iran would be asymmetrical," Majidyar said, "and could come in places like Iraq."

**The  
New York  
Times**

## U.S.-Russia Hotline Is Buzzing Even After Strike on Syria

Michael R. Gordon

American and Russian officers started talking to each other after the Russian intervention in Syria began in 2015. The two sides do not coordinate strategy, but they have shared information to prevent midair collisions and other problems using a phone line that connects Al Udeid Air Base in Qatar, the command center of the American-led air war coalition, with the Russian base in Latakia, Syria.

The United States used the hotline to alert the Russians shortly before the April 7 attack on an airfield that Syrian planes had used to mount a chemical weapons attack that killed more than 80 civilians. As many as 100 Russian troops were believed to be at the airfield, though the Americans took pains not to target them, and none were hurt.

Angry that Syria, their ally, had been targeted, Russian officials threatened to suspend an agreement the United States and Russia had reached on flight safety.

But the Russians appear to have concluded that the cruise missile attack was a one-time operation and not the beginning of a broader military effort to dislodge Mr. Assad from power.

The American military wanted to keep the communications going so it could continue airstrikes against the Islamic State in Syria without coming under fire by Syrian or Russian air defenses.

"We have had to increase the amount of deconfliction work we're doing with the Russians given the tighter airspace that we're now working ourselves through," General Harrigian said.

Tensions between the two sides remain. On May 9, a Russian fighter

harassed an American KC-10 refueling tanker, an encounter that General Harrigian described as an "unprofessional" intercept. He said the American officers had raised the episode with the Russians, who acknowledged the problem.

Some of the conversations with the Russians, he noted, have been at relatively senior levels, led on the coalition side by a major general who serves as General Harrigian's deputy.

Gen. Joseph F. Dunford Jr., the chairman of the Joint Chiefs of Staff, has also taken steps to expand communication with the Russians. Lt. Gen. Kenneth F. McKenzie Jr., the chief planning officer on the Joint Chiefs' staff, has been talking to his Russian counterpart, General Dunford said last week.

The hotline figured in a recent episode in which a convoy of Shiite militia fighters that support Mr.

Assad and are backed by Iran headed toward a garrison at al-Tanf, where American and allied Special Operations forces have been training Syrian fighters opposed to the Islamic State.

Armed with a bulldozer, an excavator and a tank, some of the militia fighters split off from the main group and began to build a small outpost that the Americans concluded was too close to al-Tanf for comfort. After warning shots failed to get the militia to leave, the Americans carried out an airstrike.

Now American officers are talking to their Russian counterparts, who they hope will dissuade the militia from trying something similar again.

"We're continuing to ensure that, via the Russians, they understand our intent is for them not to threaten us," General Harrigian said.

**The  
New York  
Times**

## Editorial : Will President Trump Help Save Yemen?

Add cholera to the famine threat and other crises that are devastating

Yemen. More than 360 people have died of the disease in recent weeks, and thousands more are at risk.

All that is unfolding against a civil war that has killed 10,000 people in two years and come to a grim

stalemate in which President Abdu Rabbu Mansour Hadi and his Saudi and United Arab Emirates backers

continue to fight Houthi rebels, an indigenous Shiite group with loose ties to Iran.

President Trump could have used his trip to Saudi Arabia this week to spotlight the humanitarian catastrophe in Yemen and push for a political solution to the conflict. Instead, he basked in the adulation of King Salman and his court, uncritically embraced the country's foreign and domestic policies, and then sold the Saudis \$110 billion in arms.

The package includes precision-guided munitions, which President Barack Obama withheld last year in an effort to pressure Saudi Arabia to halt attacks that have killed thousands of civilians and struck hospitals, schools, markets and mosques. He also worried about possible Saudi war crimes in which America could be implicated.

Mr. Trump made perfunctory references to Yemen on his trip, but

mostly to praise the Saudi war effort and condemn Iran for supporting militant groups. He could be using the leverage he has with his new Saudi friends to push for a resolution to the fighting. After all, Saudi Arabia and its gulf allies depend heavily on Washington for aircraft, munitions, training and in-flight refueling. The United States also helps Saudi Arabia guard its borders.

Mr. Trump's failure to apply pressure, combined with the giant arms sale, is raising fears that he may give the Saudis a green light to escalate the fighting, as well as find other ways to beef up America's own support for Riyadh.

Since 2015, the Saudi-led coalition has been bombing the Houthis to try to push them out of Yemen's capital, Sana. The war has put seven million people in danger of starvation, crushed the economy and decimated the health system.

The problems are exacerbated by a virtual blockade of the Houthi-held port of Hudaydah, a lifeline for food and medicine entering Yemen. Efforts by the Saudi-led coalition to screen ships for Iranian arms intended for Houthis has disrupted deliveries, and cranes needed to unload supplies have been damaged in the fighting. The country's public and private reserves are so depleted that employees have not been paid and many have stopped working.

"This is a clear-cut decline into massive famine that is man-made and avoidable," said Jan Egeland, the Norwegian Refugee Council head who recently visited Yemen. One encouraging development is that Saudi Arabia has not so far made good on threats to bomb and seize Hudaydah, apparently heeding warnings by the United States and others.

After two years, it should be obvious there is no military solution to this

war, stoked by the rivalry between Saudi Arabia, a Sunni Arab nation, and Iran, a Shiite nation. But the Saudis seem determined to press on. "Time is in our favor," Mohammed bin Salman, the king's powerful son who is second in line for the throne, said this month. Separate from the civil war, the chaos is allowing Al Qaeda's affiliate in Yemen to become stronger, the population more radicalized and drawing American forces further into that fight.

While all the warring parties bear some blame for Yemen's misery, the Saudis should understand that escalation will only bring more civilian deaths. A comprehensive peace deal may be out of reach, but the United States, Britain and the United Nations could focus on interim measures that would put Hudaydah under the administration of neutral parties and impose the quickest possible cease-fire.

**The  
Washington  
Post**

## After assurances by Trump, Bahrain mounts deadliest raid in years on opposition

By Kareem Fahim

ISTANBUL — A raid by government forces in Bahrain against a pro-opposition stronghold has left at least five people dead and hundreds detained in one of the deadliest crackdowns since protests erupted in 2011 against the Persian Gulf nation's Western-backed monarchy.

Bahrain's Interior Ministry said it carried out the raid Tuesday in the village of Duraz. It said officers came under attack, including from assailants armed with explosives. Opposition activists said that the police targeted a peaceful sit-in outside the home of Bahrain's leading Shiite cleric and that the dead included an environmental activist.

Protests and clashes have flared for years in the tiny but strategic island nation between the Sunni-led monarchy and Bahrain's majority Shiite population, which has complained of discrimination and other abuses. Bahrain hosts the U.S. Navy's 5th Fleet.

The timing of the raid was striking, coming two days after President Trump publicly assured the king of Bahrain that their relationship would be free of the kind of "strain" that had occurred in the past — an apparent

reference to the Obama administration's periodic chiding of Bahrain over its human rights violations.

"Our countries have a wonderful relationship together, but there has been a little strain, but there won't be strain with this administration," Trump said during a photo session with the king, Hamad bin Isa al-Khalifa, at a conference in Riyadh, Saudi Arabia.

Trump's attendance at the Riyadh conference was largely aimed at winning back Persian Gulf allies that had bristled at President Barack Obama's outreach to Shiite power Iran.

Trump's widely anticipated speech, ostensibly about Islam and extremism, included assurances to the gulf's Sunni states that "our friends will never question our support."

In Bahrain, the government's opponents viewed the conference and Trump's appearance with the Bahraini monarch as providing tacit approval for the raid on Tuesday.

"The killing of five protesters is a heinous crime enabled by the unconditional support of the Bahraini rulers' key allies in Riyadh, Washington and London," Sayed

Ahmed Alwadaei, director of advocacy at the London-based Bahrain Institute for Rights and Democracy, said in a statement Wednesday.

"This bloodshed — the blood that's on their hands — will only continue unless it is met with severe consequences from the international community," he said.

In Washington, the State Department said that it is "troubled" by the clashes and urged restraint on all sides. "We urge the government of Bahrain to ensure those arrested are provided with access to counsel and that legal proceedings are conducted with transparency in accordance with due process," spokeswoman Heather Nauert said in a statement.

Bahrain's Ministry of Information Affairs did not immediately respond to a request for more details on the circumstances that led to the deaths or about the evolving U.S. relationship with Bahrain. A government statement released Wednesday said protesters refused an order to disperse and injured security personnel. It said the deaths were being investigated by the public prosecutor.

Today's WorldView

What's most important from where the world meets Washington

Members of Bahrain's Shiite majority have long protested what they say is widespread discrimination at the hands of the Sunni dynasty ruling the country.

Political life and sectarian relations have steadily deteriorated since the government, with help from Persian Gulf allies, quashed a Shiite-led pro-democracy uprising in 2011. Since then, Bahrain's most prominent opposition figures have been imprisoned, fled the country or are facing prosecution.

Officials in Bahrain have accused Iran of inciting unrest and increasingly aiding violent attacks against Bahrain's security agents.

After the raid, Iran's foreign minister, Mohammad Javad Zarif, denounced Bahrain and the United States for the raid. He wrote on Twitter that it was the "first concrete result of POTUS cozying up to despots in Riyadh: Deadly attack on peaceful protesters by emboldened Bahrain regime. Google it."

**The  
New York  
Times**

## U.S. Warship Sails Near Island Claimed by Beijing in South China Sea

Jane Perlez

The United States does not recognize China's claims of sovereignty over the 12 nautical

miles surrounding the artificial islands, the conventional limit for territorial waters.

A Pentagon official involved in the operation said the American warship did a "man overboard" rescue drill

while passing by the island. The particular exercise was intended to show China that the United States would operate anywhere on the high seas in accordance with international law, the official said.

Mr. Trump was initially reluctant to confront China's territorial claims once he became president, despite his criticism during the campaign of the Obama administration's handling of the issue. In an interview with The New York Times in March 2016, Mr. Trump said that Beijing had built in the South China Sea "a military fortress, the likes of which perhaps the world has not seen."

A Chinese Foreign Ministry spokesman said Thursday that Chinese vessels around the Spratly Islands "identified and warned" the American warship to leave.

Lu Kang, the spokesman, said at a regular briefing Thursday that Beijing was "strongly dissatisfied" with the operation, particularly at a moment when the situation in the South China Sea was "cooling down." That was an apparent reference to the recent start of direct

talks between China and the Philippines, an American ally, over the status of islands both countries claim.

Separately, China's department of defense accused the United States of spoiling what it called "an important period of development" in the relations between American and Chinese forces.

"This behavior by the United States military is a show of force to promote the militarization in the region, and would very easily lead to accidents on the sea and in the air," Sr. Col. Ren Guoqiang said in statement.

In the wake of Wednesday's maneuver, allies will be watching to see how consistent the Trump administration is on the South China Sea, analysts said.

"One operation won't allay fears about Trump's transactional approach toward China and its apparent disinterest in defending international and legal rights," said Euan Graham, an analyst with the Lowy Institute in Australia.

Satellite images suggest that China has placed military hardware like anti-aircraft and antimissile systems on the islands it has constructed in the South China Sea.

Maj. Jamie Davis, a Pentagon spokesman, declined to discuss any current maneuvers but said the military was continuing with its freedom of navigation operations, known as FONOPs.

"We are continuing regular FONOPs, as we have routinely done in the past and will continue to do in the future," he said in a statement. "All operations are conducted in accordance with international law and demonstrate that the United States will fly, sail and operate wherever international law allows."

"We have a comprehensive freedom of navigation operations program that seeks to challenge excessive maritime claims in order to preserve the rights, freedoms and uses of the sea and airspace guaranteed to all nations under international law," he added.

The naval operation on Wednesday was interpreted by the United

States' allies in the region as a welcome sign of American engagement in the South China Sea.

Even so, Australia, whose economy is highly dependent on exports to China, has declined to participate in the United States-led military operations, arguing that China now controls the Spratly Islands, where it has placed weapons and runways for fighter jets.

"Australia is extremely reluctant to participate in freedom of navigation operations that involve flying over or sailing through the 12 nautical miles around the islands," said Alan Dupont, a former Australian military intelligence official.

"The Australian government feels it would be provocative and upset China," Mr. Dupont said. "It feels it would be counterproductive now that China has militarized the islands."

## The New York Times China's Addiction to Debt Now Threatens Its Growth (UNE)

China's addiction to debt traces back to the global financial crisis in 2008. As world growth faltered, China unleashed a wave of spending to build highways, airports and real estate developments — all of which kept the economic engine chugging.

To finance the construction, local governments and state-run companies borrowed heavily. Even after the worst of the crisis passed, China continued to rely on debt to fund growth.

But credit no longer packs the same punch for China. An aging work force, smaller productivity gains and the sheer math of diminishing returns mean that China has to borrow more money to achieve less growth.

The country's debt has recently been increasing by an amount equal to about 15 percent of the country's output each year, which has kept the economy expanding between 6.5 percent and 7 percent. Debt, by the same measure, barely changed from 2001 to 2008, when the country achieved some of its fastest, double-digit growth rates.

The borrowing binge of late has also been propelled by murky investments with potentially big risks. Foresea Life Insurance, for example, offered souped-up policies that looked more like high-octane

investments than staid life insurance.

The country's debt as a percentage of economic output has been growing steeply since the global financial crisis, and is expected to continue rising at least through next year.

2017 and 2018 figures are year-end forecasts.

The products promised interest rates more than double traditional bank accounts, attracting droves of ordinary investors. To churn out those gains, Foresea took increasingly speculative bets, pouring the money into real estate, corporate deals and China's turbulent bond market.

China in recent months has stepped up a campaign to clean up the financial system, which is riddled with such products.

Regulators banned Foresea from selling most new policies and barred its chairman from the insurance industry. Another major insurer, Anbang, a politically connected company that has made a series of controversial bids for large American companies, was similarly blocked this month from offering two investment products.

For China, it is a matter of stability. At a meeting with top leaders last

month, President Xi Jinping emphasized that the health of the financial system was an issue of national security.

"Finance is the core of a modern economy," Mr. Xi said. "We must do a good job in the financial sector in order to ensure stable and healthy economic development."

Foresea has pointed to the potential for instability from its own mess. A memo reportedly from Foresea, sent anonymously last week to several Chinese media outlets and reviewed by The New York Times, warns of mass demonstrations, presumably by policyholders, if it cannot raise more money and shore up its finances.

Chinese media said the memo appeared to be genuine — it carried the company's official seal and other identifying information. The company declined to comment, issuing a statement last week saying that its cash flow was fine.

Chinese authorities are facing a complex, economic puzzle: how to squeeze debt-fueled speculation out of the system without choking off growth or drawing unhappy investors into the streets.

The government's latest efforts to reduce risk have contributed to turbulence in the country's markets. Higher borrowing costs and unusual distortions in lending suggest that investors are skittish about growth. After a strong start to the year,

China's economy is showing signs of cooling.

Here lies Beijing's challenge. The country is reluctant to take strong measures to control overall credit growth, fearing a broad slowdown in lending could prevent the economy from reaching the Chinese leadership's growth targets. But without drastic action, the debt levels will keep rising, in potentially unsustainable ways.

The country's statisticians have been reporting uncommon stability in economic growth for the last several years, raising questions about the reliability of official data.

"China's recent economic growth trajectory has been accompanied by a buildup of imbalances and vulnerabilities that poses risks to its basic economic and financial stability," Andrew Fennell, the director of Asian sovereign debt ratings at Fitch Ratings, said.

Foresea is an extreme example of the manic speculation that hangs over the entire system.

The insurer collected just \$40 million in premiums in its first year after it was started five years ago. Last year, the company collected \$14.6 billion.

Insurers, trusts, non-bank financial companies, small local banks and

other semiregulated or unregulated businesses have all been trying to ride China's ever-expanding credit markets to quick profits. They have accounted for more than half the country's overall lending activity.

Foresea started to run into problems late last year. Its founder and controlling shareholder, Yao Zhenhua, made a hostile bid for Vanke, one of the country's largest real estate buyers, with plans to fund the deal in large part with insurance premiums.

Those types of highly leveraged deals are getting more scrutiny. And Chinese authorities have started to publicly warn about speculative,

loosely regulated lending.

"The continuing increasing leverage rate is not good for sustainable development of the economy, and some risks have accumulated," Yi Gang, a senior deputy governor of the central bank, said in March. "We should think first to stabilize leverage — that is, to stabilize the overall rate of leverage, or let it grow more slowly."

Zhou Xiaochuan, the governor of the central bank, said the same month: "Every enterprise, especially those with too high a rate of leverage, should be controlled."

Foresea was among the first to be pinched.

The China Insurance Regulatory Commission in December banned Foresea from offering new products, contending that the company was essentially selling high-yield debt even though it had permission to issue relatively low-risk life insurance. Two months later, the regulator accused the company of misleading authorities.

"The fact that Foresea Life made up and provided fake material is clear," the commission said. "It is a serious circumstance that should be punished according to the law."

The moves have spooked customers. Revenues from newly issued policies plummeted 99.8 percent in the first quarter from the

same period last year, to just \$11.4 million. Investors also became wary, demanding their money back.

Foresea has insisted the business remains healthy. But the leaked memo suggested deeper troubles.

"Most of the clients are in economically developed areas like Guangdong, Jiangsu, Shanghai," the memo read. "Clients from these areas have a strong awareness of protecting their rights. The possibility of mass disturbances cannot be ruled out."

## THE WALL STREET JOURNAL

### Editorial : North Korea's Missile Advances

Pictures of dictator Kim Jong Un applauding as another North Korean missile ascends into the sky have become routine. But the Hermit Kingdom's two most recent launches deserve special attention because they show Pyongyang nearing its goal of deploying a nuclear-armed intercontinental ballistic missile (ICBM) that could destroy American cities.

On May 14 the North launched a new intermediate-range missile it calls the Hwasong-12. The missile traveled fewer than 500 miles, but that's because it was fired at a very steep angle to avoid flying over neighboring countries. If launched at the optimum angle, it could have a range of 2,800 miles, which means it threatens the U.S. island of Guam. That's the farthest of North Korea's missiles so far, not counting the rockets it used to launch satellites.

The Hwasong appears to use a new high-performance engine tested in March that it developed from scratch instead of adapting a Russian or Chinese design. The missile appears to be a single-stage, liquid-fueled rocket that could become the first stage of a new ICBM. That would allow the North to abandon the derivative designs it previously cobbled together to achieve the thrust for longer ranges. In its current form the Hwasong is also road mobile, making it more difficult to find and destroy. The North Koreans further claim the Hwasong can carry a "large, heavy nuclear warhead."

On Sunday the North successfully tested another relatively new missile, the Pukguksong-2. While its range is shorter at about 1,000 miles, it is solid-fueled and can be moved using a domestically produced transporter, both of which improve survivability.

Based on a submarine-launched missile that may be a modified Chinese design, the Pukguksong's first test in February was also successful. That suggests the missile will prove reliable, and North Korean media are reporting that Kim has ordered mass production.

The North also took advantage of the steep trajectory of both missiles to work on one of the last remaining obstacles to ICBM deployment—a re-entry vehicle capable of withstanding the heat and vibration of the fall through the atmosphere. The North Koreans say the Hwasong "verified the homing feature of the warhead under the worst re-entry situation," and that may be more than a boast. The U.S. and South Korea have confirmed that the test warhead survived and transmitted data.

The North still has to overcome obstacles to targeting the U.S., not least designing an ICBM re-entry

vehicle. While the Kim regime is believed to have partially miniaturized an atomic weapon, it hasn't tested a hydrogen bomb. But that is little comfort. On Tuesday when Senators asked Lt. Gen. Vince Stewart, director of the U.S. Defense Intelligence Agency, how long North Korea needs before it can deploy an ICBM, he answered that it "is on a pathway where this capability is inevitable."

This month's tests mean advances in Pyongyang's nuclear and missile programs are coming much faster than analysts thought possible. If the U.S. and its allies don't take steps to stop it now, the world will soon wake up to a nuclear North Korea far more dangerous and disruptive than the one we have today.

## THE WALL STREET JOURNAL

### The Islamic State-Linked Militant Fueling a Violent Philippine Showdown

Jake Maxwell Watts

MANILA—At the center of a gunbattle and hostage standoff between Islamic State-linked militants and government troops in the southern Philippines is a faction leader who is trying to build a caliphate in the troubled region.

Isnilon Hapilon, 51, leads a branch of the Abu Sayyaf group known for kidnapping and beheading foreign tourists. His faction, which President Rodrigo Duterte has pledged to destroy, has preoccupied the Philippine military since 2014, when he publicly declared loyalty to Islamic State.

Mr. Hapilon's group hails from the southwestern island of Basilan, but it has brought fighters to the main

southern island in Mindanao and raised his profile by striking alliances with other militant groups. Other elements have split off and conducted their own operations, some more ransom-hungry, than Mr. Hapilon's overtly religious focus.

"I do think that Hapilon has taken on something of a symbolic importance," said Marc Singer, director of business intelligence at risk consultancy PSA Group in Manila. "Central Mindanao is now a kind of complex chess board where the pieces are all in disarray and you have any number of disparate groups" fighting for influence.

A combined police and military operation on Tuesday sought to arrest Mr. Hapilon, sparking a

gunfight in the southern city of Marawi. The arrest attempt was unsuccessful. Meanwhile, rebels from the Maute group, another organization aligned with Mr. Hapilon, attacked the city, occupied buildings and waved a black Islamic State flag.

The standoff escalated Wednesday, when a Roman Catholic bishop in Marawi said he received a call from the militants the previous evening. The bishop said they had taken several of his congregation and a priest hostage, according to the official news website of the Catholic Bishops' Conference of the Philippines. The militants threatened to kill the hostages if their demands of a cease-fire and safe passage out of Marawi weren't met, according to

the Conference news service. There was no immediate confirmation from government officials.

Mr. Duterte responded to the attack on Marawi during a trip to Moscow by declaring martial law for the entire main southern island of Mindanao, home to around 22 million people. In a press conference in Manila on Wednesday, Mr. Duterte said sporadic skirmishes with the Maute group continued, "showing the group's capability to sow terror." He said a local police chief had been beheaded by the group and that he would consider extending martial law to the entire Philippines if he felt it necessary.

Mindanao's lawless western regions have become a concern for security services internationally as Islamic State's strongholds in the Middle East are destroyed. Dozens of fighters loyal to the group have fled to the Philippines to join local extremist gangs, seeking a way to continue their fight. Several groups are "auditioning for recognition" by Islamic State, Alan Peter Cayetano, the Philippines' foreign secretary said during a press conference in Russia.

Abu Sayyaf started as a religious splinter group from an independence movement in the Muslim south, loosely allying itself with al Qaeda in the mid-1990s. Its tactics have varied, from kidnapping and murder, to a ferry bombing in 2004 and a bus bombing in Manila in 2005.

The Philippine armed forces, which received assistance from the U.S. after the Sept. 11, 2001 terror attacks, have periodically killed Abu Sayyaf leaders and splintered the group further. Now, it survives mostly on kidnappings for ransom and other illicit business, with Mr. Hapilon one of the few leaders with enough seniority to unite members inside and outside Abu Sayyaf itself.

Mr. Hapilon's stature was boosted when Islamic State leadership anointed him as its "emir" in the Philippines. Philippine officials said Mr. Hapilon was wounded in a January airstrike, sparking speculation at the time that he might have been killed.

Mr. Hapilon is on the U.S. Department of Justice list of most-wanted terrorists world-wide with a reward of up to \$5 million. He was

personally involved in several kidnappings, including a 2001 incident when 20 people including an American who was later beheaded were taken from a high-end island resort.

The Philippines' inability to dislodge groups such as Abu Sayyaf and Maute has alarmed its neighbors. In February, Australian Foreign Affairs Minister Julie Bishop said her country was readying itself for the possibility of Islamic State declaring a caliphate in the southern Philippines.

Yet many security experts play down the capability of Mr. Hapilon and his allies to set up a caliphate, arguing that Mindanao's militant groups are too splintered by ethnicity and ideology to gain the critical mass necessary to gain de

facto control of a large amount of territory.

The Maute group, founded by two brothers by that name, rose to notoriety after a series of attacks last year including one in August where gunmen seized control of Butig, a town near Marawi. The military eventually reclaimed the town several days later.

Mr. Hapilon and the Maute group "used the ISIS brand to build a fiercer image," said Joseph Franco, a research fellow at the S. Rajaratnam School of International Studies in Singapore. "It's like wearing a Che Guevara shirt," he said, but "trying to flash the ISIS creds when the operational links are very tenuous."



## Duterte says he may widen martial law from Mindanao to include all of the Philippines

MANILA —

Casting himself as his nation's savior, President Rodrigo Duterte said Wednesday that he was prepared to extend martial law to all of the Philippines if necessary. "I will not allow the country to go to the dogs," he said.

Since winning the presidency a year ago, the words "martial law" have rarely been far from Duterte's lips. On Tuesday, as fighting broke out between the army and Islamist insurgents, he cut short a trip to Moscow and fulfilled his own prediction, declaring martial law across a vast swath of the southern Philippines. At least 21 people have been reported killed in the fighting.

On Wednesday, as insurgents rampaged through the city of Marawi, reportedly taking a Catholic priest and worshippers hostage and torching buildings, Duterte told Filipinos the law would be as "harsh" as it was under Ferdinand Marcos, the country's longtime dictator whose martial-law-era abuses still loom large.

"I will not allow abuses. The courts will stay open. But to anyone holding a gun or confronting the government with violence, my orders are, 'Spare no one,'" Duterte said in an afternoon news conference. Regarding the Islamic State, he added, "Do not f--- with me. ... I would not hesitate to do anything and everything."

Some Philippine militants have declared loyalty to the Islamic State, but there have been no signs so far of close links or material support in this case.

Although the government has yet to specify what, exactly, comes next, the declaration of martial law across the southern island of Mindanao looks set to reshape Duterte's domestic agenda, broadening his focus from drugs to terrorism and renewing questions about his nostalgia for the Philippines' authoritarian past.

Martial law could complicate an uncertain moment in U.S.-Philippine ties.

On Tuesday, The Washington Post reported new details of an April 29 call between President Trump and Duterte — details that suggest Trump is willing to work with, and even praise, Duterte despite the Philippine president's past threats to ditch the United States as an ally.

*[Think twice before casually comparing Duterte and Trump]*

Relations between the United States and the Philippines were strained under the Obama administration, which criticized Duterte's tactics on reports of extrajudicial violence in his effort to root out drug dealers. After cursing President Barack Obama and vowing to align himself with China and Russia, Duterte threatened in the fall to expel U.S. Special Forces from Mindanao.

But with terrorism his new expressed target, Duterte may be more willing to work with the United States, experts said, potentially changing the dynamic among Washington, Manila and Beijing.

Though details are still spotty, official and local reports suggest the fighting that triggered the declaration

of martial law on Tuesday continued through Wednesday.

The clashes reportedly broke out when Philippine security personnel mounted an operation against Isnilon Hapilon, the Islamic State-endorsing leader of a militant group called Abu Sayyaf. Hapilon and his men sought backup from another Islamic State-aligned force known as the Maute group.

As of Wednesday night, these groups controlled parts of the city, having reportedly taken 14 hostages, including the Catholic priest. In his news conference, Duterte claimed a police officer was beheaded, but that has not been confirmed by local reports.

Ayeesha Dicali, a student from Marawi who was out of the area on Tuesday and Wednesday, said she had received text messages from family members who said they were trapped inside their home because of gunfights.

Dicali said she was scared — both of the insurgents and the prospect of martial law. "Here, the words 'martial law' have really negative connotations, and they remind me of what my mother told me about her life in the Marcos era," she said.

"At the same time, we're ambivalent, because maybe this new martial law will mean the soldiers will really respond to the crisis."

Sidney Jones, an expert on terrorism who serves as director of the Institute for Policy Analysis of Conflict in Jakarta, Indonesia, noted that the U.S. government is offering up to \$5 million for the capture of Hapilon.

"Even as Duterte was talking his anti-U.S. and pro-China shift, it was clear that the basic U.S.-Philippine relationship on counterterrorism wasn't affected, and information and close cooperation continued," she said.

*[Why many young, liberal Filipinos support Duterte's drug war]*

Duterte is the first Philippine president from Mindanao, and he pitched himself as uniquely equipped to negotiate with insurgents to end long-standing conflicts once and for all.

That hasn't happened. Since taking power, Duterte has focused on mounting — and defending — a self-proclaimed "war" on drugs, which has been linked to thousands of extrajudicial killings, rather than striking peace deals. He is now under pressure to produce results.

On Sunday, two days before the clashes in Marawi, he predicted that martial law may come to Mindanao. "I already warned you. Please don't force my hand to kill you," he said. He is now pitching martial law as the only way to get results.

When Marcos declared martial law in 1972, ushering in more than a decade of violent dictatorship, the United States was fighting the Cold War, not terrorism. Marcos repeatedly used the alleged threat of communist takeover to shore up support in Washington, even as he committed widespread human rights abuses and, with his wife, Imelda, made off with much of the country's wealth.

President Ronald Reagan, a friend of the couple, backed the Marcos



government until just before a "people power" revolution ousted him in 1986.

As president, Duterte has taken a nostalgic view of the Marcos era, even giving the long-dead dictator a hero's burial in Manila.

Martial law must be approved in the Philippine Congress, where Duterte enjoys wide support. The current constitution places limits on what he could do if it is approved. Still, many warned of possible abuses.

**The  
New York  
Times**

## Brazil's President Deploys Federal Troops to Quell Protests

Simon Romero  
and Dom Phillips

"It is a bad sign at this moment; it could signal weakness from the government," Mr. Nicolau said. "We are in a moment of insecurity, and any act of this type creates more insecurity. We have had much worse demonstrations than this that were controlled by the police."

Tensions have been rising in Brazil over a scandal engulfing Mr. Temer's government, especially after a beef tycoon secretly recorded his discussion with the president about obstructing an anticorruption drive. The disclosure last week of the recording prompted a plunge in Brazil's financial markets, an investigation of Mr. Temer and widespread calls for him to resign, but he has combatively refused to step down.

Brazilian news organizations reported on Wednesday that ministry buildings in Brasília were evacuated as a result of the protests, while a session of Congress was suspended after shouting matches erupted between opponents of Mr. Temer, 76, a centrist who has drifted to the right,

Jose L. Cuisia Jr., who served for five years as Philippine ambassador to the United States until June, said the declaration showed a president "obsessed about having full control of all branches of government: executive, legislative and judiciary."

"The lawlessness of President Duterte's 'war on drugs' heightens grave concerns that his declaration of martial law in Mindanao will bring further rampant abuses," Phil Robertson, deputy Asia director at Human Rights Watch, said in a

and his supporters. Firefighters managed to control the blaze in the Agriculture Ministry.

The public security secretariat of Brazil's Federal District, which includes Brasília, blamed protesters trying to get through a security cordon for the violence.

"Demonstrators tried to invade the security perimeter," the secretariat said in a statement, but they were stopped by the police, "who used progressive force."

Some demonstrators contested the official statement.

Vitor Guimarães, 26, an activist from the Landless Workers' Movement, a militant leftist group, said that he was on the grassy area in front of Congress when the police attacked protesters.

"The main part of the demonstration had not arrived, and they started throwing percussion grenades, tear gas and rubber bullets," Mr. Guimarães said.

Some protesters hid behind shields, and others threw percussion grenades back at the police, he said.

statement. "We urge the Philippine government to ensure that the rights of all Filipinos are respected as it addresses violence and crime in the southern Philippines."

Today's WorldView

What's most important from where the world meets Washington

In the city of Cagayan de Oro, not far from the violence, Aida Ibrahim, a leader of a local Muslim organization, held a candlelight vigil,

"We are protesting the acts of violence committed by the attackers," she said. "But we also oppose the military action and the declaration of martial law.

"With this kind of escalation, it's always the innocent that pay."

Rauhala reported from Beijing.

"There were various focal points of resistance," Mr. Guimarães said. "People with shields wanting to get closer, and people throwing the bombs back and some letting off fireworks."

Mr. Guimarães was hit in the face by a projectile he said he thought was a tear-gas canister.

"The police wanted to expel everyone from the esplanade," he said.

In addition to the protests in Brasília, police officers in Rio de Janeiro came under attack by demonstrators wielding slingshots in the city's downtown, officials said. Lawmakers in Rio had been debating measures to ease the state's severe financial crisis.

Amid the impasse on the national level, Mr. Temer has also maintained pressure on Congress to vote on broadly unpopular austerity measures. A general strike already disrupted cities across Brazil in April when unions marshaled resistance to Mr. Temer's proposals, which would curb pension benefits and overhaul labor laws.

Mr. Temer has gone on the offensive against his accuser, Joesley Batista, 44, an heir to the JBS food processing empire. Mr. Temer claimed that the recording of their conversation in March had been adulterated and manipulated, and he said he would seek the suspension of the graft investigation into his activities.

Mr. Temer is accused of receiving millions in illicit payments and seeking to obstruct corruption inquiries. He took power barely more than a year ago after helping to orchestrate the ouster of his predecessor, Dilma Rousseff, over accusations that she manipulated the budget to conceal mounting economic problems.

Mr. Nicolau, the political science professor, said that while Mr. Temer remained in office, protests like those on Wednesday were likely to worsen.

"I see these demonstrations as a radicalization that is going to get more serious," he said. "There is enormous dissatisfaction."

**The  
Washington  
Post**

## How a dubious Russian document influenced the FBI's handling of the Clinton probe (UNE)

By Karoun  
Demirjian and Devlin Barrett

A secret document that officials say played a key role in then-FBI Director James B. Comey's handling of the Hillary Clinton email investigation has long been viewed within the FBI as unreliable and possibly a fake, according to people familiar with its contents.

In the midst of the 2016 presidential primary season, the FBI received what was described as a Russian intelligence document claiming a tacit understanding between the Clinton campaign and the Justice Department over the inquiry into whether she intentionally revealed

classified information through her use of a private email server.

The Russian document cited a supposed email describing how then-Attorney General Loretta E. Lynch had privately assured someone in the Clinton campaign that the email investigation would not push too deeply into the matter. If true, the revelation of such an understanding would have undermined the integrity of the FBI's investigation.

Current and former officials have said that Comey relied on the document in making his July decision to announce on his own, without Justice Department

involvement, that the investigation was over. That public announcement — in which he criticized Clinton and made extensive comments about the evidence — set in motion a chain of other FBI moves that Democrats now say helped Trump win the presidential election.

But according to the FBI's own assessment, the document was bad intelligence — and according to people familiar with its contents, possibly even a fake sent to confuse the bureau. The Americans mentioned in the Russian document insist they do not know each other, do not speak to each other and never had any conversations

remotely like the ones described in the document. Investigators have long doubted its veracity, and by August the FBI had concluded it was unreliable.

The document, obtained by the FBI, was a piece of purported analysis by Russian intelligence, the people said. It referred to an email supposedly written by the then-chair of the Democratic National Committee, Rep. Debbie Wasserman Schultz (D-Fla.), and sent to Leonard Benardo, an official with the Open Society Foundations, an organization founded by billionaire George Soros and dedicated to promoting democracy.

The Russian document did not contain a copy of the email, but it described some of the contents of the purported message.

*[From Clinton emails to alleged Russian meddling in election: The events leading up to Comey's firing]*

In the supposed email, Wasserman Schultz claimed Lynch had been in private communication with a senior Clinton campaign staffer named Amanda Renteria during the campaign. The document indicated Lynch had told Renteria that she would not let the FBI investigation into Clinton go too far, according to people familiar with it.

Current and former officials have argued that the secret document gave Comey good reason to take the extraordinary step over the summer of announcing the findings of the Clinton investigation himself without Justice Department involvement.

Comey had little choice, these people have said, because he feared that if Lynch announced no charges against Clinton, and then the secret document leaked, the legitimacy of the entire case would be questioned.

From the moment the bureau received the document from a source in early March 2016, its veracity was the subject of an internal debate at the FBI. Several people familiar with the matter said the bureau's doubts about the document hardened in August when officials became more certain that there was nothing to substantiate the claims in the Russian document. FBI officials knew the bureau never had the underlying email with the explosive allegation, if it ever existed.

Yet senior officials at the bureau continued to rely on the document before and after the election as part of their justification for how they handled the case.

Wasserman Schultz and Benardo said in separate interviews with The Washington Post that they do not know each other and have never communicated. Renteria, in an interview, and people familiar with Lynch's account said the two also do not know each other and have never communicated. Lynch declined to comment for this article.

Moreover, Wasserman Schultz, Benardo and Renteria said they have never been interviewed by the FBI about the matter.

Comey's defenders still insist that there is reason to believe the document is legitimate and that it rightly played a major role in the director's thinking.

*[FBI director says he feels 'mildly nauseous' about possibility he affected election, but has no regrets]*

"It was a very powerful factor in the decision to go forward in July with the statement that there shouldn't be a prosecution," said a person familiar with the matter. "The point is that the bureau picked up hacked material that hadn't been dumped by the bad guys [the Russians] involving Lynch. And that would have pulled the rug out of any authoritative announcement."

Other people familiar with the document disagree sharply, saying such claims are disingenuous because the FBI has known for a long time that the Russian intelligence document is unreliable and based on multiple layers of hearsay.

"It didn't mean anything to the investigation until after [senior FBI officials] had to defend themselves," said one person familiar with the matter. "Then they decided it was important. But it's junk, and they already knew that."

An FBI spokesman declined to comment. Comey did not respond to requests for comment.

The people familiar with the Russian document spoke on the condition of anonymity because they were not authorized to discuss its contents. No one familiar with it asked The Post to withhold details about its origins to safeguard the source.

Several of them said they were concerned that revealing details now about the document could be perceived as an effort to justify Trump's decision to fire Comey, but they argued that the document and Comey's firing are distinct issues. Most of the people familiar with the document disagree strongly with the decision to fire the director, but they also criticized current and former officials who have privately cited the document as an important factor in the decisions made by Comey and other senior FBI officials. Comey told lawmakers he would discuss it with them only in a classified session.

Email not obtained

After the bureau first received the document, it attempted to use the source to obtain the referenced email but could not do so, these people said. The source that provided the document, they said, had previously supplied other information that the FBI was also unable to corroborate.

While it was conducting the Clinton email investigation, the FBI did not interview anyone mentioned in the Russian document about its claims. At the time, FBI agents were probing

numerous hacking cases involving Democrats and other groups, but they never found an email like the one described in the document, these people said.

Then on July 5, Comey decided to announce on his own — without telling Lynch ahead of time — that he was closing the Clinton email case without recommending charges against anyone. Aides to Comey said he decided to act alone after Lynch met privately with Bill Clinton for nearly a half-hour on an airport tarmac in Phoenix about a week earlier — and have since said privately the Russian document was also a factor in that decision.

*[The Clinton email probe: Questions and answers]*

The appearance of possible conflict arising from the Phoenix meeting led FBI leadership to want to show it had reached the decision independently, without political interference from the Justice Department.

About a month after Comey's announcement, FBI officials asked to meet privately with the attorney general. At the meeting, they told Lynch about a foreign source suggesting she had told Renteria that Clinton did not have to worry about the email probe, because she would keep the FBI in check, according to people familiar with the matter.

"Just so you know, I don't know this person and have never communicated with her," Lynch told the FBI officials, according to a person familiar with the discussion. The FBI officials assured her the conversation was not a formal interview and said the document "didn't have investigative value," the person said.

Nevertheless, the officials said, they wanted to give the attorney general what is sometimes referred to as a "defensive briefing" — advising someone of a potential intelligence issue that could come up at some future point.

The agents never mentioned Wasserman Schultz to Lynch but told her there was some uncertainty surrounding the information because of "possible translation issues," according to a person familiar with the discussion.

Lynch told them they were welcome to speak to her staff and to conduct a formal interview of her, the person said. The FBI declined both offers.

'I've never heard of him'

Renteria, a California Democrat, first heard of the Russian document and its description of her role when a Post reporter called her.

"Wow, that's kind of weird and out of left field," she said. "I don't know Loretta Lynch, the attorney general. I haven't spoken to her."

Renteria said she did know a California woman by the same name who specializes in utility issues. The Loretta Lynch in California is a lawyer who once did campaign work for the Clintons decades ago involving the Whitewater investigation. Bloggers and others have previously confused the two women, including during Lynch's nomination to be attorney general.

Wasserman Schultz and Benardo, the alleged emailers, were also perplexed by the Russian document's claims.

Wasserman Schultz said: "Not only do I not know him — I've never heard of him. I don't know who this is. There's no truth to this whatsoever. I have never sent an email remotely like what you're describing."

She added that she had met Lynch, the former attorney general, once briefly at a dinner function.

Benardo said of Wasserman Schultz: "I've never met her. I've only read about her."

"I've never in my lifetime received any correspondence of any variety — correspondence, fax, telephone, from Debbie Wasserman Schultz," he said. "If such documentation exists, it's of course made up."

As for Renteria, Wasserman Schultz said she knew who she was from past political work but had "virtually no interaction" with her during the 2016 campaign. "I was definitely in the same room as her on more than one occasion, but we did not interact, and no email exchange during the campaign, or ever," she said.

When asked, the individuals named in the document struggled to fathom why their identities would have been woven together in a document describing communications they said never happened. But others recognized the dim outlines of a conspiracy theory that would be less surprising in Russia, where Soros — the founder of the organization Benardo works for — and Clinton are both regarded as political enemies of the Kremlin.

"The idea that Russians would tell a story in which the Clinton campaign, Soros and even an Obama administration official are connected — that Russians might tell such a story, that is not at all surprising," said Matt Rojansky, a Russia expert and director of the Kennan Institute at the Wilson Center. "Because that is part of the Kremlin worldview."

The secret intelligence document has attracted so much attention recently that Sen. Charles E. Grassley (R-Iowa) asked Comey about it during the director's final public appearance in Congress as FBI director before he was fired.

Checkpoint newsletter

Military, defense and security at home and abroad.

Comey said that he had spoken with the heads of the congressional intelligence committees about the

document privately but that it was too sensitive to discuss in public.

"The subject is classified, and in an appropriate forum I'd be happy to brief you on it," he told the Senate

Judiciary Committee. "But I can't do it in an open hearing."

No such briefing occurred before he was fired.

**The  
New York  
Times**

## Top Russian Officials Discussed How to Influence Trump Aides Last Summer (UNE)

Matthew Rosenberg, Adam Goldman and Matt Apuzzo

The information collected last summer was considered credible enough for intelligence agencies to pass to the F.B.I., which during that period opened a counterintelligence investigation that is continuing. It is unclear, however, whether Russian officials actually tried to directly influence Mr. Manafort and Mr. Flynn. Both have denied any collusion with the Russian government on the campaign to disrupt the election.

John O. Brennan, the former director of the C.I.A., testified Tuesday about a tense period last year when he came to believe that President Vladimir V. Putin of Russia was trying to steer the outcome of the election. He said he saw intelligence suggesting that Russia wanted to use Trump campaign officials, wittingly or not, to help in that effort. He spoke vaguely about contacts between Trump associates and Russian officials, without giving names, saying they "raised questions in my mind about whether Russia was able to gain the cooperation of those individuals."

Whether the Russians worked directly with any Trump advisers is one of the central questions that federal investigators, now led by Robert S. Mueller III, the newly appointed special counsel, are seeking to answer. President Trump, for his part, has dismissed talk of Russian interference in the election as "fake news," insisting there was no contact between his campaign and Russian officials.

"If there ever was any effort by Russians to influence me, I was unaware, and they would have failed," Mr. Manafort said in a statement. "I did not collude with the Russians to influence the elections."

The White House, F.B.I. and C.I.A. declined to comment. Mr. Flynn's lawyer did not respond to an email seeking comment.

The current and former officials agreed to discuss the intelligence only on the condition of anonymity because much of it remains highly classified, and they could be prosecuted for disclosing it.

Last week, CNN reported about intercepted phone calls during which Russian officials were bragging about ties to Mr. Flynn and discussing ways to wield influence over him.

In his congressional testimony, Mr. Brennan discussed the broad outlines of the intelligence, and his disclosures backed up the accounts of the information provided by the current and former officials.

"I was convinced in the summer that the Russians were trying to interfere in the election. And they were very aggressive," Mr. Brennan said. Still, he said, even at the end of the Obama administration he had "unresolved questions in my mind as to whether or not the Russians had been successful in getting U.S. persons, involved in the campaign or not, to work on their behalf again either in a witting or unwitting fashion."

Mr. Brennan's testimony offered the fullest public account to date of how American intelligence agencies first came to fear that Mr. Trump's campaign might be aiding Russia's attack on the election.

By early summer, American intelligence officials already were fairly certain that it was Russian hackers who had stolen tens of thousands of emails from the Democratic Party and Hillary Clinton's campaign. That in itself was not viewed as particularly extraordinary by the Americans — foreign spies had hacked previous campaigns, and the United States does the same in elections around the world, officials said. The view on the inside was that collecting information, even through hacking, is what spies do.

But the concerns began to grow when intelligence began trickling in

about Russian officials weighing whether they should release stolen emails and other information to shape American opinion — to, in essence, weaponize the materials stolen by hackers.

An unclassified report by American intelligence agencies released in January stated that Mr. Putin "ordered an influence campaign in 2016 aimed at the U.S. presidential election."

Before taking the helm of the Trump campaign last May, Mr. Manafort worked for more than a decade for Russian-leaning political organizations and people in Ukraine, including Mr. Yanukovich, the former president. Mr. Yanukovich was a close ally of Mr. Putin.

Mr. Manafort's links to Ukraine led to his departure from the Trump campaign in August, after his name surfaced in secret ledgers showing millions in undisclosed payments from Mr. Yanukovich's political party.

Russia views Ukraine as a buffer against the eastward expansion of NATO, and has supported separatists in their yearslong fight against the struggling democratic government in Kiev.

Mr. Flynn's ties to Russian officials stretch back to his time at the Defense Intelligence Agency, which he led from 2012 to 2014. There, he began pressing for the United States to cultivate Russia as an ally in the fight against Islamist militants, and even spent a day in Moscow at the headquarters of the G.R.U., the Russian military intelligence service, in 2013.

He continued to insist that Russia could be an ally even after Moscow's seizure of Crimea the following year, and Obama administration officials have said that contributed to their decision to push him out of the D.I.A.

But in private life, Mr. Flynn cultivated even closer ties to Russia. In 2015, he earned more than

\$65,000 from companies linked to Russia, including a cargo airline implicated in a bribery scheme involving Russian officials at the United Nations, and an American branch of a cybersecurity firm believed to have ties to Russia's intelligence services.

The biggest payment, though, came from RT, the Kremlin-financed news network. It paid Mr. Flynn \$45,000 to give a speech in Moscow, where he also attended the network's lavish anniversary dinner. There, he was photographed sitting next to Mr. Putin.

A senior lawmaker said on Monday that Mr. Flynn misled Pentagon investigators about how he was paid for the Moscow trip. He also failed to disclose the source of that income on a security form he was required to complete before joining the White House, according to congressional investigators.

American officials have also said there were multiple telephone calls between Mr. Flynn and Sergey I. Kislyak, the Russian ambassador to the United States, on Dec. 29, beginning shortly after Mr. Kislyak was summoned to the State Department and informed that, in retaliation for Russian election meddling, the United States was expelling 35 people suspected of being Russian intelligence operatives and imposing other sanctions.

American intelligence agencies routinely tap the phones of Russian diplomats, and transcripts of the calls showed that Mr. Flynn urged the Russians not to respond, saying relations would improve once Mr. Trump was in office, officials have said.

But after misleading Vice President Mike Pence about the nature of the calls, Mr. Flynn was fired as national security adviser after a tumultuous 25 days in office.

**THE WALL  
STREET  
JOURNAL**

## Henninger : From 9/11 to Manchester

Daniel Henninger  
Now we have

Manchester and its 22 dead, many of them children. Somehow, we

always end up back at 9/11, leaving flowers and candles again.

A political constant since 9/11 is that terrorism inevitably changes U.S. presidencies. I think the events this

week—the president's overseas trip and then Manchester—may have a similar effect on Donald Trump.

On Inauguration Day in January 2001, George W. Bush's mind no doubt was filled with plans for his first term. Months later, his was a war presidency and would remain so.

Several things sit in my memory from the politics of that period. One is President Bush's face as he addressed Congress on Sept. 20. He was a changed man. Also remembered is the solidarity of national purpose after the attack. The final memory is how quickly that unity dissipated into a standard partisan melee.

The Democratic point of attack became the Patriot Act's surveillance provisions, a legal and legislative battle that ran the length of the Bush presidency. By the end of his second term, George Bush had become an object of partisan caricature and antipathy equal to anything President Trump endures now.

During Barack Obama's presidency, four major terrorist attacks took place inside the U.S.: Fort Hood in 2009, the Boston Marathon in 2013, San Bernardino two years later and then Orlando in 2016. During these years, the locus of terror migrated from al Qaeda to Islamic State.

Volumes have been written about Barack Obama

**THE WALL  
STREET  
JOURNAL**

At first glance, it's simply a fragment of twisted metal outside the North Atlantic Treaty Organization's new headquarters in Brussels. But this 6-foot-long section of steel girder was recovered from the ruins of the World Trade Center. At its official unveiling Thursday, we will hail the artifact as a symbol of solidarity: Europe and North America standing together.

Two years ago I spoke at the 9/11 Memorial in New York. Being there, at the site of the attacks, reinforced my firm belief that however much terrorists try to divide us, they will only succeed in uniting us.

This is exactly what happened after 9/11. For the first time ever, NATO allies invoked our collective defense clause, Article 5. We recognized those shocking assaults on the U.S. as an attack against us all.

In the days that followed, NATO planes patrolled American skies. Within weeks, troops from NATO allies deployed to Afghanistan to ensure that country would never again be a haven for international

and terrorism, much of it about the president's struggles with vocabulary terms such as war, Islam, extreme and radical. The killing of Osama bin Laden evinced a rare, passing moment of national unity.

With the opposition to the Trump presidency programmed for driverless resistance, there will be no national unity in the war on terrorism. The Democrats have become the Trump-Is-Russia Party, and that may be as good a way as any for them to spend their waking hours.

But even Hillary Clinton couldn't duck the terrorism problem in the 2016 presidential campaign, and when Mr. Trump said he would "defeat ISIS," his lack of nuance no doubt won him votes.

Which brings us to Manchester this week and memories of 9/11.

Note the political response to the Manchester murders. Again, total solidarity, such as this from European Commission President Jean-Claude Juncker: "These cowardly attacks will only strengthen our commitment to work together to defeat the perpetrators of such vile acts."

Post-9/11, naturally one expects such commitments to erode like sand castles. But this time, by coincidence, alleged Manchester bomber Salman Abedi murdered concertgoers in the same week

Donald Trump was using his first overseas trip to build a coalition to defeat Islamic State.

This was not a routine presidential foreign trip for self-pomp and circumstance. Mr. Trump went to Saudi Arabia to initiate an anti-ISIS policy designed and midwived by three Trump appointees and Middle East specialists—Defense Secretary Jim Mattis, Secretary of State Rex Tillerson and national security adviser H.R. McMaster.

The policy entails the U.S. sale over 10 years to Saudi Arabia of \$450 billion of military equipment—tanks, ships, precision-guided bombs—in return for Saudi leadership of an Arab-state coalition, which is their idea, to fight Islamic terrorists in the region and thwart Iran's territorial ambitions.

A New York Times online summary of the speech Mr. Trump delivered Sunday in Riyadh called it "a speech about Islam." I thought it was about something larger than that.

For instance, the Times and Washington Post ran stories about how the Trump foreign policy has demoted human-rights issues. It has not. Implicit in the Trump-Tillerson formulation is that defining the abuse of human rights as oppression by governments, such as Saudi Arabia's, is too narrow. Now, any discourse over human rights must include the right not to

have one's life ended by acts of organized terrorism.

Grasping at Trumpian straws is a fact of life, but I am going to hazard not much more than a thought, which is that the president who left for Saudi Arabia last Friday will not be the same president who returns here this weekend.

Delivering that big foreign-policy speech in Riyadh, Mr. Trump looked like he was passing through a moment familiar to George W. Bush and other presidents in the post-World War II period—coming to grips with the gravity of why his office matters to the world. Being president isn't enough. Something always has to penetrate the parochial bubble of U.S. politics for this transition to happen, such as the Soviet invasion of Afghanistan in the Carter presidency.

Mr. Trump meets Thursday in Brussels with NATO allies who since 2015 have experienced Islamic State's mass murders in Paris, Nice, Berlin, Copenhagen, Brussels, Stockholm, London and now Manchester.

His basic message—it's time to get serious—is important and deserves support, both over there and in the White House.

## Stoltenberg : NATO's Vital Role in the War on Terror

Jens Stoltenberg

terrorists. The biggest combat operation in NATO history was launched in direct response to the 9/11 terrorist attacks.

Since then, hundreds of thousands of Europeans, Canadians and troops from partner countries have stood shoulder-to-shoulder with their American comrades in Afghanistan. More than 1,000 have paid the ultimate price. Many more have suffered life-changing injuries.

At this moment, approximately 13,000 troops from 39 NATO and partner countries are training Afghan security forces to stabilize the country. And at a meeting of NATO leaders in Brussels on Thursday we will discuss how we can step up our fight against terrorism.

We never said it would be easy. On my visits to Afghanistan, I have witnessed the challenges, as well as the progress made. I was particularly impressed by my meeting with young Afghan women training to become pilots. I heard them express pride in what they are doing and appreciation for NATO's support.

While NATO's contribution to the fight against terrorism effectively began in Afghanistan, it now extends far wider.

NATO surveillance planes are supporting the coalition to defeat the so-called Islamic State. Iraqi troops trained by NATO to defuse improvised explosive devices are putting their skills to use in the battle for Mosul. We have taught soldiers counterterrorism and counterinsurgency tactics in countries like Egypt, Jordan, Mauritania and Morocco. And our highly skilled troops are helping Tunisia develop its own special forces.

Earlier this year, we opened a regional center in Kuwait to enhance cooperation with our Gulf partners. We are also developing a new operational hub at our command in Naples, Italy, to improve our ability to anticipate and respond to crises in the region. At our headquarters in Brussels we have set up a new intelligence and security division to improve our understanding of the threats we face.

At the same time, we are strengthening ties with the European Union and United Nations. Both organizations' counterterrorism capabilities complement our own. And we are working hard throughout the alliance to make our societies more resilient to attack.

While I am very proud of what NATO is already doing in the fight against terrorism, I also believe NATO can do more. For instance, we have learned from our experiences in Afghanistan and elsewhere that training local forces is one of the best weapons we have in the fight against terrorism. It is far better, and more sustainable, to help our neighbors to stabilize their countries themselves. And if our neighbors are more stable, we are more secure. These efforts must be expanded.

There are other possibilities. Although NATO has assisted the coalition fighting ISIS, it does not have a formal role. Having one would allow NATO to support political discussions in the coalition. It would also improve coordination, for example, with training and

capacity-building activities. It would not mean NATO involvement in combat operations.

We are also considering expanding our support to airspace surveillance for the coalition. An expanded training and capacity-building role

for NATO's special forces and the creation of a dedicated counterterrorism intelligence cell are also under consideration.

Terrorism affects every NATO ally. It is a long-term threat to our values, freedom and way of life. And the

alliance is ready to do more to counter this threat. The unique bond between Europe and North America has delivered unprecedented peace for almost seven decades, and NATO's role in the fight against terrorism is an important chapter in that story.

*Mr. Stoltenberg is secretary-general of NATO.*

## **The New York Times** Trump Is Expected to Endorse NATO's Mutual Aid Pledge, Ending Silence

Michael D. Shear and Mark Landler

In an interview with The New York Times just before officially claiming the Republican nomination last July, Mr. Trump said that if he were elected, the United States would come to the defense of the Baltic States against a Russian invasion only if those small countries spent more on their military and contributed more to the alliance.

"If they fulfill their obligations to us," Mr. Trump said in the interview, "the answer is yes."

Mr. Trump's speeches often remain in flux until the last minute, and he is well known for deviating from his prepared text by adding, removing or changing passages even as he reads them on the prompter. So he may yet change his mind and omit an explicit statement of support for Article 5.

But the administration official said that Mr. Trump now appears ready to reassure NATO allies that the United States will not place conditions on its adherence to Article 5, which states the principle that an attack on any one member is an attack on all.

Secretary of State Rex W. Tillerson, traveling with Mr. Trump to Brussels, declined to tell reporters what Mr. Trump would say in his remarks but added, "Of course we support Article 5."

European leaders have feared a historic American retreat from the collective defense pact that created the NATO alliance, signed by President Harry S. Truman 68 years ago in the wake of World War II. They worried, in particular, that Mr. Trump's silence on Article 5 was inviting further

aggression from President Vladimir V. Putin of Russia, whose troops seized Crimea from Ukraine in 2014 and have helped destabilize eastern Ukraine since then.

"It could raise grave doubts about the credibility of the American security guarantee and provide Russia with an incentive to probe vulnerable Baltic States," Thomas Wright, a Brookings Institution scholar, wrote last week, before Mr. Trump began his first foreign trip as president.

The NATO leaders who will meet on Thursday face other difficult questions as well, including how many troops the United States will contribute to replenish the alliance's forces fighting in Afghanistan. Right now, the international security force assisting the Afghan Army has about 13,000 troops; about 8,400 of them are American. Mr. Trump is considering proposals to send as many as 5,000 more, including Special Operation forces.

Mr. Trump is scheduled to speak Thursday afternoon at NATO's new headquarters, a gleaming \$1.2 billion facility that he will help dedicate with a part of the World Trade Center in New York that was destroyed in the Sept. 11 attacks.

The alliance invoked Article 5 the next day, telling the United Nations on Sept. 12, 2001, that if the attack had come from outside the United States, it would be covered by the mutual defense pact. NATO later affirmed that decision when Al Qaeda was identified as the group responsible.

"By invoking Article 5, NATO members showed their solidarity toward the United States and condemned, in the strongest

possible way, the terrorist attacks against the United States," the alliance says on its website.

Endorsing Article 5 would align Mr. Trump with every previous American president since the treaty was signed. All of them publicly reaffirmed that the United States would come to the aid of a NATO member that came under attack. But it would follow more than a year of criticism and complaints by Mr. Trump that NATO was taking advantage of the United States and that other member states were not pulling their weight.

In a March 2016 interview with The Times, Mr. Trump said that NATO was obsolete, that Russia was no longer the threat it had once been, that other NATO nations were not contributing their fair share, and that they were not fighting terrorism as aggressively as the United States does.

He made similar remarks at a campaign rally in July. "I want them to pay," he said then. "I don't want to be taken advantage of." He added: "We're protecting countries that most of the people in this room have never even heard of and we end up in World War III. Give me a break."

Under the NATO charter, each member nation pledges to spend 2 percent of its gross domestic product on defense, but many nations have fallen short of that level for years. Jens Stoltenberg, the NATO secretary general, said this year that the alliance was working to increase compliance.

"Fair burden sharing has been my top priority since taking office," Mr. Stoltenberg said at a joint news conference with Mr. Trump at the White House. "We are now working

to keep up the momentum, including by developing national plans outlining how to make good on what we agreed in 2014."

Mr. Tillerson said that Mr. Trump would have blunt words for the leaders of other NATO nations and would press that they do more to pay their fair share of the costs of running the alliance.

"I think you can expect the president to be very tough on them," Mr. Tillerson said, noting that the United States spends 4 percent on defense. "We're doing a lot. The American people are doing a lot for your security, for our joint security."

Mr. Trump has also complained that NATO does too little to help the United States and individual European nations fight terrorism, a concern that he is likely to underscore on Thursday.

"Right now we don't have somebody looking at terror, and we should be looking at terror," Mr. Trump said of the alliance in the March 2016 interview.

Since his election, though, the president has said that his criticisms have brought positive changes at the military alliance.

"I complained about that a long time ago, and they made a change, and now they do fight terrorism," Mr. Trump said during the news conference with Mr. Stoltenberg. "I said it was obsolete; it's no longer obsolete."

## **The New York Times** Colin Powell: American Leadership — We Can't Do It for Free

At our best, being a great nation has always meant a commitment to building a better, safer world — not just for ourselves, but for our children and grandchildren. This has meant leading the world in advancing the cause of peace, responding when disease and disaster strike, lifting millions out of poverty and inspiring those yearning for freedom.

This calling is under threat.

The administration's proposal, announced Tuesday, to slash approximately 30 percent from the State Department and foreign assistance budget signals an American retreat, leaving a vacuum that would make us far less safe and prosperous. While it may sound penny-wise, it is pound-foolish.

This proposal would bring resources for our civilian forces to a third of what we spent at the height of Ronald Reagan's "peace through strength" years, as a percentage of the gross domestic product. It would be internationally irresponsible, distressing our friends, encouraging our enemies and undermining our own economic and national security interests.

The idea that putting Americans "first" requires a withdrawal from the world is simply wrongheaded, because a retreat would achieve exactly the opposite for our citizens. I learned that lesson the hard way when I became secretary of state after a decade of budget cuts that hollowed out our civilian foreign policy tools.

Many had assumed the Cold War's end would allow us to retreat from the world, but cuts that may have looked logical at the time came back to haunt us as tensions rose in the Middle East, Africa, the Korean Peninsula and elsewhere. Confronting such challenges requires not just a military that is second to none, but also well-resourced, effective and empowered diplomats and aid workers.

Indeed, we're strongest when the face of America isn't only a soldier carrying a gun but also a diplomat negotiating peace, a Peace Corps volunteer bringing clean water to a village or a relief worker stepping off a cargo plane as floodwaters rise. While I am all for reviewing, reforming and strengthening the State Department and the United States Agency for International Development, proposals to zero out economic and development assistance in more than 35 countries would effectively lower our flag at our outposts around the world and make us far less safe.

Today, the world is witnessing some of the most significant humanitarian crises in living memory. With more than 65 million people displaced, there have never

been more people fleeing war and instability since World War II. The famines engulfing families in South Sudan, Yemen, Nigeria and Somalia put more than 20 million people at risk of starvation — further destabilizing regions already under threat from the Islamic State, Al Qaeda, Boko Haram and Al-Shabaab.

Do we really want to slash the State Department and the U.S.A.I.D. at such a perilous moment? The American answer has always been no. Yet this budget proposal has forced us to ask what America's role in the world is and what kind of nation we seek to be. The president's budget director, Mick Mulvaney, has described these cuts as "not a reflection of the president's policies regarding an attitude toward State." But how is a 32 percent cut to our civilian programs overseas anything but a clear expression of policy?

True, many in Congress have effectively declared the administration's budget proposal "dead on arrival," but they also acknowledge that it will set the tone for the coming budget debate. That's the wrong conversation. Our diplomacy and development budget

is not just about reducing spending and finding efficiencies. We need a frank conversation about what we stand for as that "shining city on a hill." And that conversation begins by acknowledging that we can't do it on the cheap.

Diplomacy and aid aren't the only self-defeating cuts in the administration's proposal. A call to all but eliminate two key export-promotion agencies — the Overseas Private Investment Corporation and the Trade and Development Agency — would harm thousands of American workers and actually add to the deficit. And any cuts to our economic development investments in Africa and elsewhere would undermine our ability to build new customer bases in the world's fastest-growing markets.

With 95 percent of the world's consumers outside our borders, it's not "America first" to surrender the field to an ambitious China rapidly expanding its influence, building highways and railroads across Africa and Asia. China is far from slashing its development budget. Instead, it's growing — by more than 780 percent in Africa alone since 2003.

Since the release of its initial budget request in March, the administration has started to demonstrate a more strategic foreign policy approach. This is welcome, but it will take far more than a strike against Syria, a harder line on Russia, increased pressure on North Korea and deeper engagement with China to steer American foreign policy. It also takes the resources to underwrite it.

America is great when we're the country that the world admires, a beacon of hope and a principled people who are generous, fair and caring. That's the American way. If we're still that nation, then we must continue to devote this small but strategic 1 percent of our federal budget to this mission.

Throughout my career, I learned plenty about war on the battlefield, but I learned even more about the importance of finding peace. And that is what the State Department and U.S.A.I.D. do: prevent the wars that we can avoid, so that we fight only the ones we must. For our service members and citizens, it's an investment we must make.



## NATO Prepares to Be Disappointed by the Cheshire Cat President

Julianne ("Julie") Smith

The hysteria that now surrounds the Donald Trump presidency has blown the NATO mini-summit out of the water. Allies who once were looking forward to Thursday's summit for reassurance that the U.S. president supported a U.S. role in Europe will instead come just to see firsthand the spectacle that Trump has become. Whispers of obstruction of justice and impeachment have badly battered the credibility of the president and weakened him. Allies look to the United States for strong leadership. The summit will showcase instead a U.S. leadership in doubt.

At one time, the main outcome of the summit was set to be a family photo of 29 heads of state or government, including Trump, standing together with NATO Secretary General Jens Stoltenberg. This photo would signify unity, strength, and the end of Trump's doubts about NATO. Instead, the photo will become a curiosity, and all who view it will wonder if Trump will show up in the next family photo.

Allies want to hear about Russia as well: Just where does the president stand on provocative Russian behavior in Europe, such as bullying allies and occupying parts of Georgia and Ukraine? Does the

president support continuing sanctions as well as the newly enhanced U.S. troop presence in Central and Eastern Europe? Given his curious meeting with Russian Foreign Minister Sergei Lavrov a day before the James Comey memo revelations, whatever Trump may say about Russia will be unconvincing. As soon as allies think they know where the administration stands on Russia or on anything for that matter, Trump's actions and tweets often say something else. Allies are afraid of assuming one thing and then embarrassing themselves when they find out via a tweet or an oval office photo op that Trump's views are indeed somewhere else.

And how enthusiastic will allies be now about grabbing the thorny nettle of increased defense spending, if it is to please someone for whom they have lost respect? Making progress on the pledge to spend 2 percent of GDP on defense is the right thing to do, regardless of who is pressing allies to do so. Allies should be doing this not to make Trump happy but to improve NATO defense capabilities. But Trump's blandishments no longer help motivate nations to increase spending — the leadership that Trump was beginning to show on this issue has been undercut by his actions at home. It's understandable

if some Allies resent being preached to about virtuosity by an American president who has tarnished his own virtue at home.

Counterterrorism cooperation is also on the agenda, but the deliverables, as policymakers like to call them, will be thin. Europeans are open to new ideas, but the president's failure to staff the Departments of State and Defense have prevented the administration from floating any. That's not necessarily a bad thing in the eyes of his European audience, since many in Europe don't view NATO as the right fit. Europeans tend to look at counterterrorism through law enforcement and intelligence sharing lenses, leading them to the European Union instead. In light of recent revelations about the president's handling of classified material, it isn't clear allies are looking to enhance intelligence sharing with the United States right now.

Finally, Trump will have to address the issue of Afghanistan, home to NATO's longest combat mission. Europeans have heard that Trump is considering sending more troops there and could very well ask for Europe's help. Sending troops into harms way is the toughest decision any leader must make. Such a decision must come after a thorough analysis of the options and assurances that sacrifices made will

be worthy of the objective. U.S. military leadership believes we need more forces, U.S. and European, in Afghanistan. That is a tall order even on a good day, given how long this conflict has lasted with no end in sight. But will allies double down in Afghanistan under these conditions, especially given that the ask is coming from a U.S. president mired in crises? If asked to contribute more, the allies will rightly want to see a strategy first — something this administration still lacks.

At the end of the day, the allies will come to the summit for the spectacle but stay for the discussions. They have to stay because the populism heating up the political atmosphere combined with threats to Europe from all points of the compass give them no choice but to cling together. The U.S. president used to be the pillar around which the allies would rally when times were bad. Times are bad now, but the president is weak, and like the Cheshire Cat in *Alice in Wonderland*, not always present, invisible except for his toothy grin. The NATO summit will take place and the Cheshire Cat will be there, but allies will not leave the summit feeling any more reassured than when they arrived. But they will be entertained. Tea, anyone?

## NATO, Meet Donald Trump

Rosie Gray

BRUSSELS — Is NATO really that afraid of Donald Trump?

Trump's first foreign trip as president has so far gone smoothly, and even predictably. At a time when his administration is mired in scandals at home, his journey abroad has been mostly incident-free, including meetings with world leaders in Saudi Arabia, Israel, the Palestinian territories, and Rome. But on Thursday, Trump enters a more complicated world of multilateral diplomacy at the NATO leaders' summit here.

His meetings with various leaders are mostly intended as a kumbaya exercise. But Trump's wavering stance on NATO — he last called it "obsolete" in January before declaring it "no longer obsolete" in April — has worried allies. So has his long refusal to say he supports Article 5, the provision in the North Atlantic Treaty stipulating that if one of the members comes under attack the others must come to its aid. (*The New York Times* reported on Wednesday that Trump is expected to finally endorse Article 5 in his remarks in Brussels on Thursday, after having implied that the commitment was conditional on whether allies paid more for their own defense.)

So NATO—the 28-member, 68-year-old military alliance that accounts for billions of dollars in defense spending; the definition of a staid, bureaucratic international institution—joins the list of entities forced to face the conundrum of how to deal with Donald Trump. The Trump-NATO confusion is a sign of how consequential Trump's open suspicion of existing U.S. alliances and commitments has been on the world stage. The NATO summit this week has reportedly been carefully tailored to him. The agenda is being confined to counterterrorism and burden-sharing — two issues that

have been the

focal point of Trump's antipathy toward the alliance. Not on the official agenda: Russia, a NATO spokesperson told *BuzzFeed News*. Alliance leaders were reportedly told to keep their remarks short during the group dinner to accommodate Trump's attention span.

"All the Europeans want this to work," said Thomas Wright, director of the Center on the United States and Europe at the Brookings Institution. "They won't be able to outdo the Saudis in flattery, but they will try to make him at ease because they need this to work."

On the burden-sharing front, Trump has repeatedly badgered other members of the alliance to boost defense spending. And he has taken credit for their doing so: "based on our very strong and frank discussions, they are beginning to do just that," he said in his first speech to a joint session of Congress after being inaugurated. (NATO members pledged in 2014 to increase their defense spending to 2 percent of gross domestic product within the following decade; most members increased their defense spending in 2016, prior to Trump's inauguration.)

Defense Secretary James Mattis and Vice President Mike Pence have both promised to honor Article 5. On Wednesday, Secretary of State Rex Tillerson told reporters traveling on Air Force One from Rome to Brussels: "Of course we support Article 5. The only time Article 5 has been invoked was in 9/11," after which NATO joined the American-led war in Afghanistan.

But up until now, Trump himself has not explicitly made that commitment. NATO leadership has finessed the issue; NATO Secretary-General Jens Stoltenberg argued that Trump had essentially endorsed Article 5 in a press conference on Thursday, saying: "By expressing strong support to NATO, to our security guarantees, the United States,

President Trump, his security team, has also of course expressed strong support of Article 5, because Article 5, collective defense, is NATO's core task." (It was standing next to Stoltenberg, who was visiting the White House in April, that Trump first declared NATO "no longer obsolete.")

Trump on Thursday will dedicate a 9/11 memorial at the new NATO headquarters being unveiled in time for the summit. It's there, according to the *Times*, that Trump will promise to do for the other NATO allies what they did for the United States following that attack. But according to a staffer at NATO headquarters who spoke on condition of anonymity, on Wednesday night working-level staff still didn't know whether Trump would promise to honor Article 5.

"When you say 'I support NATO,' does that mean you unconditionally support defending all the allies?" said Ivo Daalder, former U.S. ambassador to NATO. "Does it mean that you understand that Russia poses the most severe threat to NATO today? On both of those issues Trump has been silent. Strangely silent."

Russia, of course, is an awkward subject at a moment when Trump's administration is descending deeper into crisis over an FBI investigation into Russian interference in the 2016 election. The staffer at NATO headquarters said that Russia's absence from the meeting's agenda was coincidental.

"The 25th of May meeting will be short, and focused on two main topics: stepping up NATO's role in the fight against terrorism, and fairer burden sharing," NATO spokesperson Oana Lungescu said in a statement. "This is part of NATO's ongoing adaptation to the most serious security challenges in a generation, including terrorism and instability in our southern neighbourhood, and Russia's

aggressive actions in and around Europe. While we do not expect any new decisions on Russia, NATO allies will reconfirm our long-standing twin-track policy: strong defence combined with meaningful dialogue. As the leaders meet in Brussels, four NATO multinational battlegroups are deploying to the Baltic States and Poland as a clear signal of NATO's readiness to defend all allies."

Though Russia's absence from the list of main topics has raised some eyebrows, others say NATO's approach this year, with a first-time visit from Trump, makes sense. In any case, leaders can bring up any issue they want to during the meeting, including Russia.

"I think that the larger goal of having a kind of a calm summit is probably wise done the way it is," said Toomas Hendrik Ilves, the former president of Estonia. "Burden-sharing and a wider role in counterterrorism is something that he's stated. This is the first meeting of NATO with a new president. ... Nothing glaring has happened on the Russian side apart from just the same old same old."

NATO may no longer be obsolete, but Trump remains Trump, and he has for years displayed a mistrust of traditional U.S. allies, along with a belief that the U.S. should scale back its commitments around the world. As a candidate and as president, Trump placed an emphasis on unpredictability in foreign relations. "We have to be unpredictable. And we have to be unpredictable starting now," he said in a speech last year.

"He only said it wasn't obsolete because it was fighting terrorism," Wright said. "Not because he believed in its original vision."

## Somalis are fleeing famine — only to find death in a place of refuge (UNE)

in BAIDOA, Somalia — Aftin Noor stepped back from the tiny graves he'd been digging and surveyed his work. Exhausted, he turned his palms skyward, squinting into the relentless midday sun, and asked God for an answer.

"I dug three children's graves this morning," said Noor, his voice cracking, his undershirt soaked with

sweat. "And I have dug 20 or more this month. Why?"

The immediate answer is cholera. The waterborne bacterial disease is sweeping through this city's sprawling refugee camps, which are filled with people driven from their villages by a vicious drought. Spotty, tantalizing rain showers have left fetid puddles, speeding the infection's spread. Like a desperate

predator, cholera often picks off the weakest targets: children.

The drought and the looming specter of a famine have brought nearly 160,000 people to Baidoa from the baked countryside. They have come to save themselves from almost certain starvation. But an outbreak of cholera is spreading death through this place of refuge.

The exodus to Baidoa began in November, when stores of food

began to run out following two years of limited rains. More than 55,000 people arrived in April alone. Whole villages have relocated here.

Somalia is no stranger to famine. Between late 2010 and early 2012, about 260,000 people perished, mostly around Baidoa, about 120 miles northwest of Mogadishu. Then, as now, the militant Islamist group al-Shabab, which controls almost all of rural southwestern

Somalia and is hostile to aid agencies, made it nearly impossible for lifesaving food and water to be delivered anywhere but to the few cities under government control.

Baidoa was al-Shabab territory then. People starved while walking from their homes near here to camps in the distant capital, Mogadishu, or in neighboring Kenya and Ethiopia. Now Baidoa is an island of government control. Aid agencies have established a presence here.

Half of Somalia's population, about 6 million people, is now dependent on humanitarian aid. The United Nations and a constellation of international and local aid agencies and donors think they are better prepared to address the crisis. Most think 2017 will not mirror 2011, even if the rains fail again.

But the rapid coalescence of squalid camps has complicated the picture. More than 20,000 cases of cholera or related waterborne illnesses have been registered in the Baidoa region since January. Unlike the giant U.N. camps in, say, Jordan or South Sudan, Baidoa's are new and not directly U.N.-administered, with the displaced people responsible for building their own shelters and buying their own food, mostly with cash they receive from international aid groups. The camps have sprung up on vacant land owned by locals. In that vacuum, sanitation facilities fell behind more immediate needs such as getting food, and now aid workers are trying to stay ahead of the cholera outbreak's curve.

"We are trying to negotiate with the landowners to allow us to build pit latrines, but some of them are being stubborn," said Peter de Clercq, who oversees the U.N. humanitarian mission in Somalia. Cholera, which

is endemic in Somalia, spreads quickly in places where people defecate in the open, and bacteria from the waste end up in food or drinking water.

"There is still a significant advantage to being in the camps. People can access cholera treatment centers at hospitals. Cholera is easily treatable — it is a matter of catching it before it is too late," de Clercq said. "From what we know, [you are] 4½ times more likely to die from cholera if you live in an al-Shabab-controlled area."

About 200 deaths from cholera and related diseases have been recorded in or near Baidoa, but aid workers caution that the toll in al-Shabab-controlled areas might be 10 or more times higher.

Bashir Bille, 40, witnessed cholera's terror in his village. In just a few hours, a body already weakened by hunger can lose all its water, effectively drying out from the inside.

When Noor, Bille's 4-year-old son, developed incessant diarrhea sometime after his family arrived in Baidoa two months ago, the father quickly sent the boy to the Bay Regional Hospital.

Noor was a symbol of hope for Bille's family. During the last famine, in 2011, they had fled alongside hundreds of thousands of others to Dadaab refugee camp in Kenya. They returned to their village near the town of Qansax Dheere only when they heard rains had fallen in 2013.

They had survived, amid so much death. Bille's wife, Oorow Madsheikh, gave birth to Noor.

The child was admitted to the hospital in Baidoa during a time of

growing alarm. The patient ledger at the cholera ward had started off with neat, single-spaced names, but after a bout of rain hit the camps, its pages became crowded, disorganized.

Oral rehydration salts strengthened Noor enough for the hospital to release him after a few days. But a week later, on a Saturday morning in mid-May, he suddenly relapsed. He died in an hour.

Two of his brothers are hospitalized with cholera symptoms.

"I don't know exactly how they got sick," said their father, staring blankly ahead as Aftin Noor and his team of diggers took turns with a shovel and a pick ax, excavating Noor's small grave. The diggers were from Bille's village — everyone from there was here now. "Children run around. They touch things. They suck their fingers. We can't watch them all the time."

UNICEF says that more than 275,000 children across Somalia are facing severe malnutrition, making them nine times more likely to die of diseases including cholera and measles. In Baidoa, 72 percent of households in the camps have a child younger than 5, according to the United Nations.

The local hospital, which gets support from aid groups, has saved many lives, but some people are not comfortable sending their children there, believing instead in traditional medicine. When Faduma Abdirahman's six grandchildren, entrusted to her by her daughter, fell ill in a camp in Baidoa, she decided to return to her starving village about six miles away rather than have them admitted.

It had taken only a week in the camp for two of the children to develop uncontrollable diarrhea, and the four others to fall prey to a less widespread outbreak of measles.

Abdirahman, 50, can barely speak now, her face frozen in an expression of sorrow. "I tried to save them by bringing them back to the village," she whispered, her gaze on the scorched ground outside her home. "I didn't know what else to do. They all died."

Today's WorldView

What's most important from where the world meets Washington

The only lasting relief from the drought will come in the form of rain. The wet season, which usually begins in April, is off to an uneven start. From a plane, one can see parched, sandy streambeds intersect with timeworn footpaths, giving the land the cracked look of dry skin.

Noor's body was brought to its resting place in that cracked land wrapped in a white shroud, which was in turn wrapped in a blue tarp. Aid agencies recommend double-wrapping for cholera victims. Noor was thus deprived of the traditional Islamic pre-burial cleansing, but a group of men still gathered to murmur his last rites.

With a final "God is great," the men lowered the boy into the earth, covering his body first in wet mud, then flat rocks, then dirt, but it was not enough to fill the grave. Only by skimming some soil off the top of another grave, dug that same morning, did they manage to fill it.

## ETATS-UNIS



### Editorial : Republican health care bill indicted by CBO, again

Now we know why House Republicans were so quick to ram through an Obamacare repeal-and-replace bill last month, not waiting for an estimate of its impact or holding any public hearings.

On Wednesday the non-partisan Congressional Budget Office got around to "scoring" the bill, and the results are not pretty. By next year, 14 million fewer people would have health insurance. Within a decade, 23 million fewer people would be covered.

Perhaps that bears repeating. If the House GOP health care bill were to become law, about 7% of the U.S. population would be added to the ranks of the uninsured.

Many of these people would lose coverage because the bill savages Medicaid. Others, with private coverage, would be priced out of the market because they have expensive medical conditions that insurers would no longer be required to cover. Indeed, the CBO analysis states that these less healthy people would face "extremely high premiums" in some states.

Still others would simply opt out of having insurance, wagering that they won't get sick or be hospitalized, because the Republican plan drops the mandate that individuals buy coverage.

And what is to be gained from this rollback? Not a lot, apart from a dramatic tax cut on the investment returns of wealthy Americans.

Because of the tax cuts, the GOP plan wouldn't even save such much money in the context of a \$4 trillion federal budget. Next year, the deficit would be reduced by \$4.3 billion, CBO said, and by 2026 that number

would grow to \$56 billion, for a 10-year cumulative savings of \$119 billion.

That's not peanuts, but it's the kind of figure that can be attained by tweaks in existing programs. By one estimate, a slightly larger savings of \$121 billion could be reached, for instance, simply by allowing Medicare to negotiate directly with drug makers.

An earlier version of the American Health Care Act, aka Trumpcare, scored by the CBO in March, would have bumped slightly more Americans — 24 million people —



off the insurance rolls, while achieving a slightly larger deficit reduction of \$337 billion.

Both amount to harsh indictments of a Republican effort that makes sense only in the context of runaway partisanship.

Republicans spent six years rallying their base by calling for the

immediate repeal of President Obama's signature health care law, one that was based on prior Republican efforts at health care reform and which extended coverage to more than 20 million people.

Emerging from November's elections with control of the White House and Congress, Republicans

felt obligated to move forward now, acting not unlike lemmings hurling themselves over a cliff.

In normal times, the first CBO estimate would have caused those in the majority party to drop their anti-Obamacare bill. They would have moved to a strategy of retain and repair, rather than repeal and replace. But these are not

normal times when it comes to sound governance.

All you need to reach that conclusion is to read the CBO's latest analysis.

**The  
Washington  
Post**

## Uninsured ranks still to grow by tens of millions under latest House health-care bill, CBO says (UNE)

Health-care legislation adopted by House Republicans earlier this month would leave 23 million more Americans uninsured by 2026 than under current law, the Congressional Budget Office projected Wednesday — only a million fewer than the estimate for the House's previous bill.

The nonpartisan agency's finding, which drew immediate fire from Democrats, patient advocates, health industry officials and some business groups, is likely to complicate Republicans' push to pass a companion bill in the Senate.

The new score, which reflects last-minute revisions that Republicans made to win over several conservative lawmakers and a handful of moderates, calculates that the American Health Care Act would reduce the federal deficit by \$119 billion between 2017 and 2026. That represents a smaller reduction than the \$150 billion CBO estimated in late March, largely because House leaders provided more money in their final bill to offset costs for consumers with expensive medical conditions and included language that could translate to greater federal spending on health insurance subsidies.

*[What is in the Republican health-care bill? Questions and answers on preexisting conditions, Medicaid and more.]*

As GOP senators quickly distanced themselves from the updated numbers, what became apparent is the difficult balancing act congressional leaders face as they seek to rewrite large portions of the Affordable Care Act. Some senators are eager to soften portions of the House bill, including cuts to entitlement programs and provisions that would allow insurers in individual states to offer fewer benefits in their health plans or to charge consumers with costly medical conditions higher premiums.

Senate Majority Leader Mitch McConnell (R-Ky.), who did not issue a statement in response to the new budget score, suggested in an

interview with Reuters that he still harbored doubts over whether his party could muster enough votes to pass any kind of health-care bill this year.

"I don't know how we get to 50 [votes] at the moment," he said, referring to a situation in which Vice President Pence would cast the deciding vote. "But that's the goal."

To avoid a filibuster by Democrats, Senate Republicans plan to take the bill up under budget reconciliation rules — which only require a majority vote but mean the legislation cannot increase the federal deficit within a 10-year window. The Republicans have been working for weeks on their own health-care bill and emphasize that they do not intend to simply follow the House's lead.

"Exactly what the composition of [our legislation] is, I'm not going to speculate about because it serves no purpose," McConnell told Reuters.

Some, like Sen. David Perdue (R-Ga.), said the CBO score would have no impact on his chamber's efforts to write its own bill.

*[The three numbers you need to understand the CBO report on Republicans' health-care bill]*

"Regardless of any CBO score, it's no secret Obamacare is collapsing under its own weight," Perdue said in a statement. "Doing nothing is not an option."

Instead of addressing the future number of uninsured Americans under the Republican plan — projected to immediately jump in 2018 by 14 million — House Speaker Paul D. Ryan (R-Wis.) on Wednesday chose to focus on the CBO's estimate that premiums overall would fall under the AHCA.

"This CBO report again confirms that the American Health Care Act achieves our mission: lowering premiums and lowering the deficit," Ryan said in a statement. "It is another positive step toward keeping our promise to repeal and replace Obamacare."

Congressional analysts concluded that one change to the House bill aimed at lowering premiums, by allowing states to opt out of some current insurance requirements, would encourage some employers to maintain coverage for their workers and get younger, healthier people to buy plans on their own. But those gains would be largely offset by consumers with preexisting conditions, who would face higher premiums than they do now.

"Their premiums would continue to increase rapidly," the report found.

The CBO estimated that states seeking waivers to strip the ACA's "essential health benefits" would affect roughly one-sixth of the population and that obtaining maternity coverage outside a basic plan, for example, "could be more than \$1,000 per month."

But Rep. John Faso (R-N.Y.), who supported the House bill, called the CBO's assumption that waivers would affect that many Americans "grossly wrong."

"Frankly I doubt any state would try to take advantage of that provision," he said. "I think that is completely out of the ballpark."

Asked why the House included the provision if no state would seek such waivers, he replied, "I'm sure it will be stripped out in the Senate."

The administration's reaction came from Health and Human Services Secretary Tom Price, who questioned the congressional analysts' latest numbers while noting that many Americans on the individual insurance market are paying more than double the premiums they were before the ACA was passed in 2010.

"The CBO was wrong when they analyzed Obamacare's effect on cost and coverage, and they are wrong again," Price said.

*[Trump, House GOP ask appeals court to again delay decision on health-care law provision]*

Joseph Antos, a resident scholar at the conservative American

Enterprise Institute who specializes in health-care policy, said the new estimate "is the same signal repeated," conveying that the changes congressional Republicans envision would cut the price of premiums and trim the deficit while leaving more Americans without insurance.

The AHCA's proposal to cut spending on Medicaid — a federal program that covers roughly 69 million Americans — by \$834 billion over the next decade is the thorniest political issue facing the Senate, Antos said.

"They're going to have to do something on Medicaid, and that something is a real question," he said.

Rep. Mark Meadows (R-N.C.), chairman of the conservative House Freedom Caucus, said he was confident the Senate would be able to craft a bill that could pass muster in the House — even in light of the CBO's analysis.

He said that he expected senators to address the situation of the roughly 10 million Americans who now enjoy Medicaid coverage under the ACA "in a less conservative way" than the House and that the measure "would still have conservative support in the House when it came back."

Senate Democrats seized on the new budget estimate, arguing that their GOP counterparts would be foolhardy to press ahead along the same lines as the House's final legislation. The bill was passed May 4 with no support from Democrats.

"These were cosmetic changes. They thought they could put lipstick on a pig," said Sen. Ron Wyden (D-Ore.), adding that it's now obvious "we're going to have well over 20 million people uninsured."

Several key outside groups, including those representing physicians, hospitals and patients, said in statements that the updated projections underscored the need for the Senate to shift course.

The president of the American Medical Association urged the

Senate to take a different approach. The CBO estimates “show that last-minute changes to the AHCA made by the House offered no real

improvements,” Andrew Gurman said.

And Rick Pollack, president and chief executive of the American

Hospital Association, said the new numbers “only reinforce our deep concerns about the importance of maintaining coverage for those vulnerable patients who need it.”

Mike DeBonis and Sean Sullivan contributed to this report.

## THE WALL STREET JOURNAL

# House GOP Health Bill Would Add 23 Million Uninsured, Cut \$119 Billion in Deficit Through 2026, CBO Says (UNE)

Stephanie Armour and Kristina Peterson

The health-overhaul bill approved by House Republicans would leave 23 million more people uninsured while reducing the cumulative federal deficit by \$119 billion in the next decade compared with current law, according to an estimate from the Congressional Budget Office.

The report by the nonpartisan CBO is likely to roil the current Senate talks over its version of the bill to repeal and replace former President Barack Obama’s 2010 Affordable Care Act.

The findings provide ammunition for the two competing factions that Senate Republican leaders need to pull together to pass a bill. Centrist Republicans, concerned about the number of uninsured, hope to make the House bill less far-reaching, while conservatives want to double down on measures the CBO suggests will lower premiums on average.

The latest report doesn’t differ significantly from the CBO’s analysis of an earlier version of the House bill, which estimated 24 million fewer people would be insured through 2026 than under the current health law. Democrats said it confirmed that the GOP health push would harm millions of Americans.

Some Senate Republicans say privately that their effort to forge an agreement that can attract at least 50 votes faces a tough road. A working group of 13 Republican senators is pushing to come up with a proposal by Congress’s August recess, and if they don’t make progress in coming months, that could forecast trouble.

In the meantime, lawmakers are likely to get pushback from voters at home during next week’s recess, as they did following the CBO’s last report.

“Regardless of any CBO score, it’s no secret Obamacare is collapsing under its own weight,” Sen. David Perdue (R., Ga.) said. “Doing nothing is not an option.”

Democrats, who strongly support the ACA, said the report confirmed that Republicans favor the wealthy and the healthy, while leaving others to fend for themselves.

“Unless you’re a healthy millionaire, Trumpcare is a nightmare,” Senate Minority Leader Chuck Schumer (D., N.Y.) said Wednesday evening.

The White House disputed the CBO’s assessment, with a spokesman saying that “history has proven the CBO to be totally incapable of accurately predicting how health-care legislation will impact health-insurance coverage.”

The biggest change House leaders made to push through their bill was to add an amendment letting states opt out of some of the ACA’s provisions. The amendment would allow states to get waivers that could permit health insurers to sell less comprehensive coverage plans. They could also impose higher premiums on some people with pre-existing conditions who let coverage lapse.

The CBO found the legislation would reduce the cumulative federal deficit by \$119 billion over roughly the next decade. In early March, it reported an earlier version of the bill would cut the deficit by \$337 billion over the next decade.

The most complex part of the CBO’s assessment involved the crucial question of what would happen to insurance premiums under the House bill. Compared to current law, premiums would increase by an average of about 20% in 2018 and 5% in 2019, the report concluded.

But in 2020, average premiums would differ based on whether states obtained waivers, with prices falling for many consumers. Some people would see average premium reductions of up to 30% in parts of the country through 2026, while others would see far smaller drops.

However, the report found that while healthier people would see lower premiums, in some parts of the country, where states opt out of some of the ACA’s rules, “less healthy people would face extremely high premiums.” It also noted that in some cases, lower premiums would be offset by higher out-of-pocket medical costs.

Republicans cheered the prospect of lower overall premiums cited by the report. “This CBO report again confirms that the American Health Care Act achieves our mission:

lowering premiums and lowering the deficit,” House Speaker Paul Ryan (R., Wis.) said.

But Senate Republicans who have been critical of the House GOP bill said Wednesday that the CBO report reiterated why the House-passed bill came up short. “This bill does not do enough to address Nevada’s Medicaid population or protect Nevadans with pre-existing conditions,” said Sen. Dean Heller, a Nevada Republican who is up for re-election next year and opposes the House bill.

The challenge for GOP leaders is that any proposal that tempers the House bill, for example by delaying or reducing its cuts to the Medicaid program, could spur a revolt among conservative Republicans who want a more aggressive and rapid implosion of the current health law.

Senate Majority Leader Mitch McConnell (R., Ky.) can lose no more than two of the 52 Republicans to pass a bill with no Democratic votes. He said Wednesday that it wasn’t clear how he would find the votes.

“I don’t know how we get to 50 [votes] at the moment. But that’s the goal,” Mr. McConnell told Reuters in a sentiment echoed later by other Republicans.

Conservatives in particular are focused on trying to find a way to bring down premiums, but have yet to coalesce around a method to do so. “We are moving in that direction but we’re not there yet,” said Sen. Ted Cruz (R., Texas). “That is the only way it is remotely possible to garner a majority from Republicans’ excruciatingly narrow majority in the Senate.”

Democrats and progressives are using the latest CBO report to argue the GOP plan would take coverage from millions of people, including many low-income elderly, while doling out benefits to high earners.

The House bill includes \$662 billion in tax cuts, the Joint Committee on Taxation reported Wednesday. The largest tax cut, at \$172 billion over a decade, would repeal a 3.8% tax on investment income of individuals with income over \$200,000 and married couples with incomes over \$250,000. The bill would make that tax cut retroactive to Jan. 1.

“This morally bankrupt bill will cause incredible pain for hard-working Americans, and that’s why its passage will haunt every single House Republican through Election Day,” said Tyler Law, a spokesman for House Democrats’ campaign arm.

The new CBO report, however, does back up GOP senators who say their legislation would drive down premium costs for many people who buy insurance on the individual market, rather than getting it through work or a government program.

The Republican plan brings down premiums in large part by allowing less-comprehensive health plans, which supporters say provide for more choice and detractors say will force less healthy people to pay more for more robust plans.

The Senate is likely to face a major battle over how to handle the Medicaid program for low-income Americans. Some Republicans have weighed keeping the ACA’s Medicaid expansion but imposing spending cuts on the program.

It is a politically dicey issue because 20 Senate Republicans hail from states that expanded the program under the ACA, and many of them want to protect state residents who benefited from that expansion. Much of the estimated increase in uninsured in the House bill stems from its proposals to cut back on the Medicaid expansion.

Senate Republicans are also looking at making the bill’s tax credits more generous for older people who would see higher premiums under the House version. Some are pushing shorter-term legislation to stabilize the current individual insurance markets under the ACA while they work on repeal, and others are weighing preserving a controversial requirement of the current law that mandates that most people pay a penalty if they don’t have coverage.

The discussions suggest that any Senate bill will largely differ significantly from the legislation passed by the House. That could complicate efforts to get buy-in from conservative House Republicans who almost torpedoed passage of the bill in that chamber, known as

the American Health Care Act, —Louise Radnofsky and Michelle Hackman contributed to this article.

# The New York Times G.O.P. Health Bill Would Leave 23 Million More Uninsured in a Decade, C.B.O. Says (UNE)

Robert Pear

In states that obtain waivers from certain health insurance mandates, “premiums would vary significantly according to health status and the types of benefits provided, and less healthy people would face extremely high premiums,” the budget office said.

In addition, it said, “out-of-pocket spending on maternity care and mental health and substance abuse services could increase by thousands of dollars.”

The new report is sure to influence Republican senators, who are writing their own version of the legislation behind closed doors. The report provided fresh ammunition for Democrats trying to kill the repeal bill, which they have derided as “Trumpcare.”

House Republican leaders, who pushed the bill through their chamber before the budget office could complete its final estimate, focused on the deficit reduction still on offer. The House bill would reduce federal budget deficits by \$119 billion over a decade, less than the \$150 billion in savings projected in late March for an earlier version of the bill, but still substantial, Republicans said.

## The G.O.P. Health Plan: What Are High-Risk Pools?

Reporter Margot Sanger-Katz examines high-risk pools, the controversy at the heart of the health care debate.

By ROBIN STEIN, MARGOT SANGER-KATZ and SUSAN JOAN ARCHER on May 24, 2017. Photo by Brendan Smialowski/Agence France-Presse — Getty Images. Watch in Times Video »

Republicans in Congress generally focus more on reducing health costs than on expanding coverage. Their proposals will inevitably cover fewer people than the Affordable Care Act, they say, because they will not compel people to buy insurance.

But critics zeroed in on a bifurcated health care system that the bill could create: Those who are sick, at risk of getting sick or nearing retirement would pay more, while those who are young and healthy would pay less. In states that obtain waivers from rules mandating essential health coverage at uniform rates, the legislation could put

insurance economically out of reach for some sick consumers.

“Unless you’re a healthy millionaire, Trumpcare is a nightmare,” said Senator Chuck Schumer of New York, the minority leader. “This report ought to be the final nail in the coffin of the Republican effort to sabotage our health care system.”

Insurance is, by definition, a pooling of risks, but the budget office said the House bill could cause a fragmentation of the market.

The budget office report indicates that the House bill would wipe out gains in coverage made in the last three years.

“In 2026,” it said, “an estimated 51 million people under age 65 would be uninsured, compared with 28 million who would lack insurance that year under current law.”

Republicans have been trying to repeal Mr. Obama’s health law since the day he signed it in March 2010. But the task is proving more difficult than they expected. Many parts of the law have become embedded in the nation’s health care system, and consumers have risen up to defend it, now that they fear losing its protection. At the same time, other consumers, upset about the mandate to buy insurance they can barely afford, are demanding changes in the law.

The budget office issued two reports on earlier versions of the House bill in March. Both said that the legislation would increase the number of uninsured by 14 million next year and by 24 million within a decade, compared with the current law.

But Republican senators appear as determined as ever to replace the Affordable Care Act.

“The status quo under Obamacare is completely unacceptable and totally unsustainable,” Mr. McConnell said Wednesday, a few hours before the budget office issued its report. “Prices are skyrocketing, choice is plummeting, the marketplace is collapsing, and countless more Americans will get hurt if we don’t act.”

The instability of the health law’s insurance marketplaces was underscored again on Wednesday when Blue Cross and Blue Shield of Kansas City, a nonprofit insurer, announced that it would not offer coverage under the law for 2018.

The insurer lost more than \$100 million in 2016 selling individual policies under the law, said Danette Wilson, the company’s chief executive.

“This is unsustainable,” she said in a statement. “We have a responsibility to our members and the greater community to remain stable and secure, and the uncertain direction of the market is a barrier to our continued participation.”

While a vast majority of people the company covers get insurance through an employer or a private Medicare plan, Blue Cross of Kansas City covers about 67,000 people in Kansas City and western Missouri under the federal health law. The company’s departure could leave 25 counties in western Missouri without an insurer, said Cynthia Cox, a researcher at the Kaiser Family Foundation.

Democrats say much of that instability stems from Republican efforts to repeal and undermine the Affordable Care Act.

The House repeal bill was approved on May 4 by a vote of 217 to 213, with no support from Democrats. It would eliminate tax penalties for people who go without health insurance and roll back state-by-state expansions of Medicaid, which have provided coverage to millions of low-income people. And in place of government-subsidized insurance policies offered exclusively on the Affordable Care Act’s marketplaces, the bill would offer tax credits of \$2,000 to \$4,000 a year, depending on age.

A family could receive up to \$14,000 a year in credits. The credits would be reduced for individuals making more than \$75,000 a year and families making more than \$150,000.

The new report tends to validate criticism of the House Republican bill by AARP and other advocates for older Americans. “For older people with lower income, net premiums” — after tax credits — “would be much larger than under current law, on average,” the budget office said. As an example, it said, for a typical 64-year-old with an annual income of \$26,500, the net premium in 2026 would average about \$16,000 a year, compared with \$1,700 under the Affordable Care Act.

The bill would reduce projected spending on Medicaid, the program for low-income people, by \$834 billion over 10 years, and 14 million fewer people would be covered by Medicaid in 2026 — a reduction of about 17 percent from the enrollment expected under current law, the budget office said.

In a separate report, the congressional Joint Committee on Taxation said Wednesday that the House bill would cut taxes for high-income people by \$230 billion over 10 years. The bill would repeal provisions of the Affordable Care Act that increased the payroll tax rate for many high-income taxpayers and imposed a surtax on their net investment income.

Under the House bill, the budget office said, uninsured people could keep \$38 billion that they would otherwise have to pay in penalties over the next 10 years. The bill would also eliminate penalties for larger employers that fail to offer coverage to their employees, and as a result, the budget office said, the government would lose \$171 billion in penalty payments from them.

Senior Republican senators say they want to reconfigure tax credits in the House bill to provide more financial assistance to low-income people and to older Americans, who could face much higher premiums under the House bill.

The House bill would roll back a number of insurance requirements in the Affordable Care Act, which Republicans say have driven up the cost of coverage.

In the weeks leading up to passage of the House bill, Republican leaders revised it to win support from some of the most conservative members of their party.

Under the House bill, states could opt out of certain provisions of the health care law, including one that requires insurers to provide a minimum set of health benefits and another that prohibits them from charging higher premiums based on a person’s health status.

These waivers could lower premiums, the budget office said, because insurance plans “would cover fewer benefits and therefore a smaller share of total health care costs.” If a state excluded maternity care from its definition of “essential health benefits,” such coverage

could be offered separately as a rider, for an additional cost, just as it was in many states before the Affordable Care Act, the budget

office said.

In states taking full advantage of the waivers, the budget office said, less healthy people could face higher

premiums and “might not be able to purchase coverage at all.” In other words, it said, some “less healthy people would become uninsured.”

**The  
Washington  
Post**

## Editorial : The CBO report proves the GOP health-care bill is no rescue plan

REPUBLICANS SOLD the American Health Care Act (AHCA), the Obamacare repeal-and-replace plan that the House passed last month, with a number of untruths, chief among them that Obamacare is collapsing and the GOP effort is nothing short of a rescue plan. The Congressional Budget Office, Congress's official scorekeeper, found Wednesday that the Republicans' bill is no such thing. Not only would it result in 23 million more people lacking health insurance in a decade, but it would destabilize some states' individual health-care insurance markets for all but relatively healthy people.

According to the CBO, the current Obamacare system would result in “sufficient demand for insurance by enough people, including people with low health care expenditures, for the market to be stable in most areas.” In contrast, under the House's alternative, the CBO predicts that

about one-sixth of the population would reside “in areas in which the nongroup market would start to become unstable beginning in 2020.”

That is because some states would seek waivers from health-care market rules that would allow healthy people to segregate themselves in their own inexpensive risk pool, leaving sicker people with skyrocketing costs. “People who are less healthy (including those with preexisting or newly acquired medical conditions) would ultimately be unable to purchase comprehensive nongroup health insurance at premiums comparable to those under current law, if they could purchase it at all,” the CBO found.

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This is just one of the effects that would lead, overall, to 51 million non-elderly Americans lacking health-care coverage in 2026, rather than the 28 million who would go without under current law. The bill would hit the vulnerable especially hard: “The increase would be disproportionately larger among older people with lower income — particularly people between 50 and 64 years old,” said the CBO.

Some of the biggest losses would come from the AHCA's \$834 billion cut to Medicaid, the state-federal health-care program for the poor and near-poor. The 14 million people leaving Medicaid rolls would have to look for insurance on the individual insurance market. But that market would look very different. Some states, as noted above, would seek waivers that could destabilize their markets. In other states, the picture is only a bit brighter: Smaller subsidies to help

people buy insurance and pay out-of-pocket costs, combined with lower-quality plans being sold, would result in fewer people buying individual market coverage. Anyone who fell through the cracks would be at the mercy of whatever safety net their states put in place to catch them.

Instead of contending seriously with this analysis, some Republicans have embraced the argument of last resort, claiming that you can't trust the experts. It's true that, because the bill's effects would depend heavily on how states react, they are particularly hard to assess. But that does not mean the CBO is therefore safely ignored. The experts could, in fact, be underestimating the pain the AHCA would cause. No one, and certainly not the bill's backers, can produce more credible projections.

**The  
New York  
Times**

## Gluck : How the G.O.P. Sabotaged Obamacare

Abbe R. Gluck

Obamacare is not “collapsing under its own weight,” as Republicans are so fond of saying. It was sabotaged from the day it was enacted. And now the Republican Party should be held accountable not only for any potential replacement of the law, but also for having tried to starve it to death.

The Congressional Budget Office on Wednesday released its accounting of the House Republicans' replacement bill for the Affordable Care Act, and the numbers are not pretty: It is projected to leave 23 million more Americans uninsured over 10 years, through deep cuts to insurance subsidies and Medicaid. The report underscores how the bill would cut taxes for the rich to take health care away from the less well-off.

The A.C.A. is not perfect, and improvements to it would be welcome. But it worked in many respects and would have worked much better had Congress been a faithful guardian of the law.

It is worth making a record of those Republican saboteurs' efforts. The A.C.A.'s opponents brought a lawsuit against its requirement that people buy insurance — a

Republican idea — the very day the statute was signed into law. The Supreme Court rejected that claim. But the court gave opponents a major victory on another front, ruling that Obamacare's expansion of Medicaid was optional for states. Yet another lawsuit seized on some sloppy language in the law to make the implausible argument that Congress did not provide for the insurance subsidies on which the law depends. The Supreme Court also rejected that challenge.

But if the Republicans lost those cases, they succeeded in sowing the insurance markets with doubt and forcing states to slow down implementation while awaiting the court's decisions. That in turn may have reduced sign-ups, further destabilizing the insurance market. The second case challenging the subsidies was not decided until 2015, more than a year after the statute's critical 2014 deadline for implementation.

Even worse, these lawsuits helped make the A.C.A. the salient partisan issue of the Obama administration, turning the law into the ultimate Republican litmus test: Implementing a state insurance exchange or expanding Medicaid, even when it seemed in a state's

interest, became treasonous for the party. Nevertheless, about a dozen principled Republican governors bucked their party and expanded their programs.

In 2014, the House brought a lawsuit, arguing that a critical piece of A.C.A. funding — the cost-sharing subsidies that pay insurers to lower premiums — had not been properly appropriated. For insurers, not knowing whether that money could be cut off — President Trump is still threatening not to pay them — has caused anxiety about whether to remain in the A.C.A. markets. More than 100 other suits have been filed, including challenges to contraception provisions and the requirement that employers provide insurance.

On the political front, the Republicans targeted provisions of the law that provided crucial transitional financing to steady the insurance markets early in the program. Senator Marco Rubio of Florida, calling the money an insurance “bailout,” sponsored a measure that prevented appropriation of some of those funds. The courts have issued mixed rulings on whether the federal government must pay,

adding yet more instability to the insurance markets.

The Affordable Care Act, like any major statute, surely could use adjustments. For example, the insurance subsidies were probably set too low initially. The Obama administration's decision to allow more people to stay on their old plans than originally expected may also have narrowed the new pool of insurance customers in ways that contributed to premium hikes. The Republican-controlled House never provided any additional implementation money after the initial appropriation set forth in the Affordable Care Act itself, forcing the Department of Health and Human Services to scrounge for needed funds.

A caretaking Congress would have fixed what wasn't working. Instead, opponents did everything possible to shut off all the A.C.A.'s financing — starvation intended to wreak havoc in the insurance markets and to make it falsely appear that the A.C.A. was collapsing because it was just bad policy.

The irony is that the A.C.A. was vulnerable to this strategy because the Democrats had tried to compromise with the Republicans in

an ultimately unsuccessful effort to build bipartisan support for the law. If the Democrats had instead enacted a single-payer policy — such as Medicare for all — the entire health care system would have been in the hands of the federal government, instead of dependent on the states and private insurers.

Now the Republicans find themselves in a mess. The Affordable Care Act has brought

health care to an estimated 20 million more Americans and has expanded services — including access to drugs and preventive screening — for many more. A good number of Americans, including Republicans and the president himself, say they like elements of the law. It's not a coincidence that the Trump administration's first proposed health care regulation was aimed at stabilizing the insurance markets.

Still, Republicans are using the Affordable Care Act's so-called collapse as an argument for a much stingier law, one that would leave states responsible for paying many health care costs. Some conservatives are using the assault on the A.C.A. not to assail its novel insurance provisions — which many people like — but rather to grind an old ax against the entire Medicaid program, which was enacted in 1965 to help the poor.

As the Senate turns to its own bill, it still has time to preserve the parts of the Affordable Care Act that are working and, more importantly, strengthen those that could succeed with proper support. That would be responsible — and, indeed, is what should have happened all along.



## Bernie Sanders: Trump's budget is immoral

(CNN)The budget

introduced this week by the Trump administration constitutes nothing less than a massive transfer of wealth from working families, the elderly, children, the sick and the poor to the top 1%.

It follows in the footsteps of the Trump-Ryan health care bill, which gives massive tax breaks to the people on top, while throwing 24 million Americans off of their health insurance and dramatically raising premiums for older workers.

At a time when the very rich are already getting much richer while the middle class continues to shrink, this is a budget for the billionaire class, for Wall Street, for corporate CEOs, and for the wealthiest people in this country.

This is a budget that says that if you are the richest family in America, you will get a multi-billion-dollar tax break through the repeal of the estate tax. But, at the same time, if you are a lower income senior citizen you will not be able to get the one nutritious meal a day you now receive through the Meals on Wheels program or the help you desperately need if you have a disability and are trying to survive

on a \$1,200 a month Social Security check.

This is a budget that says that if you are the second-wealthiest family in America -- a family that has contributed many hundreds of millions to the Republican Party -- billions are also coming your way. But if you are a working-class student trying to figure out how you could possibly afford college, your dream of a college education could evaporate because of more than \$143 billion in cuts to student financial assistance programs.

This is a budget which offers you tax breaks if you are a member of the Trump family, but if you are a child of a working class family you could well lose the health insurance you currently have through the Children's Health Insurance program and massive cuts to Medicaid. At a time when we remain one of the only major countries on earth not to guarantee health care to all, this budget makes a bad situation worse in terms of health care.

When Donald Trump campaigned for president, he told the American people that he would be a different type of Republican, one who would take on the political and economic

establishment, stand up for working people, and consider the pain that families all over this country were feeling.

Sadly, this budget exposes all of that verbiage for what it really was -- cheap campaign rhetoric that was meant to get votes.

During the campaign, candidate Trump tweeted:

"I was the first & only potential GOP candidate to state there will be no cuts to Social Security, Medicare & Medicaid." But it wasn't just a tweet. It was a cornerstone of his campaign.

On April 18, 2015, Trump said: "Every Republican wants to do a big number on Social Security, they want to do it on Medicare, they want to do it on Medicaid. And we can't do that."

But now that he is President, Donald Trump has proposed a budget that would cut Social Security for people with severe disabilities, raid Medicare and gut Medicaid by more than a trillion dollars over the next decade. He has put his name on a budget which will make it harder for our children to get a decent education, harder for working families to get the health

care they desperately need, harder for families to put food on the table, harder to protect our environment, and harder for the elderly to live out their retirement years in dignity.

Let's be clear about something else: the economic theory President Trump has embraced with this budget, trickle-down economics, is an abysmal failure and a fraud.

Since Ronald Reagan and George W. Bush slashed taxes on the wealthy and deregulated Wall Street, trillions of dollars in wealth have been redistributed from the middle class and working families to a handful of millionaires and billionaires.

Today, we have more wealth and income inequality than at any time since the 1920s. The top one-tenth of 1% owns almost as much wealth as the bottom 90%. The Trump budget would make a bad situation worse by widening that gap with its trillions of cuts to social programs and gifts to the top 1%.

Trump's budget is not a moral budget and it must be soundly defeated.



## Ponnuru & Lowry: Trump & Voters -- Populism's False Start in 2016

The early Trump administration has been many things, but "populist" hasn't truly been one of them.

When you discount the tweets, the all-consuming media controversies, the drama over personnel, and the Russia investigation — granted, that's a lot of discounting — it has been a fairly conventional Republican administration on policy.

The major legislation on the agenda so far — the health-care and tax bills — is shaping up about how you'd expect in any Republican administration. Action on trade has been underwhelming. Trump pulled out of the Trans-Pacific Partnership, but Ted Cruz, too, said he opposed

the deal. (So did Hillary Clinton, for that matter.) Measures being taken against imports of Canadian timber and Chinese steel, both longtime sore spots, are well within the bounds of the policy of past administrations. Trump puts more emphasis on immigration enforcement than his primary-campaign rivals would, but the three positions that made him so distinctive on immigration — the Wall, a Muslim ban, and mass deportation — are proving more difficult to implement than he thought or were left along the wayside during the general election.

In short, the Trump administration hasn't created a new populist departure in American politics; it hasn't even — as some of us hoped

— nudged Republican policymaking in a more populist direction to better account for the interests of working-class voters. The early months of the Trump administration have proven to be populism's false start.

Why is this?

There is no Trumpist wing of Congress. The most pro-Trump faction in Congress during the election was the Freedom Caucus, which shared Trump's disdain for the Republican establishment. But the Freedom Caucus is made up of ideological conservatives concerned with limiting government, not Trumpian populists focused on the interests of the working class. When the Freedom Caucus helped bring down the initial version of the House

health-care bill, Trump briefly went after it.

Even in the White House itself, it turns out that Trumpists are only one faction. This is, in part, because there was no populist staff-in-waiting in Washington to draw on. The people in Congress with the greatest affinity for Trump-style populism were Senator Jeff Sessions of Alabama and Representative Dave Brat of Virginia, who beat Eric Cantor in a primary in an immigration-focused insurgency. Sessions, an early Trump endorser, has former staff scattered through the administration, most importantly Stephen Miller, the policy director in the White House. Otherwise there was no well of populist talent to

draw on, except a few refugees from *Breitbart*.

They haven't had the oomph or the numbers to prevail over the establishment, "globalist," or Trump-family elements in the White House. They haven't decisively lost to these other factions — Steve Bannon hasn't been ousted — but they have been more embattled than anyone would have thought a few months ago.

On top of this, the intellectual spadework hadn't been done prior to the ascent of Trumpism. There is no populist think tank on the right. The institution that is closest to Trump is the Heritage Foundation, but — as with the Freedom Caucus — this is an ideological mismatch. Heritage is perhaps the conservative think tank most devoted to policies rooted in the 1980s, making it a strange partner for a president who ran a campaign trashing the old Reaganite pieties.

The signature piece of Trumpian journalism in the campaign was Mike Anton's "Flight 93" essay, which was essentially a highly emotional case that electing Hillary Clinton would be a catastrophe. And Anton is now in the administration, which would make it impossible for him to flesh out a Trumpian populism even if he were so inclined. Talk radio is pro-Trump, but not overwhelmingly concerned with policy. *Breitbart* is a collection of, in Lionel Trilling's phrase, irritable mental gestures. The Trumpian journal *American Affairs* is playing catch-up, out with its inaugural issue about a month ago. It may be that by the time it establishes itself, assuming it does,

Trump will have wound up in a different place.

And this may be the biggest problem for Trumpism: The president himself, who recently called himself a globalist *and* a nationalist, isn't a reliable Trumpist.

Some of the core themes of his campaign could, it's true, be combined into a reasonably coherent view of government policy. A Trumpist philosophy would feature skepticism of trade, immigration, and foreign intervention, a moderate social conservatism, and support for government activism to benefit the working class. Think of it as Buchananism with less zeal for small government and less religious traditionalism.

But Trump himself shows no signs of having thought about his program in this way, or of having thought much about a program of action he would undertake as president at all. Neither he nor any of his aides put any effort into rethinking a broad range of policies to fit with his new approach. On many issues, then, he simply defaulted to the conventional Republican position. He certainly didn't build a new consensus in his party — or even among his own aides — for new positions.

If Trump were a different kind of political leader, his longstanding preoccupation with foreign trade might have moved him to develop strong convictions about the flaws of NAFTA and how to address them, or about whether designating China a currency manipulator would advance his objectives. Perhaps that kind of political leader would

not have had the visceral appeal that Trump in fact had to many people. But if he had won office, there would have been more follow-through. Trump is instead up for grabs on these issues. He has already flip-flopped on the currency question, and nobody knows whether he will really press for major changes to NAFTA.

Many Republicans, especially on the Hill, have felt only relief on seeing the party domesticate Trump. And some relief is justified. It's good that Trump isn't going to wreck NATO and that the likelihood of a trade war has declined. But Trump's failure to build a sensible conservative version of populism comes at a price: Much of the party's agenda remains defective in the very ways that contributed to Trump's rise in the first place. It is too geared toward the interests of rich people and big business, and insufficiently relevant to the challenges of today's economy.

How might Republicans — whatever their attitude toward the president himself — adapt their program to make it more responsive to contemporary concerns? They could scale back their tax cuts for the highest earners in order to provide more middle-class tax relief. They could alter their health-care bill so that it shifts more Medicaid recipients into the private insurance market and deprives fewer of them of coverage altogether. They could reduce low-skilled legal immigration in addition to ratcheting up enforcement of the laws against illegal immigration. And they could make a major push to expand educational options beyond the

traditional four-year college, notably including apprenticeships (an idea whose potential appeal to this president should not require elaboration).

This is a sketch, to be sure. Yet it still represents more thought on the question of how to match the Republican agenda to the moment than we have seen from the White House or the Congress. Republicans may be so powerful right now that they see no need for any recalibration. But their hold on power is threatened by the perception that their agenda would harm, or at least not help, most Americans. The working-class voters who supported both Obama and Trump, meanwhile, could produce more surprises. Perhaps Trump's most dedicated followers will be disillusioned and go looking for a new charismatic leader. Or perhaps Trump will find that his alliance with conservatives is lowering his public standing and end it.

Victory in November 2016 surprised most Republicans and gave them an opportunity to build a new governing majority. So far they are squandering it.

— *Ramesh Ponnuru is a senior editor of National Review. Rich Lowry is the editor of National Review. He can be reached via e-mail: [comments.lowry@nationalreview.com](mailto:comments.lowry@nationalreview.com). This article originally appeared in the May 1, 2017, issue of National Review.*

## **POLITICO** White House tries to avoid 'paralysis' amid investigation

Josh Dawsey

When a group of nearly a dozen state GOP chairs walked into the Oval Office last week, they expected to be inside for only a few minutes to say a brief hello and take pictures with President Donald Trump.

Instead, Trump spoke with them for nearly half an hour, inviting them to sit down on the couches. He wanted to know how his policies were playing among voters in their states and peppered them with questions. Among the concerns he brought up, according to several people familiar with the meeting: the Russia probe.

Story Continued Below

The expanding investigation, now under the control of special counsel Robert Mueller, has hung over Trump's every move since its announcement a week ago. Chief strategist Steve Bannon and chief of

staff Reince Priebus returned home early from Trump's tour across the Middle East and Europe in part to help put an apparatus in place to keep the president's agenda moving ahead.

"They are back trying to get this under control," said one person familiar with the internal dynamics of the White House. "Trump is not happy about all of this. Everyone knows it. They aren't sitting around working on the budget all day."

A White House spokeswoman said Bannon and Priebus returned to work on the president's legislative agenda. But the pair have held high-level meetings and phone calls with a hope of securing outside lawyers and consultants to handle what they fear will be a months- or years-long slog, according to White House officials.

Top aides have begun asking White House lawyers and outside advisers how long such a probe would take, who should hire lawyers and how to preserve evidence. Trump's legal team will be headed by his longtime attorney Marc Kasowitz, but whether other lawyers are in — or out — has become something of a parlor game in Washington.

A senior administration official described "paralysis" setting in as more of the White House's time and resources are consumed by the Russia probe. With so much energy being directed toward the investigation, this person said, it is becoming harder to see how any policy goals get accomplished.

Among legislators, as well as the president's senior staff, there is a fear that the legislative agenda will be hampered — and that Trump will be unable to focus.

"Investigations are hardly conducive to legislative agendas," said Rep. Mark Sanford, a South Carolina Republican. "It's obvious and warranted concern on the degree to which they either impede, stop or foil the legislative agenda has been ironed out with tax policy and health care reform."

But two senior administration officials said there was a desire to focus June on jobs and the economy, potentially scheduling daily events for Trump "to keep him on one message, and to keep him hammering it."

Marc Short, the White House legislative affairs director, has pushed for a daily drumbeat on the president's agenda, one person familiar with internal planning said. Short didn't respond to a request for comment Wednesday.

The White House is also preparing for months of nonstop, damaging news coverage, said one of the administration officials. Jared Kushner, the president's son-in-law, and other top officials, were angered earlier this week when New Jersey Gov. Chris Christie criticized Trump for hiring Michael Flynn as his national security adviser.

After Mueller's appointment last week, White House Counsel Don McGahn gave senior aides instructions at their morning meeting: Don't talk about the investigation. Expect guidelines for dealing with potential evidence. The White House, he told staff, still needed to learn a lot more.

"This issue is red hot and the White House needs to cool it down. The Clinton precedent is the route to take. Create an infrastructure in the counsel's office to handle it," said Ari Fleischer, the press secretary to George W. Bush. "Otherwise it will sap the energy, strength and message out of everyone else in the White House, damaging the president's ability to govern."

For White House aides, the week has proved somewhat unsettling — but "weirdly peaceful," in the words of one administration official who stayed in Washington.

Vice President Mike Pence hasn't hired a lawyer, said one person familiar with the issue, and senior White House aides have not been told to do so. At daily meetings, one administration official said, "Russia doesn't come up, and people don't seem worried."

This person said aides guess about who could be in trouble but don't know whether to hire a lawyer or not. Some people have begun searching through their old emails, this person said.

"It feels like people should be more worried to me," this person added. "No one has told me to hire a lawyer or not to hire a lawyer. So I'm not hiring one yet."

Several officials said Trump had interrupted meetings on other issues in recent weeks to talk about the investigation, and had fumed about Russia and Comey. He has committed a series of self-inflicted errors, like going against his own

administration's talking points on firing Comey, giving classified information to the Russians and then seeming to confirm that he received it from Israel in an off-the-cuff comment during his visit to Jerusalem.

Whether Trump can separate things in his obsessive mind will be the real question.

"The key to getting back on track is compartmentalizing the fights that are obviously defensive, like this Russia issue and the special counsel, with a separate team and then elevating and providing more freedom to your top staff and communicators to be proactive on the issue agenda, advancing the priorities that got you to the White House in the first place," said Kevin Madden, a former top spokesman to former Republican presidential candidate Mitt Romney and former House Speaker John Boehner.

"Putting together a comms SWAT team to provide support on the defensive stuff while the other team focuses on the legislative agenda helps everyone sharpen their focus and work more efficiently," Madden

added. "It also separates out what you can control from what you can't."

One key desire, said a White House adviser, is to keep Trump calm and away from his prized Twitter account. When Trump obsesses over an issue, one adviser said, "You aren't going to say, 'Hey, look at this, and he's just going to forget about it.'"

The night before his departure for Riyadh, Trump was scheduled to meet with Home Depot co-founder Bernie Marcus, one of his most generous campaign donors. That day, the Justice Department announced Mueller would be taking over the FBI's Russia probe.

By the time Marcus arrived in the Oval Office that evening, according to a source familiar with the conversation, he found the president so exhausted that he voluntarily suggested rescheduling.

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## Bershidsky: The U.S. Intelligence Ship Is Too Leaky To Sail

U.K. police investigating the Manchester terror attack say they have stopped sharing information with the U.S. after a series of leaks that have so angered the British government that Prime Minister Theresa May wants to discuss them with President Donald Trump during a North Atlantic Treaty Organization meeting in Brussels. What can Trump tell her, though? The leaks drive him nuts, too.

Since the beginning of this century, the U.S. intelligence services and their clients have acted as if they wanted the world to know they couldn't guarantee the confidentiality of any information that falls into their hands. At this point, the culture of leaks is not just a menace to intelligence-sharing allies. It's a threat to the intelligence community's credibility.

In 2003, President George W. Bush reportedly authorized an aide to leak highly classified intelligence on Iraq to The New York Times to support his decision to go to war. It was an early indication that leaks would be used for political purposes and that U.S. political leaders would consider it par for the course.

Then, in 2010, WikiLeaks began releasing U.S. intelligence data, including an Army Counterintelligence Center report on how to stop the release of secret documents on WikiLeaks. That

didn't stop Julian Assange's website from releasing secret data provided by Bradley (now Chelsea) Manning and, in 2013, by National Security Agency contractor Edward Snowden -- two of the biggest troves of secret material the public has ever seen.

In 2010, China began wrapping up the Central Intelligence Agency's asset network there. The agents disappeared or died one after another for the next several years. The CIA never quite figured out how the Chinese found out: It could have been a mole, or they could have hacked a communication channel. Five years later, Chinese hackers stole data about millions of U.S. government employees.

In 2012, CIA chief David Petraeus resigned after it came out that he'd leaked classified information to his lover and biographer, Paula Broadwell.

In 2016, the U.S. intelligence services accused the Russian government of hacking the presidential election campaign, in particular the Democratic Party's. After Trump won the election, leaks intensified to a frenzy, with unnamed former and current intelligence officials talking daily to the press about the Trump campaign's contacts with Russians. Overheard telephone conversations with the Russian ambassador proved to be the downfall of

National Security Adviser Michael Flynn. At the same time, NSA hacking tools were published online by a hacking group (leading to a recent WannaCry ransomware attack, which used a Windows vulnerability found in that trove), and WikiLeaks revealed a less advanced but still effective CIA hacking arsenal.

The leakorama has grown bizarre lately. Intelligence sources leaked the allegation that Trump leaked sensitive intelligence data related to Islamic State to Russian Foreign Minister Sergei Lavrov, without revealing what exactly Trump said. The next day, someone leaked the information leaked by Trump had come from Israel. Trump, on a trip to Israel, told reporters that he'd never "mentioned the word Israel" to the Russians, denying something no one ever accused him of doing.

Trump has railed against the leaks privately (that has leaked out, of course) and on Twitter, but he has been unable to stop it. All he can do is join the ranks of leakers and do what Bush did, firing his own salvos in the anonymous war.

If this history has taught the U.S. intelligence community anything, it's that leaking classified information isn't particularly dangerous and those who do it largely enjoy impunity. Manning spent seven years in prison (though she'd been sentenced to 35), but Snowden,

Assange, Petraeus, the unknown Chinese mole, the people who stole the hacking tools and the army of recent anonymous leakers, many of whom probably still work for U.S. intelligence agencies, have escaped any kind of meaningful punishment.

If no one gets punished for leaking, why not give classified information to the media just for fun? The Manchester leaks -- the name of the terrorist, which the U.K. authorities hadn't been able to release, and gory pictures from the scene of the attack -- seem to fall into that category. The U.S. intelligence officials who provided that information to reporters had nothing to gain by doing it. They were just bragging they knew stuff.

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This, of course, is not how intelligence services normally operate. After the Cambridge spy ring rendered the U.K.'s MI5 and MI6 transparent to Soviet intelligence for a while, the two services engaged in a massive cover-up to avoid embarrassment. But the U.S. intelligence community doesn't mind serving as the world's biggest provider of sensational story ideas to the media. It doesn't act embarrassed, though the leaks

mean it's been thoroughly thrashed by rivals such as China and Russia, and it hasn't gone on lockdown to look for people within its ranks who appear to believe in the unlimited freedom of information, as long as it's anonymous.

**The  
New York  
Times**

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LOS ANGELES — The environmental ministers of Canada and Mexico went to San Francisco last month to sign a global pact — drafted largely by California — to lower planet-warming greenhouse pollution. Gov. Jerry Brown flies to China next month to meet with climate leaders there on a campaign to curb global warming. And a battery of state lawyers is preparing to battle any attempt by Washington to weaken California's automobile pollution emission standards.

As President Trump moves to reverse the Obama administration's policies on climate change, California is emerging as the nation's de facto negotiator with the world on the environment. The state is pushing back on everything from White House efforts to roll back pollution rules on tailpipes and smokestacks, to plans to withdraw or weaken the United States' commitments under the Paris climate change accord.

In the process, California is not only fighting to protect its legacy of sweeping environmental protection, but also holding itself out as a model to other states — and to nations — on how to fight climate change.

"I want to do everything we can to keep America on track, keep the world on track, and lead in all the ways California has," said Mr. Brown, who has embraced this fight as he enters what is likely to be the final stretch of a 40-year career in California government. "We're looking to do everything we can to advance our program, regardless of whatever happens in Washington."

Since the election, California has stood as the leading edge of the Democratic resistance to the Trump administration, on a range of issues including immigration and health care. Mr. Trump lost to Hillary Clinton here by nearly four million votes. Every statewide elected official is a Democrat, and the party controls both houses of the Legislature by a two-thirds margin. Soon after Mr. Trump was elected, Democratic legislative leaders hired Eric H. Holder Jr., the former attorney general, to represent

Allies of the U.S. won't always be as open about withholding information as the British police have been. They will withhold it quietly, and they won't leak those decisions to the press.

California in legal fights with the administration.

But of all the battles it is waging with Washington, none have the global implications of the one over climate change.

The aggressive posture on the environment has set the stage for a confrontation between the Trump administration and the largest state in the nation. California has 39 million people, making it more populous than Canada and many other countries. And with an annual economic output of \$2.4 trillion, the state is an economic powerhouse and has the sixth-largest economy in the world.

California's efforts cross party lines. Arnold Schwarzenegger, who served as governor from 2003 to 2011, and led the state in developing the most aggressive pollution-control programs in the nation, has emerged as one of Mr. Trump's biggest Republican critics.

Mr. Trump and his advisers appear ready for the fight.

Scott Pruitt, the Environmental Protection Agency chief, whom Mr. Trump has charged with rolling back Obama-era environmental policies, speaks often of his belief in the importance of federalism and states' rights, describing Mr. Trump's proposals as a way to lift the oppressive yoke of federal regulations and return authority to the states. But of Mr. Brown's push to expand California's environmental policies to the country and the world, Mr. Pruitt said, "That's not federalism — that's a political agenda hiding behind federalism."

"Is it federalism to impose your policy on other states?" Mr. Pruitt asked in a recent interview in his office. "It seems to me that Mr. Brown is being the aggressor here," he said. "But we expect the law will show this."

In one of his earliest strikes, Mr. Trump signed an executive order aimed at dismantling the Clean Power Plan, President Barack Obama's signature climate policy change. Much of the plan, which Mr. Trump denounced as a "job killer," was drawn from environmental policies pioneered in California.

The media has lapped up the leaks; reporters and their readers in the U.S. are used to trusting and respecting the intelligence agencies. But in the current unusual situation, reporters are the last line of defense. What if we're spreading

Mr. Brown has long been an environmental advocate, including when he first served as governor in the 1970s. He has made this a central focus as he enters his final 18 months in office. In an interview, he said the president's action was "a colossal mistake and defies science."

"Erasing climate change may take place in Donald Trump's mind, but nowhere else," Mr. Brown said.

The leadership role embraced by California goes to the heart of what has long been a central part of its identity. For more than three decades, California has been at the vanguard of environmental policy, passing ambitious, first-in-the-nation measures on pollution control and conservation that have often served as models for national and even international environmental law.

"With Trump indicating that he will withdraw from climate change leadership, the rest of the global community is looking to California, as one of the world's largest economies, to take the lead," said Mario Molina, a Nobel Prize-winning scientist from Mexico who advises nations on climate change policy. "California demonstrates to the world that you can have a strong climate policy without hurting your economy."

The Senate leader, Kevin de Leon, introduced legislation this month that would accelerate, rather than retrench, California's drive to reduce emissions, requiring that 100 percent of retail electricity in the state come from renewable sources by 2045. Mr. de Leon said it was "important that we send a signal to the rest of the world" at a time of what he described as "blowback" from Washington.

Mr. Schwarzenegger, who tangled with Mr. Trump after the president mocked him for receiving low ratings as his replacement on "The Apprentice," described Mr. Trump's environmental policies as a threat to the planet.

"Saying you'll bring coal plants back is the past," Mr. Schwarzenegger said. "It's like saying you'll bring Blockbuster back, which is the past. Horses and buggies, which is the past. Pagers back, which is the past."

lies, and what if we're putting people in danger by publishing what these anonymous sources tell us?

He said California had shown it could adopt aggressive environmental policies without hurting the economy. "We're outdoing the rest of the country on G.D.P.," Mr. Schwarzenegger said.

Even before Mr. Trump took office, California's tough regulatory rules had stirred concern among business leaders, who said it had increased their costs. They warned that the situation would become worse if California stood by its regulatory rules while Washington moved in the other direction.

"We're very concerned about that," said Robert C. Lapsley, the president of the California Business Roundtable. "If we are 1 percent of the problem, and we have the most far-reaching climate policies on the planet while all the other states are slowing down because Washington is slowing down, that is going to create an absolute imbalance."

"Washington will create a less competitive environment for California businesses here because businesses in other states will not have to meet the same mandates," he added. "There is no question that businesses are going to move out."

The precise contours of this battle will become clear in the months ahead, as Mr. Trump's environmental policies take shape. For now, the critical questions are whether the United States will withdraw from the Paris agreement, an international compact to reduce greenhouse pollution, and whether the Environmental Protection Agency will revoke a waiver issued by President Richard M. Nixon that permits California to set fuel economy standards exceeding federal requirements.

Revoking the waiver, which was central to a policy that has resulted in noticeably cleaner air in places like Los Angeles, would force the state to lower its tough fuel economy standards, which are also intended to promote the rapid spread of electric cars. As they stand, the rules would force automakers to build fleets of cars that would reach 54.5 miles per gallon by 2025.

California is preparing for a legal challenge. "You have to be concerned when anybody talks about going backward," said Xavier



Becerra, the state attorney general. "In this case we think we have a strong case to be made based on the facts and the history."

Mr. Trump is already moving to weaken federal auto emission standards that were influenced by California's tougher standards. Automakers, who met with the president in the Oval Office days after he assumed the presidency, have long complained that the standards forced them to build expensive electric vehicles that consumers may not want.

And the companies have lobbied for years to stop the federal government from allowing California to set cleaner tailpipe regulations than the rest of the nation, arguing that the double standard necessitates building two types of cars. In Detroit, those companies see President Trump as their best chance for finally ending onerous California car requirements. But in the meantime, over a dozen other states have adopted California's auto emissions standards — and Mr. Brown is betting that the sheer size of that market will be enough to make the Trump administration reconsider any effort to roll back the California waiver.

"Because we're such a big part of the car market, and places like New York and Massachusetts are tied in

with the U.S., our standard will prevail," he said.

Beyond pushing to maintain its state climate laws, California has tried to forge international climate pacts. In particular, Mr. Brown's government helped draft and gather signatures for a memorandum of understanding whose signers, including heads of state and mayors from around the world, pledged to take actions to lower emissions enough to keep global temperatures from rising over two degrees Celsius. That is the point at which scientists say the planet will tip into a future of irreversible rising seas and melting ice sheets.

That pact is voluntary, but California, Canada and Mexico are starting to carry out a joint policy with some teeth.

California's signature climate change law is the cap-and-trade program. It places a statewide cap on planet-warming carbon dioxide emissions, and then allows companies to buy and sell pollution credits. The California measure was the model for a national climate law that Mr. Obama tried unsuccessfully to have passed in 2010.

Given the setbacks in Washington, California environmental officials are working with Mexico and Canada to create what is informally called the "Nafta" of climate change

— a carbon-cutting program that spans the region.

"Canada's all in when it comes to climate action, and we'll partner with anyone who wants to move forward," said Catherine McKenna, Canada's environment minister.

Already, California's cap-and-trade market is connected to a similar one in Quebec, now valued at about \$8 billion, and the Province of Ontario is linking with the joint California-Quebec market this year. Climate policy experts in Sacramento and Mexico City are in the early stages of drafting a plan to link Mexico with that joint market.

In April, a delegation from California traveled to Beijing to meet with Chinese counterparts to help them craft a cap-and-trade plan. "We have people working in China, in their regulatory agencies, consulting with them, speaking fluent Mandarin, working with the Chinese government — giving them advice on cap and trade," Mr. Brown said.

The Clean Power Plan was central to the United States' pledge under the 2015 Paris agreement, which commits the nation to cut its emissions about 26 percent from 2005 levels by 2025. Now that Mr. Trump has moved to roll back the plan, it will be almost impossible for the United States to meet its Paris commitments.

That has resonated powerfully in China. The heart of the Paris agreement was a 2014 deal forged by Mr. Obama and President Xi Jinping of China in which the world's two largest economies and largest greenhouse polluters agreed to act jointly to reduce their emissions.

"China is committed to establishing a cap-and-trade this year, and we are looking for expertise across the world as we design our program — and we are looking closely at the California experience," said Dongquan He, a vice president of Energy Foundation China, an organization that works with the Chinese government on climate change issues.

Mr. Brown recently met with the prime minister of Fiji, who will serve as chairman of this fall's United Nations climate change meeting in Bonn, Germany, which aims to put the Paris agreement in force, with or without the United States. The governor said he planned to attend as a representative of his state.

"We may not represent Washington, but we will represent the wide swath of American people who will keep the faith on this," he said.

**The  
New York  
Times**

## Editorial : The White House's Aversion to Ethical Scrutiny

It takes a serious commitment to incompetence and deception to spawn as many ethical and legal concerns as the Trump administration has in just four months. The misbehavior by White House officials in the past few days has been impressive even by Trumpian standards. They've tried to raise doubts about the independence of the special counsel investigating the Trump campaign's ties to Russia. And they've stonewalled efforts by the Office of Government Ethics to identify conflicts of interest in the administration.

Take first the ethics issue. In January, Mr. Trump signed an executive order banning appointees who had been lobbyists or lawyers from working on policy or regulatory issues they were once paid to influence, for two years. Unfortunately, that order allowed the president or a designee to secretly waive these restrictions. In the Obama administration, any such waivers were made public, with a detailed explanation. Otherwise, it would be impossible for the public to know who was violating the

lobbying rules, and who received permission to ignore them.

Confronted with multiple examples of former lobbyists working on the exact issues they once lobbied on, the ethics office last month directed the White House and federal agencies to provide, by June 1, copies of any waivers.

In a letter to Walter Shaub Jr., who directs the office, and to ethics officers in federal agencies, the White House challenged Mr. Shaub's legal authority to make the request. The letter came from Mick Mulvaney, director of the Office of Management and Budget, which has no jurisdiction over the government ethics program. His effort centers on whether the White House is a "federal agency," subject to ethics rules. But Mr. Mulvaney went further, maintaining, contrary to the Ethics in Government Act, that the ethics office has no authority to demand information on waivers from federal agencies. Since his office helps control the agencies' funding, some interpreted that as an effort to intimidate them into keeping their waivers secret, too.

The ethics office was created after Watergate. A White House has never actively worked against it in this way. Mr. Shaub, whose five-year term ends in January, refuses to back down. He told agency ethics officers that contrary to what the White House says, they are legally required to provide details of the waivers to his office. Late on Monday, he sent a rocket of a letter to Mr. Mulvaney. His office's job, he wrote, is "to lead the executive branch ethics program with independence, free from political pressure. Accordingly, OGE declines your request to suspend its ethics inquiry and reiterates its expectation that agencies will fully comply with its directive by June 1, 2017. Public confidence in the integrity of government decision-making demands no less."

So will the White House bend? Or will Mr. Trump fire another independent official for excess loyalty to the law?

Meanwhile, back at the White House, Mr. Trump's legal team sought legal cover to stymie Robert Mueller III, special counsel in the Russia investigation, by claiming Mr. Mueller needed the same type

of waiver that the White House has been trying to hide. It said that because he worked at WilmerHale, the law firm that represents two major figures in the inquiry — Jared Kushner, Mr. Trump's son-in-law and senior adviser, and Paul Manafort, his former campaign chairman — he could not investigate them.

Mr. Trump's own Justice Department disagreed, saying on Tuesday that its ethics experts "determined that Mr. Mueller's participation in the matters assigned to him is appropriate." Mr. Mueller did not represent Mr. Kushner nor Mr. Manafort while at WilmerHale, a firm that employs 300 lawyers in Washington and 1,200 globally. Nor was Mr. Mueller privy to any confidential information about their cases, a state of affairs that satisfies both District of Columbia and federal rules.

Why would White House lawyers pursue such a baseless line of attack? "They're trying to use the ethics rules to fire a special prosecutor," Richard Painter, chief ethics lawyer in the George W. Bush White House, said. "That's insane." If the Bush administration

had told him to concoct legal and legal inquiries in this way, Mr. justifications for evading ethics rules Painter said, "I'd have quit."